

Dollar Energy Fund, Inc.

Consolidated Financial Statements and Supplementary Information

For the Years Ended September 30, 2022 and 2021
with Independent Auditor's Report

MaherDuessel

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DOLLAR ENERGY FUND, INC.

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Dollar Energy Fund, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dollar Energy Fund, Inc. as of September 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Dollar Energy Fund, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dollar Energy Fund, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Dollar Energy Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dollar Energy Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial

statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Maher Duessel

Pittsburgh, Pennsylvania
February 17, 2023

DOLLAR ENERGY FUND, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2022 AND 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 14,865,748	\$ 16,179,528
Investments	4,033,593	2,778,588
Accounts receivable	1,288,296	1,567,349
Contributions receivable	3,022,236	2,285,800
Prepaid expenses	73,994	49,133
Other restricted assets	285,771	360,991
Fixed assets, net	1,141,240	1,462,507
Construction in process	26,339,336	5,159,358
Total Assets	\$ 51,050,214	\$ 29,843,254
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 307,971	\$ 58,190
Interest payable	49,690	-
Accrued liabilities	299,754	389,999
Membership interest purchase payable	660,000	3,300,000
Deferred revenue	23,750	8,500
Notes payable	507,371	650,732
Loan payable, net	20,380,786	-
Refundable advance	3,000,000	-
Total Liabilities	25,229,322	4,407,421
Net Assets:		
Without donor restrictions:		
Board-designated	3,647,708	2,778,588
Undesignated	7,965,008	8,281,629
Total without donor restrictions	11,612,716	11,060,217
With donor restrictions - time and purpose	14,208,176	14,375,616
Total Net Assets	25,820,892	25,435,833
Total Liabilities and Net Assets	\$ 51,050,214	\$ 29,843,254

See accompanying notes to consolidated financial statements.

DOLLAR ENERGY FUND, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
Net Assets without Donor Restrictions:		
<hr/>		
Revenues, gains, and other support:		
Contributions from customers	\$ 2,462,036	\$ 3,012,396
Contract revenue	9,529,937	10,683,367
Investment income (loss), net of fees	(698,588)	810,659
Contributed nonfinancial assets	128,048	128,909
Foundation grants	774	1,400
Government grants	898,225	6,873,506
Special events	693,169	605,093
Other grants and contributions	26,856	6,052
Other income	13,500	13,500
Net assets released from restrictions	9,634,416	21,476,448
	22,688,373	43,611,330
Expenses:		
Salaries	5,303,804	5,681,807
Payroll taxes	391,383	375,792
Employee benefits	1,191,282	1,211,824
Grants to customers	11,901,421	15,479,577
Energy efficiency benefits	56,429	68,335
Agency remuneration	390,954	392,020
Contracted services	1,155,204	1,265,128
Advertising and promotion	222,896	229,677
Rent and utilities	572,321	730,653
Telephone	183,758	117,402
Insurance	52,688	55,142
Repairs and maintenance	73,939	25,290
Audit	25,887	25,231
Office supplies	28,948	26,553
Postage	45,500	74,078
Printing and copying	21,290	12,372
Training and staff incentives	36,357	37,591
Travel and conference	19,958	4,110
Depreciation	321,267	380,843
Contributed nonfinancial assets	128,048	128,909
Miscellaneous	3,228	1,933
Interest	9,312	12,882
	22,135,874	26,337,149
	Change in Net Assets without Donor Restrictions before Nonoperating Expense	17,274,181
	552,499	17,274,181
Nonoperating expense:		
Fresh Start Program	-	12,490,496
	Change in Net Assets without Donor Restrictions	4,783,685
	552,499	4,783,685
Net Assets with Donor Restrictions:		
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Revenues, gains, and other support:		
Corporate support	9,406,976	10,025,373
Investment income (loss), net of expenses	-	543,358
Foundation grants	60,000	210,000
Other income	-	36,878
	9,466,976	10,815,609
Total revenues, gains, and other support	9,466,976	10,815,609
Net assets released from restriction	(9,634,416)	(21,476,448)
	Change in Net Assets with Donor Restrictions	(10,660,839)
	(167,440)	(10,660,839)
Change in Net Assets	385,059	(5,877,154)
Net Assets:		
<hr/>		
Beginning of year	25,435,833	31,312,987
End of year	\$ 25,820,892	\$ 25,435,833

See accompanying notes to consolidated financial statements.

