

Dollar Energy Fund, Inc.

Financial Statements

For the Years Ended September 30, 2021 and 2020
with Independent Auditor's Report

MaherDuessel

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DOLLAR ENERGY FUND, INC.

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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Independent Auditor's Report

**Board of Directors
Dollar Energy Fund, Inc.**

We have audited the accompanying financial statements of Dollar Energy Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dollar Energy Fund, Inc. as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Maher Duessel

Pittsburgh, Pennsylvania
February 11, 2022

DOLLAR ENERGY FUND, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 16,179,528	\$ 13,571,566
Investments	2,778,588	16,423,411
Accounts receivable	1,567,349	439,155
Contributions receivable	2,285,800	4,389,030
Prepaid expenses	49,133	216,839
Other restricted assets	360,991	343,842
Property and equipment, net	1,462,507	1,082,191
Construction in process	5,159,358	-
Total Assets	<u><u>\$ 29,843,254</u></u>	<u><u>\$ 36,466,034</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 58,190	\$ 12,985
Membership interest purchase payable	3,300,000	-
Notes payable	650,732	-
Accrued liabilities	389,999	300,583
Deferred revenue	8,500	8,500
Refundable advance	-	4,830,979
Total Liabilities	<u><u>4,407,421</u></u>	<u><u>5,153,047</u></u>
Net Assets:		
Without donor restrictions:		
Board-designated	2,778,588	3,591,931
Undesignated	8,281,629	2,684,601
Total without donor restrictions	<u><u>11,060,217</u></u>	<u><u>6,276,532</u></u>
With donor restrictions - time and purpose	<u>14,375,616</u>	<u>25,036,455</u>
Total Net Assets	<u><u>25,435,833</u></u>	<u><u>31,312,987</u></u>
Total Liabilities and Net Assets	<u><u>\$ 29,843,254</u></u>	<u><u>\$ 36,466,034</u></u>

See accompanying notes to financial statements.

DOLLAR ENERGY FUND, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues:			
Support and revenues:			
Contributions from customers	\$ 3,012,396	\$ -	\$ 3,012,396
Corporate support	-	10,025,373	10,025,373
Contract revenue	10,683,367	-	10,683,367
Investment return, net	810,659	543,358	1,354,017
Donated services and facilities	128,909	-	128,909
Foundation grants	1,400	210,000	211,400
Government grants	6,873,506	-	6,873,506
Special events	605,093	-	605,093
Other grants and contributions	6,052	-	6,052
Other income	13,500	36,878	50,378
	22,134,882	10,815,609	32,950,491
Net assets released from restrictions:			
Satisfaction of program and time restrictions	21,476,448	(21,476,448)	-
	43,611,330	(10,660,839)	32,950,491
Operating Expenses:			
Program	23,641,423	-	23,641,423
Management and general	1,963,544	-	1,963,544
Fundraising	732,182	-	732,182
	26,337,149	-	26,337,149
Operating Income (Loss)	17,274,181	(10,660,839)	6,613,342
Nonoperating expense:			
Fresh Start Program	12,490,496	-	12,490,496
Change in Net Assets	4,783,685	(10,660,839)	(5,877,154)
Net Assets:			
Beginning of year	6,276,532	25,036,455	31,312,987
End of year	\$ 11,060,217	\$ 14,375,616	\$ 25,435,833

See accompanying notes to financial statements.

DOLLAR ENERGY FUND, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
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Support and revenues:			
Contributions from customers	\$ 2,648,455	\$ -	\$ 2,648,455
Corporate support	20,000	9,071,875	9,091,875
Contract revenue	7,588,528	-	7,588,528
Investment return, net	223,505	370,499	594,004
Donated services and facilities	143,222	-	143,222
Foundation grants	500	5,000	5,500
Government grants	859,521	-	859,521
Special events	558,587	-	558,587
Other grants and contributions	3,966	-	3,966
Other income	27,300	-	27,300
	12,073,584	9,447,374	21,520,958
Net assets released from restrictions:			
Satisfaction of program and time restrictions	7,599,182	(7,599,182)	-
	19,672,766	1,848,192	21,520,958
Expenses:			
<hr/>			
Program	17,644,653	-	17,644,653
Management and general	1,345,902	-	1,345,902
Fundraising	811,466	-	811,466
	19,802,021	-	19,802,021
Change in Net Assets	(129,255)	1,848,192	1,718,937
Net Assets:			
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Beginning of year	6,405,787	23,188,263	29,594,050
End of year	\$ 6,276,532	\$ 25,036,455	\$ 31,312,987

See accompanying notes to financial statements.

DOLLAR ENERGY FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Program	Supporting Activities		Supporting Activities Subtotal	Total Expenses
		Management and General	Fundraising		
Salaries	\$ 4,547,090	\$ 906,269	\$ 228,448	\$ 1,134,717	\$ 5,681,807
Payroll taxes	300,391	58,740	16,661	75,401	375,792
Employee benefits	996,678	168,994	46,152	215,146	1,211,824
Grants to customers	15,479,577	-	-	-	15,479,577
Energy efficiency benefits	68,335	-	-	-	68,335
Agency remuneration	392,020	-	-	-	392,020
Contracted services	517,237	572,264	175,627	747,891	1,265,128
Advertising and promotion	-	-	229,677	229,677	229,677
Rent and utilities	630,115	85,664	14,874	100,538	730,653
Telephone	95,342	17,231	4,829	22,060	117,402
Insurance	42,103	11,319	1,720	13,039	55,142
Repairs and maintenance	6,314	18,789	187	18,976	25,290
Audit	-	25,231	-	25,231	25,231
Office supplies	14,548	11,260	745	12,005	26,553
Postage	63,899	8,842	1,337	10,179	74,078
Printing and copying	12,372	-	-	-	12,372
Training and staff incentives	971	35,389	1,231	36,620	37,591
Travel and conference	1,743	2,241	126	2,367	4,110
Depreciation	342,506	27,770	10,567	38,337	380,843
Donated services and facilities	128,909	-	-	-	128,909
Miscellaneous	1,273	659	1	660	1,933
Interest	-	12,882	-	12,882	12,882
Total expenses	\$ 23,641,423	\$ 1,963,544	\$ 732,182	\$ 2,695,726	\$ 26,337,149

See accompanying notes to financial statements.

