

**DESERT COMMUNITY ENERGY**  
**UNAUDITED FINANCIAL STATEMENTS**  
**STATEMENT OF NET POSITION WITH PRIOR YEAR COMPARISON**  
**AS OF MAY 31, 2022**

	<u>FY2021/2022</u>	<u>FY2020/2021</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>				
Unrestricted Funds				
Operating Account	200,000.00	54,858.21	145,141.79	264.58%
Money Market Account	67,874.45	55,225.54	12,648.91	22.90%
ICS Account	1.72	818,169.39	(818,167.67)	-100.00%
DDM Marketplace Sweep Account	171,450.79	-	171,450.79	100.00%
Lockbox Account	406,734.98	528,055.81	(121,320.83)	-22.98%
Total Unrestricted Funds	<u>846,061.94</u>	<u>1,456,308.95</u>	<u>(610,247.01)</u>	<u>-41.90%</u>
Restricted Funds				
Restricted Cash (PPA Collateral)	1,680,000.00	1,680,000.00	-	0.00%
Money Market Account	-	-	-	100.00%
SCE FSR Letter of Credit Collateral	147,000.00	147,000.00	-	0.00%
Debt Service Reserve Account	-	200,000.00	(200,000.00)	-100.00%
Total Restricted Funds	<u>1,827,000.00</u>	<u>2,027,000.00</u>	<u>(200,000.00)</u>	<u>-9.87%</u>
Total Cash	2,673,061.94	3,483,308.95	(810,247.01)	-23.26%
Accounts Receivable				
Southern California Edison	4,865,967.98	3,131,207.67	1,734,760.31	55.40%
Southern California Edison (Escrow Account) <sup>(1)</sup>	3,613,974.35	2,719,285.63	894,688.72	32.90%
Coachella Hills Wind	53,807.72	-	53,807.72	100.00%
Total Accounts Receivable	<u>8,533,750.05</u>	<u>5,850,493.30</u>	<u>2,683,256.75</u>	<u>45.86%</u>
Accrued Accounts Receivable	2,090,371.08	1,402,623.79	687,747.29	49.03%
Allowance for Doubtful Accounts <sup>(2)</sup>	(1,617,954.85)	(563,282.41)	(1,054,672.44)	187.24%
Deposits/Bonds				
- CA ISO	-	100,000.00	(100,000.00)	-100.00%
Total Deposits/Bonds	<u>-</u>	<u>100,000.00</u>	<u>(100,000.00)</u>	<u>-100.00%</u>
<b>TOTAL ASSETS</b>	<b><u>11,679,228.22</u></b>	<b><u>10,273,143.63</u></b>	<b><u>1,406,084.59</u></b>	<b><u>13.69%</u></b>
<b>LIABILITIES</b>				
Accounts Payable				
Ace Printing	1,495.64	-	1,495.64	100.00%
Best, Best & Krieger LLP	39,614.84	-	39,614.84	100.00%
Burke Rix Communications	8,504.12	3,263.75	5,240.37	160.56%
California Choice Energy Authority	15,965.83	-	15,965.83	100.00%
Calpine Energy Solutions LLC	44,015.10	97,351.05	(53,335.95)	-54.79%
Donald D. Dame	2,259.25	2,971.50	(712.25)	-23.97%
River City Bank	9,989.00	-	9,989.00	100.00%
The Energy Authority	2,265,767.81	1,555,716.99	710,050.82	45.64%
Vesper Energy	40,536.55	-	40,536.55	100.00%
White Rabbit Group	-	1,150.00	(1,150.00)	-100.00%
Total Accounts Payable	<u>2,428,148.14</u>	<u>1,660,453.29</u>	<u>767,694.85</u>	<u>46.23%</u>
Accrued Accounts Payable				
SoCal Edison NEB Charges	78,064.00	699.87	77,364.13	11054.07%
Total Accrued Accounts Payable	<u>78,064.00</u>	<u>699.87</u>	<u>77,364.13</u>	<u>11054.07%</u>
Due to Other Governments				
Coachella Valley Association of Governments	505,091.20	-	505,091.20	100.00%
Utility Users Tax- Palm Springs	272,685.70	264,364.15	8,321.55	3.15%
Electric Energy Surcharge (CDTFA)	19,597.43	19,993.76	(396.33)	-1.98%
Total Due to Other Governments	<u>797,374.33</u>	<u>284,357.91</u>	<u>513,016.42</u>	<u>180.41%</u>
Other Current Liability				
Loans Payable Short-Term	-	1,503,125.00	(1,503,125.00)	-100.00%
Vendor security deposits	-	165,000.00	(165,000.00)	-100.00%
Total Other Current Liability	<u>-</u>	<u>1,668,125.00</u>	<u>(1,668,125.00)</u>	<u>-100.00%</u>
Total Current Liabilities	3,303,586.47	3,613,636.07	(310,049.60)	-8.58%
<b>Non Current Liabilities</b>				
PPA Collateral				
Terra-Gen (expires 01.01.2023)	1,680,000.00	1,680,000.00	-	-100.00%
Total PPA Collateral	<u>1,680,000.00</u>	<u>1,680,000.00</u>	<u>-</u>	<u>-100.00%</u>
Loans Payable (long term)				
River City Bank Line of Credit (expires 02.01.2025)	3,400,000.00	-	3,400,000.00	100.00%
Total Loans Payable	<u>3,400,000.00</u>	<u>-</u>	<u>3,400,000.00</u>	<u>100.00%</u>
Total Non Current Liabilities	5,080,000.00	1,680,000.00	3,400,000.00	202.38%
<b>TOTAL LIABILITIES</b>	<b><u>8,383,586.47</u></b>	<b><u>5,293,636.07</u></b>	<b><u>3,089,950.40</u></b>	<b><u>58.37%</u></b>
<b>NET POSITION</b>				
Restricted Net Position	147,000.00	147,000.00	-	0.00%
Unrestricted Net Position	3,148,641.75	4,832,507.56	(1,683,865.81)	-34.84%
<b>TOTAL NET POSITION</b>	<b><u>3,295,641.75</u></b>	<b><u>4,979,507.56</u></b>	<b><u>(1,683,865.81)</u></b>	<b><u>-33.82%</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>11,679,228.22</u></b>	<b><u>10,273,143.63</u></b>	<b><u>1,406,084.59</u></b>	<b><u>13.69%</u></b>