DOLLAR ENERGY FUND, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Program	Supporting Activities		Supporting Activities Subtotal	Total Expenses
		Management and General	Fundraising		
Salaries	\$ 4,110,290	\$ 959,679	\$ 233,835	\$ 1,193,514	\$ 5,303,804
Payroll taxes	303,970	70,276	17,137	87,413	391,383
Employee benefits	899,054	234,712	57,516	292,228	1,191,282
Grants to customers	11,901,421	-	-	-	11,901,421
Energy efficiency benefits	56,429	-	-	-	56,429
Agency remuneration	390,954	-	-	-	390,954
Contracted services	609,575	308,510	237,119	545,629	1,155,204
Advertising and promotion	-	3,364	219,532	222,896	222,896
Rent and utilities	480,243	75,682	16,396	92,078	572,321
Telephone	149,321	29,136	5,301	34,437	183,758
Insurance	39,463	11,792	1,433	13,225	52,688
Repairs and maintenance	58,267	13,815	1,857	15,672	73,939
Audit	-	25,887	-	25,887	25,887
Office supplies	9,487	17,890	1,571	19,461	28,948
Postage	44,385	-	1,115	1,115	45,500
Printing and copying	8,790	12,380	120	12,500	21,290
Training and staff incentives	4,635	30,323	1,399	31,722	36,357
Travel and conference	118	17,399	2,441	19,840	19,958
Depreciation	283,532	27,612	10,123	37,735	321,267
Contributed nonfinancial assets	123,048	-	5,000	5,000	128,048
Miscellaneous	-	3,228	-	3,228	3,228
Interest	-	9,312	-	9,312	9,312
Total expenses	\$ 19,472,982	\$ 1,850,997	\$ 811,895	\$ 2,662,892	\$ 22,135,874

See accompanying notes to consolidated financial statements.

DOLLAR ENERGY FUND, INC.

CONSOLIDATED 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
Contributed nonfinancial assets	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 consolidated financial statements.

DOLLAR ENERGY FUND, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
Cash Flows From Operating Activities:		
Change in net assets	\$ 385,059	\$ (5,877,154)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized (gain) loss on investments	856,595	(1,201,636)
Depreciation	321,267	380,843
Change in:		
Accounts receivable	279,053	(1,128,194)
Contributions receivable	(736,436)	2,103,230
Prepaid expenses	(24,861)	167,706
Other restricted assets	75,220	(17,149)
Accounts payable	249,781	45,205
Interest payable	49,690	-
Accrued liabilities	(90,245)	89,416
Deferred revenue	15,250	-
Refundable advance	3,000,000	(4,830,979)
Net cash provided by (used in) operating activities	4,380,373	(10,268,712)
Cash Flows From Investing Activities:		
Acquisition and construction of fixed assets	(21,179,978)	(761,159)
Purchase of membership interest	(2,640,000)	(1,859,358)
Purchases of investments	(5,100,686)	(2,177,363)
Proceeds from sale and maturity of investments	2,989,086	17,023,822
Net cash provided by (used in) investing activities	(25,931,578)	12,225,942
Cash Flows From Financing Activities:		
Proceeds from notes payable	-	733,343
Proceeds from loan	20,449,536	-
Debt issuance costs	(68,750)	-
Principal payments on notes payable	(143,361)	(82,611)
Net cash provided by (used in) financing activities	20,237,425	650,732
Net Increase (Decrease) in Cash and Cash Equivalents	(1,313,780)	2,607,962
Cash and Cash Equivalents:		
Beginning of year	16,179,528	13,571,566
End of year	\$ 14,865,748	\$ 16,179,528
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ 272,713	\$ 12,882

See accompanying notes to consolidated financial statements.

DOLLAR ENERGY FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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.