DOLLAR ENERGY FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Supporting Activities				Total Expenses
	Program	Management and General	Fundraising	Supporting Activities Subtotal	
Salaries	\$ 4,692,082	\$ 730,597	\$ 232,679	\$ 963,276	\$ 5,655,358
Payroll taxes	296,004	49,075	16,830	65,905	361,909
Employee benefits	960,445	160,447	52,613	213,060	1,173,505
Grants to customers	9,445,226	-	-	-	9,445,226
Energy efficiency benefits	77,023	-	-	-	77,023
Agency remuneration	318,232	-	-	-	318,232
Contracted services	544,490	175,384	120,189	295,573	840,063
Advertising and promotion	-	1,000	351,899	352,899	352,899
Rent and utilities	570,784	64,327	12,154	76,481	647,265
Telephone	138,308	14,556	4,984	19,540	157,848
Insurance	37,634	7,938	1,027	8,965	46,599
Repairs and maintenance	27,659	24,375	449	24,824	52,483
Audit	-	21,771	-	21,771	21,771
Office supplies	35,854	17,067	1,579	18,646	54,500
Postage	58,368	10,412	3,916	14,328	72,696
Printing and copying	19,382	988	5,127	6,115	25,497
Training and staff incentives	4,603	23,741	6	23,747	28,350
Travel and conference	8,718	29,187	1,192	30,379	39,097
Depreciation	266,447	11,795	6,548	18,343	284,790
Donated services and facilities	143,222	-	-	-	143,222
Miscellaneous	172	3,242	274	3,516	3,688
Interest	-	-	-	-	-
Total expenses	\$ 17,644,653	\$ 1,345,902	\$ 811,466	\$ 2,157,368	\$ 19,802,021

See accompanying notes to financial statements.

DOLLAR ENERGY FUND, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	\$ (5,877,154)	\$ 1,718,937
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized (gain) loss on investments	(1,201,636)	(348,307)
Depreciation	380,843	284,790
Change in:		
Accounts receivable	(1,128,194)	216,948
Contributions receivable	2,103,230	860,214
Prepaid expenses	167,706	(168,984)
Other restricted assets	(17,149)	(56,188)
Accounts payable	45,205	(176,754)
Accrued liabilities	89,416	110,784
Deferred revenue	-	8,500
Refundable advance	(4,830,979)	4,830,979
Net cash provided by (used in) operating activities	(10,268,712)	7,280,919
Cash Flows From Investing Activities:		
Purchases of property and equipment	(761,159)	(252,789)
Purchase of membership interest	(1,859,358)	-
Purchases of investments	(2,177,363)	(24,635,663)
Proceeds from sale and maturity of investments	17,023,822	25,444,200
Net cash provided by (used in) investing activities	12,225,942	555,748
Cash Flows From Financing Activities:		
Proceeds from notes payable	733,343	-
Principal payments on notes payable	(82,611)	-
Net cash provided by (used in) financing activities	650,732	-
Net Increase (Decrease) in Cash and Cash Equivalents	2,607,962	7,836,667
Cash and Cash Equivalents:		
Beginning of year	13,571,566	5,734,899
End of year	\$ 16,179,528	\$ 13,571,566
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ 12,882	\$ -

See accompanying notes to financial statements.

DOLLAR ENERGY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

1. Organization

Dollar Energy Fund, Inc., founded in 1983, is a nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The mission of Dollar Energy Fund, Inc. is to improve the quality of life for households experiencing hardships by providing utility assistance and other services that lead to self-sufficiency. Based in Pittsburgh, Pennsylvania, Dollar Energy Fund, Inc. collaborates with utility companies throughout the states of Pennsylvania, Ohio, Tennessee, Virginia, West Virginia, Maryland, Texas, Louisiana, Arkansas, California, Kentucky, Connecticut, Indiana, and Nebraska. In addition, Dollar Energy Fund, Inc. partners with community-based organizations and other non-profit organizations in delivering services in the community.

Dollar Energy Fund, Inc. support comes primarily from donations by utility companies and their customers, along with fee for service agreements, to provide customer choice education programs, customer assistance programs, and administration of weatherization programs.

Donations to Dollar Energy Fund, Inc.'s Hardship Program are matched dollar-for-dollar by Dollar Energy Fund, Inc.'s partnering utility companies, where applicable. Contributions can be made to Dollar Energy Fund, Inc. through direct donations, through the partnering utilities' monthly bills, or electronically on Dollar Energy Fund, Inc.'s website, www.dollarenergy.org.

Dollar Energy Fund, Inc. administers payment assistance, consumer education, payment counseling, weatherization, and conservation programs for gas, electric, water, sewage, and telephone utility companies. Dollar Energy Fund, Inc. also provides contact center services. Dollar Energy Fund, Inc.'s state-of-the-art contact center allows Dollar Energy Fund, Inc. to provide quality customer service and detailed reporting.

