

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
AS OF APRIL 30, 2022

ASSETS

Unrestricted Funds		
Operating Account	390,556.67	
Money Market Account	67,647.00	
ICS Account	81.91	
DDM Marketplace Sweep Account	633,773.12	
Lockbox Account	2,151.40	
Total Unrestricted Funds	<u>1,094,210.10</u>	
Restricted Funds		
Restricted Cash (PPA Collateral)	1,680,000.00	
SCE FSR Letter of Credit Collateral	147,000.00	
Total Restricted Funds	<u>1,827,000.00</u>	
Total Cash		2,921,210.10
Accounts Receivable		
Southern California Edison	5,232,559.31	
Southern California Edison (Escrow Account) ⁽¹⁾	3,639,369.17	
Total Accounts Receivable		8,871,928.48
Accrued Accounts Receivable		1,343,375.05
Allowance for Doubtful Accounts ⁽²⁾		(1,495,129.02)
TOTAL ASSETS		<u>11,641,384.61</u>

LIABILITIES

Current Liabilities

Accounts Payable		
Ace Printing	1,236.27	
Best, Best & Krieger LLP	25,149.84	
Burke Rix Communications	11,931.66	
Calpine Energy Solutions LLC	43,840.30	
Coachella Hills Wind LLC	26,031.94	
Donald D. Dame	2,712.50	
River City Bank	6,839.89	
The Energy Authority	2,548,081.50	
Vesper Energy	226,327.85	
Total Accounts Payable		2,892,151.75
Accrued Accounts Payable		
SoCal Edison NEB Charges	72,461.00	
Total Accrud Accounts Payable		72,461.00
Due to Other Governments		
Coachella Valley Association of Governments	458,311.78	
Utility Users Tax- Palm Springs	598,835.36	
Electric Energy Surcharge (CDTFA)	9,239.82	
Total Due to Other Governments		1,066,386.96
Total Current Liabilities		<u>4,030,999.71</u>

Non Current Liabilities

PPA Collateral		
Terra-Gen (expires 01.01.2023)	1,680,000.00	
Total PPA Collateral		1,680,000.00
Loans Payable (long term)		
River City Bank Line of Credit (expires 02.01.2025)	4,242,847.94	
Total Loans Payable		4,242,847.94
Total Non Current Liabilities		<u>5,922,847.94</u>
TOTAL LIABILITIES		<u>9,953,847.65</u>

NET POSITION

Restricted Net Position		147,000.00
Unrestricted Net Position		<u>1,540,536.96</u>
TOTAL NET POSITION		<u>1,687,536.96</u>
TOTAL LIABILITIES AND NET POSITION		<u>11,641,384.61</u>

(1) Net Energy Metering customers' usage is monitored on a monthly basis, recorded in an escrow account and true-up at the end of each customer's relevant period (May 2022).

- If the NEM customer generated more electricity than used, DCE will pay the NET balance at the end of May 2022 at DCE's approved Net Surplus Compensation Rate; if the NEM customer used more electricity than generated, DCE will bill the net annual balance at the customer's metered rate.

(2) California Arrearage Payment Program (CAPP) allocated \$609,655 for COVID-19 bill relief to credit customer accounts and fund DCE.

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE PERIOD FROM JULY 1, 2021 TO APRIL 30, 2022

<u>REVENUES</u>		
Electricity Sales ⁽¹⁾		33,981,940.28
Carbon Free	28,885,974.61	
Carbon Free- CARE/FERA	1,716,686.82	
Desert Saver	3,379,278.85	
Other Revenue ⁽²⁾		1,582,045.10
Investment Income		3,326.59
TOTAL REVENUES		<u>35,567,311.97</u>