On August 8, 2022, the governing body of Dollar Energy Fund, Inc. formed Four Twelve Renewables, Inc., a Delaware for-profit corporation. The primary purpose of Four Twelve

DOLLAR ENERGY FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

Renewables, Inc. is to develop, own, and operate renewable energy projects. Four Twelve Renewables, Inc. issued one-hundred shares of common stock, \$0.0001 par value per share to Dollar Energy Fund, Inc. in consideration of its payment of incorporation expenses. The Four Twelve Renewables, Inc. Board of Directors is separate from the Dollar Energy Fund, Inc. Board of Directors, but is elected by Dollar Energy Fund, Inc.

On September 21, 2021, Dollar Energy Fund, Inc. purchased the membership interests in BE-Pine 1, LLC, a Delaware limited liability company. Dollar Energy Fund, Inc. was the sole member of BE-Pine 1, LLC through September 26, 2022, at which time Dollar Energy Fund, Inc. assigned to Four Twelve Renewables, Inc. all its membership interests in BE-Pine 1, LLC.

The financial activities for Four Twelve Renewables, Inc. and BE-Pine 1, LLC are reported as part of these consolidated financial statements. All significant intercompany balances and transactions have been eliminated.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated 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 consolidated 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

DOLLAR ENERGY FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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 consolidated statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the consolidated 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, 2022 and 2021, \$13,956,572 and \$15,205,626, 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 consolidated 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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.

Four Twelve Renewables, Inc. is taxed as a C Corporation for federal and state purposes. Further, Four Twelve Renewables, Inc. annually files a Form 1120. Four Twelve Renewables, Inc. accounts for income taxes in accordance with the asset and liability method. Deferred tax assets and liabilities are recognized for the future impact of differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases, as well as for operating loss and tax credit carryforwards.

BE-Pine 1, LLC, a limited liability company is treated as a disregarded entity for federal tax purposes.

Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Fair Value Measurement

Dollar Energy Fund, Inc. follows the fair value accounting standards, in accordance with accounting principles generally accepted in the United States of America, which defines fair value, establishes a framework for measuring fair value, and enhances disclosures about fair value measurements for all financial assets and liabilities.

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.

DOLLAR ENERGY FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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 \$93,157 and \$196,675 at September 30, 2022 and 2021, respectively, are recorded as accrued liabilities in the consolidated 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, 2022 and 2021, respectively, contributions of \$3,000,000 and \$0 have not been recognized in the accompanying consolidated statements of activities because the conditions on which they depend have not yet been met, and are reported as refundable advance in the consolidated statements of financial position.

On May 18, 2022, Dollar Energy Fund, Inc. was awarded a grant in the amount of \$3,000,000 to be used toward a utility-scale solar generation facility. Grant funds were disbursed to Dollar Energy Fund, Inc. in the form of an in-kind stock transfer in the amount of \$2,998,786 and in the form of a cash transfer in the amount of \$1,214. The initial grant funding was placed into a segregated money market account by Dollar Energy Fund, Inc. in accordance with its Revolving Loan Innovation Fund Policy (Policy). The Policy sets forth the requirements and conditions of the purpose, funding, use, replenishment, and restriction release of Dollar Energy Fund, Inc.'s Revolving Innovation Fund. During fiscal year 2022, \$2,614,115 of the grant was disbursed towards a utility-scale solar generation facility developed by BE-Pine 1, LLC. At September 30, 2022, \$385,885 is recorded as investments in the consolidated 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 consolidated

DOLLAR ENERGY FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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 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 consolidated statements of financial position. Dollar Energy Fund, Inc. did not receive any cost-reimbursable grants at September 30, 2022 and 2021 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 administration of low-income utility assistance 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.

DOLLAR ENERGY FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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 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, 2022 or 2021.

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, 2022 and 2021, other restricted assets were \$285,771 and \$360,991, respectively.

Prepaid Expenses

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

Fixed Assets

Purchased fixed assets are recorded at cost. Fixed asset acquisitions with a useful life expectancy greater than one year and with an individual cost of \$5,000 or greater are capitalized and depreciated. Donations of property and equipment are recorded as restricted support at their estimated fair value. Repairs and maintenance that do not

DOLLAR ENERGY FUND, INC.

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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 over the estimated useful life of the asset on a straight-line basis.

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 years ended September 30, 2022 or 2021, respectively, based on the estimated recoverability of the assets.

Functional Expenses

The consolidated 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 consolidated statements of activities.