Dollar Energy Fund, Inc. also offers technology solutions to program administrators through iPartner, a web-based software solution that was developed by Dollar Energy Fund, Inc. This software combines elements of tracking and information management systems to connect users, track application processes, and generate real-time statistical reports. iPartner significantly decreased administration costs and increased efficiency for Dollar Energy Fund, Inc.'s Hardship Program. iPartner is currently being used by utility companies, agencies, and hardship funds in multiple states.

During the year, Dollar Energy Fund, Inc. purchased all membership interests in BE-Pine I, LLC, a limited liability company which is treated as a disregarded entity for federal tax

DOLLAR ENERGY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

purposes. The financial activity for BE-Pine I, LLC is reported as part of these financial statements. As of September 30, 2021, there was no financial activity for BE-Pine I, LLC. See Note 11 for further discussion of Dollar Energy Fund, Inc.'s purchase of BE-Pine I, LLC.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets

Dollar Energy Fund, Inc. classifies resources for accounting and reporting purposes into separate net asset classes based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories. A description of Dollar Energy Fund, Inc.'s net asset categories is as follows:

Without Donor Restrictions – Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions or stipulations as to purpose or use.

With Donor Restrictions - Net assets whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of Dollar Energy Fund, Inc. pursuant to those stipulations. Also included in this category are net assets subject to donor-imposed stipulations to be maintained in perpetuity by Dollar Energy Fund, Inc. Dollar Energy Fund, Inc. currently has no net assets with donor restrictions that are to be maintained in perpetuity.

Donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

DOLLAR ENERGY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Cash and Cash Equivalents

For purposes of the statements of cash flows, Dollar Energy Fund, Inc. considers all interest-bearing money market funds and non-interest-bearing accounts to be cash or cash equivalents. Dollar Energy Fund, Inc. maintains, at various financial institutions, cash and cash equivalents that may periodically exceed federally insured limits. As of September 30, 2021 and 2020, \$15,205,626 and \$13,127,270, respectively, of Dollar Energy Fund, Inc.'s bank balance as it related to cash and cash equivalents was uninsured. To mitigate risk for the uninsured funds, the majority of this cash is maintained in a sweep account that is collateralized by the financial institution in Federal Home Loan Mortgage Company securities. Management has no concerns about the insolvency of the financial institutions involved at this time.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Internal Revenue Service has determined Dollar Energy Fund, Inc. to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and further is classified as an organization which is not a private foundation. Further, Dollar Energy Fund, Inc. annually files a Form 990 and Form 990T as applicable. Management asserts that they have no uncertain tax positions requiring the establishment of a liability or disclosure in the financial statements.

Dollar Energy Fund, Inc. is duly registered as a charitable organization with the Department of State, Commonwealth of Pennsylvania. In addition, Dollar Energy Fund, Inc. is registered as a charitable organization with the State of Ohio, the State of Tennessee, the Commonwealth of Virginia, the State of West Virginia, the State of Maryland, the State of Connecticut, the State of Kentucky, the State of Arkansas, and the State of California. Also, Dollar Energy Fund, Inc. is an active charitable organization in the State of Texas, the State of Louisiana, the State of Indiana, and the State of Nebraska. These states do not require Dollar Energy Fund, Inc. to register as a charitable organization.

DOLLAR ENERGY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

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Donated Services and Facilities

Under accounting principles generally accepted in the United States of America, Dollar Energy Fund, Inc. recognizes services requiring specialized skills such as those provided by accountants, attorneys, marketing consultants, and other professionals if the services would need to be purchased if not donated. Services received as donations are recorded and reflected in the accompanying financial statements at their estimated fair values at the date of receipt. The amount of such donated services was \$115,335 for the year ended September 30, 2021 and \$130,775 for the year ended September 30, 2020.

In addition, the use of certain facilities is donated to Dollar Energy Fund, Inc. and values are assigned to such contributions based on rates commensurate with the space provided. The amount of such donated facilities was \$13,574 for the year ended September 30, 2021 and \$12,447 for the year ended September 30, 2020.

Fair Value Measurements

Dollar Energy Fund, Inc. applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. Dollar Energy Fund, Inc. defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, Dollar Energy Fund, Inc. considers the principal or most advantageous market in which they would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

Dollar Energy Fund, Inc. applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 - Observable inputs such as quoted prices in active markets for identical investments that Dollar Energy Fund, Inc. has the ability to access.

Level 2 - Inputs include:

- a. Quoted prices for similar assets or liabilities in active markets;
- b. Quoted prices for identical or similar assets or liabilities in inactive markets;

DOLLAR ENERGY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

- c. Inputs, other than quoted prices in active markets, that are observable either directly or indirectly;
- d. Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3 - Unobservable inputs in which there is little or no market activity for the asset or liability, which require the reporting entity to develop its own estimates and assumptions relating to the pricing of the asset or liability including assumptions regarding risk.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation techniques are used to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments

Investments are recorded at fair value in the statements of financial position within the fair value hierarchy. Unrealized gains and losses are included in the net asset classification to which the underlying investments relate in the statements of activities.