<u>EXPENSES</u>		
Cost of Electricity		
Electricity Purchase	22,739,956.13	
Resource Adequacy	6,132,751.25	
Low Carbon Settlement	2,381,000.00	
Renewable Energy Credit Settlement	1,171,190.75	
Market Charges	3,380,779.93	
Total Cost of Electricity		35,805,678.06
Accounting / Bank Services		31,638.14
Legal Services		68,655.50
Professional Services		
AJ Gallagher & Co Insurance	350.00	
Brown & Riding Insurance	116.25	
Davis Farr LLP	5,450.00	
PFM Financial Advisors	3,420.00	
SOCAL Edison	56,513.32	
Total Professional Services		65,849.57
Insurance		7,793.25
Consultants		
Calpine Energy Solutions	387,990.45	
Don Dame	19,409.25	
White Rabbit Group	1,950.00	
The Energy Authority	991,013.36	
CVAG	467,989.99	
Total Consultants		1,868,353.05
Outreach		
Burke Rix Communications	39,781.75	
Total Outreach		39,781.75
Postage		14,787.25
Printing		17,125.37
Social Programs		21,899.00
Technology Costs		1,885.93
Registrations/Memberships		
Western Electricity Coordinating Council	125.00	
CA Community Choice Association	84,494.50	
Total Registrations/Memberships		84,619.50
Bad Debt Expense		1,019,477.06
Interest Expense		107,092.92
TOTAL EXPENSES		<u>39,154,636.35</u>
Excess of Revenues over Expenses		(3,587,324.38)
Net Position - Beginning of the Period		<u>5,274,861.34</u>
Net Position - End of the Period		<u>1,687,536.96</u>

(1) Electricity sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed.

(2) Includes \$609,655 from California Arrearage Payment Program (CAPP) allocation for COVID-19 bill relief.

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
AS OF APRIL 30, 2022

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
ASSETS			
Unrestricted Funds			
Operating Account	-	390,556.67	390,556.67
Money Market Account	67,647.00	-	67,647.00
ICS Account	81.91	-	81.91
DDM Marketplace Sweep Account	633,773.12	-	633,773.12
Lockbox Account	3,143,669.20	(3,141,517.80)	2,151.40
Total Unrestricted Funds	3,845,171.23	(2,750,961.13)	1,094,210.10
Restricted Funds			
Restricted Cash (PPA Collateral)	-	1,680,000.00	1,680,000.00
SCE FSR Letter of Credit Collateral	147,000.00	-	147,000.00
Total Restricted Funds	147,000.00	1,680,000.00	1,827,000.00
Total Cash	3,992,171.23	(1,070,961.13)	2,921,210.10
Accounts Receivable			
Southern California Edison	-	5,232,559.31	5,232,559.31
Southern California Edison (Escrow Account) ⁽¹⁾	-	3,639,369.17	3,639,369.17
Total Accounts Receivable	-	8,871,928.48	8,871,928.48
Accrued Accounts Receivable	-	1,343,375.05	1,343,375.05
Allowance for Doubtful Accounts ⁽²⁾	-	(1,495,129.02)	(1,495,129.02)
TOTAL ASSETS	3,992,171.23	7,649,213.38	11,641,384.61
LIABILITIES			
Accounts Payable			
Ace Printing	618.14	618.14	1,236.27
Best, Best & Kreiger LLP	6,287.46	18,862.38	25,149.84
Burke Rix Communications	-	11,931.66	11,931.66
CA Dept of Tax and Fee Administration	-	-	-
Calpine Energy Solutions LLC	-	43,840.30	43,840.30
Coachella Hills Wind LLC	-	26,031.94	26,031.94
Donald D. Dame	678.13	2,034.38	2,712.50
Davis Farr LLP	-	-	-
Palm Springs	-	-	-
River City Bank	6,839.89	-	6,839.89
The Energy Authority	-	2,548,081.50	2,548,081.50
Vesper Energy	-	226,327.85	226,327.85
Total Accounts Payable	14,423.61	2,877,728.14	2,892,151.75
Accrued Accounts Payable			
So Cal Edison	-	72,461.00	72,461.00
Total Accounts Payable	-	72,461.00	72,461.00
Due to Other Governments			
Coachella Valley Association of Governments	114,577.95	343,733.84	458,311.78
Utility Users Tax- Palm Springs	-	598,835.36	598,835.36
Electric Energy Surcharge (CDTFA)	-	9,239.82	9,239.82
Total Due to Other Governments	114,577.95	951,809.02	1,066,386.96
PPA Collateral			
Terra-Gen	-	1,680,000.00	1,680,000.00
Total PPA Collateral	-	1,680,000.00	1,680,000.00
Loans Payable (long term)			
River City Bank Line of Credit (expires 02.01.2025)	-	4,242,847.94	4,242,847.94
Total Loans Payable	-	4,242,847.94	4,242,847.94
TOTAL LIABILITIES	129,001.56	9,824,846.10	9,953,847.65
NET POSITION			
Restricted Net Position	147,000.00	-	147,000.00
Unrestricted Net Position	3,716,169.68	(2,175,632.72)	1,540,536.96
Net Position	3,863,169.68	(2,175,632.72)	1,687,536.96
TOTAL LIABILITIES AND NET POSITION	3,992,171.23	7,649,213.38	11,641,384.61