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

(2) \$609,655 for the California Arrearage Payment Program (CAPP) allocation for COVID-19 bill relief has been credited to customer accounts and funds disbursed to DCE.

**DESERT COMMUNITY ENERGY**  
**UNAUDITED FINANCIAL STATEMENTS**  
**REVENUES, EXPENSES, AND CHANGES IN NET POSITION WITH PRIOR YEAR COMPARISON**  
**FOR THE PERIOD FROM JULY 1, 2021 TO MAY 31, 2022**

	<u>FY2021/2022</u>	<u>FY2020/2021</u>	<u>\$ Change</u>	<u>% Change</u>
<b>REVENUES</b>				
Electricity Sales <sup>(1)</sup>	38,076,134.77	31,478,947.24	6,597,187.53	20.96%
Carbon Free	32,312,127.05	25,532,596.12	6,779,530.93	0.27
Carbon Free- CARE/FERA	1,719,093.94	3,585,066.84	(1,865,972.90)	(0.52)
Desert Saver	4,044,913.78	2,361,284.28	1,683,629.50	0.71
Other Revenue <sup>(2)</sup>	1,759,605.16	826,371.89	933,233.27	112.93%
Investment Income	3,602.23	13,569.69	(9,967.46)	-73.45%
<b>TOTAL REVENUES</b>	<b><u>39,839,342.16</u></b>	<b><u>32,318,888.82</u></b>	<b><u>7,520,453.34</u></b>	<b><u>23.27%</u></b>
<b>EXPENSES</b>				
Cost of Electricity				
Electricity Purchase	24,076,003.13	16,388,134.50	7,687,868.63	46.91%
Resource Adequacy	6,597,321.25	6,261,892.20	335,429.05	5.36%
Low Carbon Settlement	2,381,000.00	1,393,690.00	987,310.00	70.84%
Renewable Energy Credit Settlement	1,234,800.25	3,023,732.00	(1,788,931.75)	-59.16%
Market Charges	3,832,678.83	5,184,069.91	(1,351,391.08)	-26.07%
Total Cost of Electricity	<u>38,121,803.46</u>	<u>32,251,518.61</u>	<u>5,870,284.85</u>	<u>18.20%</u>
Accounting / Bank Services	31,690.32	22,220.29	9,470.03	42.62%
Office Supplies	-	1,199.43	(1,199.43)	-100.00%
Legal Services	99,086.33	-	99,086.33	100.00%
Professional Services	72,400.25	53,029.05	19,371.20	36.53%
Insurance	7,793.25	6,500.00	1,293.25	19.90%
Consultants	2,041,977.04	1,554,720.69	487,256.35	31.34%
Outreach	42,339.07	28,333.64	14,005.43	49.43%
Postage	15,440.89	2,973.28	12,467.61	419.32%
Printing	17,967.37	4,473.74	13,493.63	301.62%
Social Programs	21,899.00	-	21,899.00	100.00%
Technology Costs	2,212.64	-	2,212.64	100.00%
Registrations/Memberships	84,619.50	75,901.65	8,717.85	11.49%
Bad Debt Expense	1,142,302.89	546,766.92	595,535.97	108.92%
Interest Expense	117,029.74	12,811.74	104,218.00	813.46%
<b>TOTAL EXPENSES</b>	<b><u>41,818,561.75</u></b>	<b><u>34,560,449.04</u></b>	<b><u>7,258,112.71</u></b>	<b><u>21.00%</u></b>
Excess of Revenues over Expenses	<b>(1,979,219.59)</b>	<b>(2,241,560.22)</b>	<b>262,340.63</b>	<b>-11.70%</b>
Net Position - Beginning of the Period	<b><u>5,274,861.34</u></b>	<b><u>7,221,067.78</u></b>	<b><u>(262,340.63)</u></b>	<b><u>-3.63%</u></b>
Net Position - End of the Period	<b><u>3,295,641.75</u></b>	<b><u>4,979,507.56</u></b>	<b><u>(1,683,865.81)</u></b>	<b><u>-33.82%</u></b>

(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.