The total returns on investments and cash and cash equivalents for the years ended September 30, 2021 and 2020 are summarized as follows:

	2021	2020
Interest on cash and cash equivalents	\$ 24,002	\$ 34,114
Dividend income	230,700	346,076
Total interest and dividend income	254,702	380,190
Realized and unrealized gain (loss)	1,201,636	348,307
Investment fees	(102,321)	(134,493)
Investment return	\$ 1,354,017	\$ 594,004

DOLLAR ENERGY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Fair values of assets measured on a recurring basis as of September 30, 2021 and 2020 are as follows:

Description	09/30/21	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents held by investment managers	\$ 162,761	\$ 162,761	\$ -	\$ -
Exchange traded funds	791,463	791,463	-	-
Mutual funds	1,824,364	1,824,364	-	-
Corporate bonds	-	-	-	-
Mortgage backed securities	-	-	-	-
Tax-exempt securities	-	-	-	-
US Treasury securities	-	-	-	-
Totals	\$ 2,778,588	\$ 2,778,588	\$ -	\$ -

Description	09/30/20	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents held by investment managers	\$ 2,537,769	\$ 2,537,769	\$ -	\$ -
Exchange traded funds	1,073,108	1,073,108	-	-
Mutual funds	6,602,933	6,602,933	-	-
Corporate bonds	2,176,309	-	2,176,309	-
Mortgage backed securities	1,965,429	-	1,965,429	-
Tax-exempt securities	75,455	-	75,455	-
US Treasury securities	1,992,408	-	1,992,408	-
Totals	\$ 16,423,411	\$ 10,213,810	\$ 6,209,601	\$ -

Accounts Receivable

Accounts receivable are recorded at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. Dollar Energy Fund, Inc. does not currently recognize or accrue interest

DOLLAR ENERGY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

on any unpaid receivable balances. Management has determined that no allowance for doubtful accounts was necessary for the years ended September 30, 2021 and 2020.

Compensated Absences

Both exempt and non-exempt employees who terminate their employment and give proper notice per Dollar Energy Fund, Inc. notice provisions will be paid for a maximum of 80 unused hours of accrued paid time off, unless an employee is eligible for the retiree payout, in which the employee is entitled for all unused hours of accrued paid time off.

Non-exempt employees are paid for a maximum of 80 unused hours of accrued paid time off as of December 31st. Any excess hours over 80 are forfeited by the employee. Exempt employees are permitted to carry over a maximum of 80 unused hours of accrued paid time off as of December 31st.

Dollar Energy Fund, Inc. recognizes the expense and related liability when earned by the employees. Compensated absences of \$196,675 and \$118,917 at September 30, 2021 and 2020, respectively, are recorded as accrued liabilities in the statements of financial position.

Revenue and Contribution Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. At September 30, 2021 and 2020, respectively, contributions of \$0 and \$1,065,000 have not been recognized in the accompanying statements of activities because the conditions on which they depend have not yet been met, and are reported as refundable advance in the statements of financial position.

In April 2020, Dollar Energy Fund, Inc. qualified for and received a loan pursuant to the Paycheck Protection Program (PPP Loan), a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act for an aggregate principal amount of \$1,065,500. In December 2020, \$1,025,861 was forgiven by the SBA and recognized as government grants revenue in the statements of activities. Unspent PPP Loan proceeds of \$39,639 plus accrued interest, were returned to the SBA in December 2020.

A portion of Dollar Energy Fund, Inc.'s support is derived from cost-reimbursable federal, state, and local grants, which are conditioned upon certain performance requirements

DOLLAR ENERGY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Dollar Energy Fund, Inc. has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. Dollar Energy Fund, Inc. received cost-reimbursable grants of \$0 and \$3,765,479 at September 30, 2021 and 2020, respectively, that have not been recognized as revenue because qualifying expenditures have not yet been incurred.

Corporate support consists of utility company funding to provide funds for its low-income customers and operating funds to cover the management costs of the hardship program. Operating funds are comprised of two components, operating funds and Community Based Organization (CBO) fees. Dollar Energy Fund, Inc. records corporate support as without donor restrictions or with donor restrictions revenue and as a receivable when Dollar Energy Fund, Inc. receives the commitment from the utility companies. Releases from with donor restrictions corporate support are based on when grants are provided to low-income utility customers and when expenses are incurred for the management of the hardship program and CBO expenses.

Contract revenue consists of exchange transactions with utility companies and is recognized when earned. Contracts relate to home check-up programs, weatherization programs, appliance replacement programs, customer assistance programs, payment counseling programs, and other educational programs. Contract revenue is recognized as the related services are performed as performance obligations are satisfied at this time.

Contributions and Accounts Receivable

Dollar Energy Fund, Inc. expects all contributions and accounts receivable to be collected and has, therefore, not created an allowance for doubtful accounts. Due to the short-term nature of the expected receivables, the net realizable value is considered a reasonable estimate of their fair value. Receivables that are expected to be collected in a future year are not discounted as the discount is deemed to be immaterial to the financial statements. Dollar Energy Inc. expects all contributions and accounts receivable to be collected within one year.

Risks and Uncertainties

Financial instruments, which potentially expose Dollar Energy Fund, Inc. to concentrations of credit risk, include cash and investments in marketable securities. As a matter of policy, Dollar Energy Fund, Inc. maintains cash balances only with financial institutions having a

DOLLAR ENERGY FUND, INC.

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high credit quality. Concentration of credit risk for investments in marketable securities is mitigated by the overall diversification of managed investment portfolios. Investment securities are also exposed to various other risks such as interest rate and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such change could materially affect the amount reported on the statements of financial position.

Any of Dollar Energy Fund, Inc.'s funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by Dollar Energy Fund, Inc. with the terms of the grants or contracts. Management is unaware of any instances of non-compliance with grant or contract terms. No unspent matching funds or credits were returned in fiscal years ended September 30, 2021 or 2020.