(1) Net Energy Metering customers' usage is monitored on a monthly basis, recorded in an escrow account and true-up at the end of each customer's relevant period (May 2022).
- If the NEM customer generated more electricity than used, DCE will pay the NET balance at the end of May 2022 at DCE's approved Net Surplus Compensation Rate; if the NEM customer used more electricity than generated, DCE will bill the net annual balance at the customer's metered rate.

(2) California Arrearage Payment Program (CAPP) allocated \$609,655 for COVID-19 bill relief to credit customer accounts and fund DCE.

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	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
REVENUES			
Electricity Sales ⁽¹⁾	-	33,981,940.28	33,981,940.28
Other Revenue ⁽²⁾	-	1,582,045.10	1,582,045.10
Investment Income	3,326.59	-	3,326.59
TOTAL REVENUES	3,326.59	35,563,985.38	35,567,311.97
EXPENSES			
Cost of Electricity			
Electricity Purchase	-	22,739,956.13	22,739,956.13
Resource Adequacy	-	6,132,751.25	6,132,751.25
Renewable Energy Credit Settlement	-	1,171,190.75	1,171,190.75
Market Charges	-	3,380,779.93	3,380,779.93
Total Cost of Electricity	-	35,805,678.06	35,805,678.06
Accounting / Bank Services	15,819.07	15,819.07	31,638.14
Legal Services	17,163.88	51,491.63	68,655.50
Professional Services			
AJ Gallagher & Co Insurance	175.00	175.00	350.00
Brown & Riding Insurance	58.13	58.13	116.25
Davis Farr LLP	1,362.50	4,087.50	5,450.00
PFM Financial Advisors LLC	1,710.00	1,710.00	3,420.00
SOCAL Edison	-	56,513.32	56,513.32
Total Professional Services	3,305.63	62,543.95	65,849.57
Insurance			
Total Insurance	3,896.63	3,896.63	7,793.25
Consultants			
Calpine Energy Solutions	96,997.61	290,992.84	387,990.45
Don Dame	-	19,409.25	19,409.25
White Rabbit Group	975.00	975.00	1,950.00
The Energy Authority	-	991,013.36	991,013.36
CVAG	233,995.00	233,995.00	467,989.99
Total Consultants	331,967.61	1,536,385.44	1,868,353.05
Outreach			
Burke Rix Communications	-	39,781.75	39,781.75
Total Outreach	-	39,781.75	39,781.75
Postage			
Ace Printing	7,393.63	7,393.63	14,787.25
Total Printing	7,393.63	7,393.63	14,787.25
Printing			
Ace Printing	8,562.69	8,562.69	17,125.37
Total Printing	8,562.69	8,562.69	17,125.37
Social Programs	-	21,899.00	21,899.00
Technology Costs	942.97	942.97	1,885.93
Registrations/Memberships			
Western Renewable Energy Generation Information System (WREGIS)	-	125.00	125.00
CA Community Choice Association	21,123.63	63,370.88	84,494.50
Total Registration/Memberships	21,123.63	63,495.88	84,619.50
Bad Debt	-	1,019,477.06	1,019,477.06
Interest Expense	-	107,092.92	107,092.92
TOTAL EXPENSES	410,175.70	38,744,460.65	39,154,636.35
Excess of Revenues over Expenses	(406,849.11)	(3,180,475.27)	(3,587,324.38)
Net Position - Beginning of the Period	4,270,018.79	1,004,842.55	5,274,861.34
Net Position - End of the Period	3,863,169.68	(2,175,632.72)	1,687,536.96

(1) Electricity sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed

(2) Includes \$609,655 from California Arrearage Payment Program (CAPP) allocation for COVID-19 bill relief.