Other Restricted Assets

Other restricted assets consist of credits provided by utility companies in lieu of providing cash to Dollar Energy Fund, Inc. to provide grants to customers. These utility companies maintain the cash in-house and issue credits to the customers' bills for grants to customers provided by Dollar Energy Fund, Inc. Therefore, cash does not change hands between these utility companies and Dollar Energy Fund, Inc. As of September 30, 2021 and 2020, other restricted assets were \$360,991 and \$343,842, respectively.

Prepaid Expenses

Expenses paid in advance and not yet incurred by Dollar Energy Fund, Inc. are recorded as prepaid expenses in the statements of financial position.

Property and Equipment and Construction in Process

Purchased property and equipment are recorded at cost. Asset acquisitions with a useful life expectancy greater than one year and with a cost of \$5,000 or greater are capitalized by Dollar Energy Fund, Inc. and depreciated. Donations of property and equipment are recorded as restricted support at their estimated fair value. Repairs and maintenance that do not extend the lives of the applicable assets are charged to expense as incurred. Gains or losses from the retirement or other disposition of assets are included in income. Depreciation is provided on the straight-line method over the estimated useful lives.

DOLLAR ENERGY FUND, INC.

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Construction in process represents capital investments in a solar photovoltaic energy generating system (solar system) more fully described in Note 11.

Management reviews fixed assets for impairment if the use of the asset significantly changes or another indicator of possible impairment is noted which may indicate that the carrying amount of the assets may not be recoverable. Management has assessed indicators present at year-end and determined that no impairment loss is necessary for the year ended September 30, 2021 based on the estimated recoverability of the assets.

Property and equipment consisted of the following at September 30, 2021:

	<u>9/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/2021</u>
Non-Depreciable Assets:				
Construction in process	\$ -	\$ 5,159,358	\$ -	\$ 5,159,358
	<u>\$ -</u>	<u>\$ 5,159,358</u>	<u>\$ -</u>	<u>\$ 5,159,358</u>
Depreciable Assets:				
Leasehold improvements	\$ 2,292,074	\$ 12,711	\$ -	\$ 2,304,785
Furniture	523,140	-	(3,976)	519,164
Equipment	984,527	748,448	(307,470)	1,425,505
	<u>3,799,741</u>	<u>761,159</u>	<u>(311,446)</u>	<u>4,249,454</u>
Less: accumulated depreciation	<u>(2,717,550)</u>	<u>(380,843)</u>	<u>311,446</u>	<u>(2,786,947)</u>
	<u>\$ 1,082,191</u>	<u>\$ 380,316</u>	<u>\$ -</u>	<u>\$ 1,462,507</u>
Property and equipment and construction in process, net	<u>\$ 1,082,191</u>	<u>\$ 5,539,674</u>	<u>\$ -</u>	<u>\$ 6,621,865</u>

DOLLAR ENERGY FUND, INC.

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Property and equipment consisted of the following at September 30, 2020:

	<u>9/30/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/2020</u>
Leasehold improvements	\$ 2,230,857	\$ 61,217	\$ -	\$ 2,292,074
Furniture	469,948	53,192	-	523,140
Equipment	846,147	138,380	-	984,527
	<u>3,546,952</u>	<u>252,789</u>	<u>-</u>	<u>3,799,741</u>
Less: accumulated depreciation	<u>(2,432,760)</u>	<u>(284,790)</u>	<u>-</u>	<u>(2,717,550)</u>
Property and equipment	<u>\$ 1,114,192</u>	<u>\$ (32,001)</u>	<u>\$ -</u>	<u>\$ 1,082,191</u>

Functional Expenses

The statements of functional expenses present expenses in accordance with the various classifications of Dollar Energy Fund, Inc.'s activities. Allocations among the classifications are allocated using a variety of cost allocation techniques such as management's identification of direct costs and budgeted time and effort.

Fresh Start Program

Pursuant to General Order No. 236.1 (Order) issued by the Public Service Commission (Commission) of West Virginia on January 15, 2021, the Commission removed the technical requirements limiting distributions from the Fresh Start Program to only low-income customers so that the Fresh Start Program may be used to assist all Appalachian Power Company – WV residential customers suffering from severe financial dislocations wrought by the COVID-19 pandemic. In light of this Order, Dollar Energy Fund, Inc. distributed \$12,540,496 in Fresh Start Program funds to Appalachian Power Company – WV, who used the Fresh Start Program Funds to apply credits to residential customer utility accounts. This activity is reflected as a nonoperating item on the September 30, 2021 statement of activities.

DOLLAR ENERGY FUND, INC.

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Adopted Accounting Standards

The provisions of these Standards Updates have been adopted and incorporated into these financial statements:

ASU 2020-04, *“Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting.”* The amendment provides relief related to transition away from Libor and other interbank offered rates through operational expedients and exceptions for several areas.

ASU 2021-03, *“Intangibles—Goodwill and Other (Topic 350): Accounting Alternative for Evaluating Triggering Events.”* The amendments in this Standards Update provided an accounting alternative to perform the goodwill impairment triggering event evaluation as of the end of the reporting period. Dollar Energy Fund, Inc. elected this alternative and is not required to monitor for goodwill impairment triggering events during the reporting period.

Pending Accounting Standards Updates

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of these updates on the financial statements.

ASU 2016-02, *“Leases (Topic 842),”* is effective, as delayed, for the financial statements for the year beginning after December 15, 2021. These amendments and related amendments will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ASU 2016-13, *“Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,”* is effective, as delayed, for the financial statements for the year beginning after December 15, 2022. These amendments and related amendments require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. This includes loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash.

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ASU 2018-15, “*Customers Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*,” is effective for reporting periods beginning after December 15, 2020. The amendments align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing costs incurred to develop or obtain internal-use software.

ASU 2018-18, “*Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606*,” is effective for reporting periods beginning after December 15, 2020. The amendments affect entities holding financial assets and net investment in leases that are not accounted for at fair value through net income.

ASU 2018-14, “*Compensation – Retirement Benefits-Defined Benefit Plans (Subtopic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans*,” is effective for reporting periods beginning after December 15, 2021. The amendments modify disclosure requirements from Subtopic 715-20 and clarify the disclosure requirements in paragraph 715-20-50-3.

ASU 2020-07, “*Not-For-Profit Entities (Subtopic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*,” is effective for reporting periods beginning after June 15, 2021. The amendments in this update address presentation and disclosure of contributed nonfinancial assets.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor’s Report date, which is the date the financial statements were available to be issued.

3. Line of Credit

Dollar Energy Fund, Inc. has a line of credit in the amount of \$750,000, at an interest rate of 2.75% based on the Prime Rate (3.25% at September 30, 2021) less .50%. The line of credit is collateralized by first lien and security interest in Dollar Energy Fund, Inc.’s accounts, chattel paper, general intangibles, inventory, equipment, fixtures, and documents. There was no outstanding balance on the line of credit at September 30, 2021 and 2020.

DOLLAR ENERGY FUND, INC.

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4. Notes Payable

On February 8, 2021, Dollar Energy Fund, Inc. entered into a note for \$733,343, proceeds of which were used to purchase a new phone system. Monthly payments on the note are \$12,723 through February 2026, including interest at 1.57%. Principal payments totaling \$82,611 were made for the year ended September 30, 2021. Annual principal maturities on the note are as follows at September 30:

2022	\$	143,361
2023		145,660
2024		147,982
2025		150,368
2026		63,361
		<u>650,732</u>

5. Net Assets

Without Donor Restrictions – Board-Designated

Board-designated net assets of \$2,778,588 and \$3,591,931 at September 30, 2021 and 2020, respectively, consist of a Board-Designated Reserve as established by Dollar Energy Fund, Inc.'s Board of Directors (Board). The Board-Designated Reserve is included in investments on the statements of financial position. The investment philosophy of Dollar Energy Fund, Inc.'s Board-Designated Reserve is characterized as conservative, but long-term in nature. The Board-Designated Reserve is aimed primarily at protecting against inflation by preserving purchasing power of invested capital, while providing a market rate of return. Based on experience and conditions in the financial markets, the following guidelines were adopted for the Board-Designated Reserve:

- 1) An amount not exceeding sixty percent of the Board-Designated Reserve shall be invested in equities and the balance of the Board-Designated Reserve shall be invested in fixed income securities;
 - 2) Investments in equity securities will not exceed fifteen percent in any one industry, and no more than ten percent in any one company;
 - 3) The Board-Designated Reserve shall be subject to rebalancing, at least annually;
 - 4) Prohibited transactions include the purchase of securities on margin and short-sale transactions and assets other than marketable stocks, bonds, cash, cash equivalents, mutual funds, and exchange traded funds.
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DOLLAR ENERGY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Additional provisions of the Board-Designated Reserve include the following:

- 1) Cash and cash equivalents at September 30th which exceed forty percent of Dollar Energy Fund, Inc.'s required corporate support match for the following fiscal year and three months of operating expenses are to be transferred to the Board-Designated Reserve;
- 2) The Board-Designated Reserve will transfer an amount equal to cash and cash equivalents at September 30th that does not exceed twenty five percent of Dollar Energy Fund, Inc.'s required corporate support match for the following fiscal year and one month of operating expenses;
- 3) The Board of Directors has the discretion to allocate the use of the Board-Designated Reserve in each fiscal year, provided that the allocation is approved by a motion made at a regular or special meeting of the Board of Directors, having a quorum present and carried by a vote of no less than seventy five percent in favor thereof.

In September 2021, the Board approved withdrawal not to exceed \$2,000,000 in conjunction with Dollar Energy Fund, Inc.'s purchase of the membership interests in BE-Pine I, LLC. Dollar Energy Fund, Inc. withdrew \$1,800,000 of the approved amount from the Board-Designated Reserve, of which \$1,734,358 was used towards the purchase of the membership interests in BE-Pine I, LLC. The remaining balance of \$65,642 is included as cash and cash equivalents in the September 30, 2021 statement of financial position.

DOLLAR ENERGY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

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With Donor Restrictions – Time and Purpose

Net assets released from donor restrictions as reflected in the statement of activities are as follows for the year ended September 30, 2021:

	Customer Grants	Operating Support	Agency Remuneration	Proprietary Project	September 30, 2021
Pennsylvania	\$ 4,313,504	\$ 517,166	\$ 177,715	\$ 120,480	\$ 5,128,865
West Virginia	13,384,945	212,968	30,572	-	13,628,485
Ohio	966,307	141,822	83,349	-	1,191,478
Virginia	119,112	36,820	9,160	-	165,092
Tennessee	4,717	2,423	685	-	7,825
Arkansas	-	1,205	-	-	1,205
Louisiana	17,617	2,195	-	-	19,812
Texas	17,178	2,326	-	-	19,504
Kentucky	25,982	5,749	3,010	-	34,741
Connecticut	47,856	-	-	-	47,856
California	273,701	102,625	-	-	376,326
Maryland	1,757	1,619	441	-	3,817
Indiana	247,397	5,688	2,889	-	255,974
Nebraska	-	508,330	87,138	-	595,468
	<u>\$ 19,420,073</u>	<u>\$ 1,540,936</u>	<u>\$ 394,959</u>	<u>\$ 120,480</u>	<u>\$ 21,476,448</u>

DOLLAR ENERGY FUND, INC.

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Net assets released from donor restrictions as reflected in the statement of activities are as follows for the year ended September 30, 2020:

	Customer Grants	Operating Support	Agency Remuneration	Proprietary Project	September 30, 2020
Pennsylvania	\$ 3,390,315	\$ 475,122	\$ 119,479	\$ 95,666	\$ 4,080,582
West Virginia	841,621	166,220	28,025	-	1,035,866
Ohio	634,943	217,976	139,329	-	992,248
Virginia	187,030	28,391	8,157	-	223,578
Tennessee	841	458	86	-	1,385
Arkansas	-	1,214	-	-	1,214
Louisiana	17,508	2,195	-	-	19,703
Texas	16,328	2,078	-	-	18,406
Kentucky	46,432	5,921	3,070	-	55,423
Connecticut	38,959	476	-	-	39,435
California	665,523	200,740	-	-	866,263
Maryland	1,485	1,498	323	-	3,306
Indiana	101,969	27,991	20,916	-	150,876
Nebraska	-	83,609	27,288	-	110,897
	<u>\$ 5,942,954</u>	<u>\$ 1,213,889</u>	<u>\$ 346,673</u>	<u>\$ 95,666</u>	<u>\$ 7,599,182</u>

Net assets with donor restrictions at September 30, 2021 are subject to expenditure for a specific purpose or time (customer grants, agency remuneration, and proprietary project) or solely to the passage of time (operating support) as follows:

	Customer Grants	Operating Support	Agency Remuneration	Proprietary Project	September 30, 2021
Pennsylvania	\$ 6,072,426	\$ 552,434	\$ 78,084	\$ -	\$ 6,702,944
West Virginia	2,320,138	47,223	10,452	-	2,377,813
Ohio	3,127,715	-	-	-	3,127,715
Virginia	550,546	10,111	2,420	-	563,077
Tennessee	72,806	-	-	-	72,806
Arkansas	26,799	1,368	-	-	28,167
Louisiana	17,736	2,309	-	-	20,045
Texas	20,279	2,213	-	-	22,492
Kentucky	126,447	5,766	2,895	-	135,108
Connecticut	391,121	-	-	-	391,121
California	716,370	150,000	-	-	866,370
Maryland	42,987	1,146	441	-	44,574
Indiana	23,384	-	-	-	23,384
	<u>\$ 13,508,754</u>	<u>\$ 772,570</u>	<u>\$ 94,292</u>	<u>\$ -</u>	<u>\$ 14,375,616</u>

DOLLAR ENERGY FUND, INC.

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Net assets with donor restrictions at September 30, 2020 are subject to expenditure for a specific purpose or time (customer grants, agency remuneration, and proprietary project) or solely to the passage of time (operating support) as follows:

	Customer Grants	Operating Support	Agency Remuneration	Proprietary Project	September 30, 2020
Pennsylvania	\$ 3,970,456	\$ 262,936	\$ 61,101	\$ 83,602	\$ 4,378,095
West Virginia	14,355,883	43,930	3,960	-	14,403,773
Ohio	4,069,593	141,822	83,349	-	4,294,764
Virginia	349,257	9,857	2,190	-	361,304
Tennessee	55,631	-	-	-	55,631
Arkansas	18,167	1,205	-	-	19,372
Louisiana	17,662	2,195	-	-	19,857
Texas	19,670	2,326	-	-	21,996
Kentucky	86,826	5,749	3,010	-	95,585
Connecticut	438,977	-	-	-	438,977
California	610,071	100,000	-	-	710,071
Maryland	29,744	1,181	324	-	31,249
Indiana	205,781	-	-	-	205,781
	<u>\$ 24,227,718</u>	<u>\$ 571,201</u>	<u>\$ 153,934</u>	<u>\$ 83,602</u>	<u>\$ 25,036,455</u>

6. Retirement Plan

Dollar Energy Fund, Inc. employees may participate in a 403(b) defined contribution plan (plan). Dollar Energy Fund, Inc.'s plan covers substantially all eligible employees as defined by the plan document. Employee contributions are permitted up to an employee's eligible compensation not to exceed the statutory limits. Dollar Energy Fund, Inc.'s contributions to the plan are discretionary. Dollar Energy Fund, Inc.'s contributions are allocated to each eligible employee's account based on a percentage defined by Dollar Energy Fund, Inc.

For fiscal years 2021 and 2020, Dollar Energy Fund, Inc. provided a 3% profit sharing contribution after one year of service and a 3% match for employee contributions upon hire to the plan. Dollar Energy Fund, Inc. contributed approximately \$260,000 and \$245,000 during fiscal years 2021 and 2020, respectively.

DOLLAR ENERGY FUND, INC.

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7. Operating Lease

Dollar Energy Fund, Inc. has two operating leases for its operating facilities, which expire in December 2024 and December 2028, subject to Dollar Energy Fund, Inc.'s early termination options as set forth the lease agreements. In June 2020, Dollar Energy Fund, Inc. exercised the early termination option, effective December 31, 2021, for one of its operating leases. Rent expense, including expenses related to the early termination, was \$641,856 and \$558,390 in fiscal years 2021 and 2020, respectively, and is included in rent and utilities on the statements of functional expenses.

The following is a schedule, by year, of future minimum rent payments required under Dollar Energy Fund, Inc.'s non-cancelable operating lease at September 30, 2021:

2022	\$	524,377
2023		509,674
2024		519,947
2025		530,286
2026		540,824
Thereafter		<u>1,255,694</u>
	\$	<u>3,880,802</u>

8. Economic Dependency

Dollar Energy Fund, Inc. has received the majority of its support from contributions. Total support received by Dollar Energy Fund, Inc. in the form of contributions was approximately 62% and 59% for 2021 and 2020, respectively. Dollar Energy Fund, Inc.'s two largest contributors accounted for approximately 40% and 13% of total revenues for the years ended September 30, 2021 and 2020, respectively. Management anticipates that support will continue from Dollar Energy Fund, Inc.'s contributors. Any significant reduction in the level of contribution support would significantly affect Dollar Energy Fund, Inc.'s programs.

DOLLAR ENERGY FUND, INC.

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9. Liquidity and Availability

As of September 30, 2021 and 2020, financial assets available within one year for general expenditures, such as operating expenses, were as follows:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 16,179,528	\$ 13,571,566
Investments	2,778,588	16,423,411
Accounts receivable	1,567,349	439,155
Contributions receivable	2,285,800	4,389,030
Other restricted assets	360,991	343,842
Less: those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Board-designated investments	(2,778,588)	(3,591,931)
Refundable advance	-	(4,830,979)
Restricted by donor for proprietary project	-	(83,602)
Restricted by donor for operating	(245,142)	-
Restricted by donor for agency remuneration	(94,292)	(153,934)
Restricted by donor for customer grants	(13,508,755)	(24,227,718)
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 6,545,479</u>	<u>\$ 2,278,840</u>

Dollar Energy Fund, Inc. is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, Dollar Energy Fund, Inc. must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

As part of Dollar Energy Fund, Inc.'s liquidity management, it has a financial and investment policy which structures its financial assets to be available as general expenses, liabilities, and other obligations become due. As more fully described in Note 5, cash and cash equivalents are managed to a minimum of twenty-five percent of Dollar Energy Fund, Inc.'s required corporate support match for the following fiscal year and one month of operating expenses, which are, on average, approximately \$900,000. At the end of the fiscal year, if cash and cash equivalents are below the twenty-five percent threshold, funds are withdrawn from the Board-Designated Reserve in order to meet minimum cash and cash equivalent requirements in accordance with Dollar Energy Fund, Inc.'s financial and investment policy.

DOLLAR ENERGY FUND, INC.

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As more fully described in Note 3, Dollar Energy Fund, Inc. also has a line of credit in the amount of \$750,000, which it could draw upon in the event of an unanticipated liquidity need.

10. Related Party

For the years ended September 30, 2021 and 2020, Dollar Energy Fund, Inc.'s Board includes one utility company representative that provides corporate support to Dollar Energy Fund, Inc., one individual who works for a company that provides investment management services for Dollar Energy Fund, Inc., and one individual who works for a company that entered into a note with Dollar Energy Fund, Inc. as more fully described in Note 4 .

11. Purchase of Membership Interest

On September 21, 2021, Dollar Energy Fund, Inc. purchased the membership interests in BE-Pine I, LLC, a Delaware limited liability company. Dollar Energy Fund, Inc. is the sole member of BE-Pine I, LLC, which is treated as a disregarded entity for federal tax purposes. BE-Pine I, LLC is in the early stage of developing a solar system located in Beaver County, Pennsylvania, with an anticipated nameplate capacity potential of approximately 34.2 MWac. The aggregate purchase price of the membership interests totals \$4,400,000. On the closing date, Dollar Energy Fund, Inc. paid to the seller \$1,100,000 of the \$4,400,000 sale price, reimbursed development expenses totaling \$545,178, less \$125,000 already paid by Dollar Energy Fund, Inc. to the seller as part of an initial letter of intent, and reimbursed interconnection costs totaling \$214,180. Dollar Energy Fund, Inc. did not use any donated dollars towards the purchase of the membership interests in BE-Pine I, LLC. Once operational, net cash flows from the solar system will provide additional utility assistance dollars that will be used to further Dollar Energy Fund, Inc.'s mission to improve the quality of life for households experiencing hardships that leads to self-sufficiency. Remaining payments on the membership interest purchase payable of \$3,300,000 are due as follows: 1) no later than ten business days from the occurrence of notice to proceed, Dollar Energy Fund, Inc. shall pay the seller \$2,640,000; 2) no later than ten business from the earliest to occur: (a) the date of a third-party sale, (b) the date on which both queue position of the project has reached commercial operation, or (c) the date that is 270 days following notice to proceed, Dollar Energy Fund, Inc. shall pay the seller \$660,000. The project is currently in the development stages and accordingly the acquisition costs incurred during the year are included as construction in process on the statements of net position.

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12. Subsequent Events

On November 8, 2021, Dollar Energy Fund, Inc.'s Board approved a transfer for \$1,600,000 from cash and cash equivalents to the Board-Designated Reserve. The transfer was approved by the Board in accordance with Dollar Energy Fund, Inc.'s annual review of its investment policy as more fully described in Note 5.

On December 3, 2021 BE-Pine I, LLC entered into a promissory note, guaranteed by Dollar Energy Fund, Inc., in an aggregate principal amount up to, but not in excess of \$10,000,000. As of the date of the Independent Auditor's Report, \$9,941,021 has been advanced on the promissory note, of which \$7,300,253 was used for deposits on solar system equipment and \$2,600,000 was paid to the seller as part of the notice to proceed provision in the membership purchase interest agreement as more fully described in Note 11.