Adopted Accounting Standard

The provisions of this Standard Update have been adopted and incorporated into these financial statements:

ASU 2020-07, "Not-For-Profit Entities (Subtopic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets." The amendments in this update expand upon the presentation and disclosure of contributed nonfinancial assets to provide

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the reader of the financial statements a clearer understanding of the types of nonfinancial assets received and how they are utilized and recognized by the not-for-profit organization.

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 consolidated 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.

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.

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3. Investments

Dollar Energy Fund, Inc.'s investments are managed by registered investment advisors. These investments are reported at fair value. As of September 30, 2022 and 2021, investments consist of the following:

	<u>2022</u>	<u>2021</u>
Level 1:		
Money market accounts	\$ 56,879	\$ 162,761
Exchange traded funds	1,024,049	791,463
Mutual funds:		
Fixed income	1,640,509	865,514
U.S. large cap	708,863	481,839
U.S. mid cap	281,444	211,350
U.S. small cap	176,721	130,906
Developed international	47,227	89,477
Emerging markets	97,901	45,278
Total Level 1 investments	<u>\$ 4,033,593</u>	<u>\$ 2,778,588</u>

Dollar Energy Fund, Inc.'s investment income (loss), net of fees for the years ended September 30, 2022 and 2021 is summarized as follows:

	<u>2022</u>	<u>2021</u>
Interest on cash and cash equivalents	\$ 26,010	\$ 24,002
Dividend income	162,496	230,700
Total interest and dividend income	<u>188,506</u>	<u>254,702</u>
Realized and unrealized gain (loss)	(856,595)	1,201,636
Investment fees	(30,499)	(102,321)
Investment return	<u>\$ (698,588)</u>	<u>\$ 1,354,017</u>

In accordance with accounting principles generally accepted in the United States of America, all investments of Dollar Energy Fund, Inc. are measured using Level 1, Level 2, and Level 3 fair value inputs. Level 1 fair value is defined as inputs based upon "measuring the value at quoted prices available in active markets for identical assets or liabilities as of the

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report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.” Level 2 is defined as inputs based upon “measuring pricing units other than at quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.” Level 3 is defined as inputs based upon “significant unobservable inputs, as they trade infrequently or not at all.”

The fair values of investments held by Dollar Energy Fund, Inc. are determined using quoted prices in active markets for identical assets and, as such, are classified at September 30, 2022 and 2021 as Level 1 assets within the fair value hierarchy.

4. Fixed Assets

Fixed assets are composed of the following amounts at September 30, 2022:

	Balance at September 30, 2021	Additions	Deletions	Balance at September 30, 2022
Non-depreciable assets:				
Construction in process related to solar project	\$ 5,159,358	\$ 21,179,978	\$ -	\$ 26,339,336
	<u>5,159,358</u>	<u>21,179,978</u>	<u>-</u>	<u>26,339,336</u>
Depreciable assets:				
Leasehold improvements	2,304,785	-	-	2,304,785
Furniture	519,164	-	-	519,164
Equipment	1,425,505	-	-	1,425,505
	<u>4,249,454</u>	<u>-</u>	<u>-</u>	<u>4,249,454</u>
Less: accumulated depreciation	(2,786,947)	(321,267)	-	(3,108,214)
	<u>1,462,507</u>	<u>(321,267)</u>	<u>-</u>	<u>1,141,240</u>
Net fixed assets	\$ <u>6,621,865</u>	\$ <u>20,858,711</u>	\$ <u>-</u>	\$ <u>27,480,576</u>

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Fixed assets are composed of the following amounts at September 30, 2021:

	Balance at September 30, 2020	Additions	Deletions	Balance at September 30, 2021
Non-depreciable assets:				
Construction in process related to solar project	\$ -	\$ 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>
Net fixed assets	<u>\$ 1,082,191</u>	<u>\$ 5,539,674</u>	<u>\$ -</u>	<u>\$ 6,621,865</u>

5. Line of Credit

Dollar Energy Fund, Inc. has a line of credit in the amount of \$750,000, at an interest rate of 5.75% based on the Prime Rate (6.25% at September 30, 2022) 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, 2022 and 2021.

6. Membership Interest Purchase Payable

On September 21, 2021, Dollar Energy Fund, Inc. purchased the membership interests in BE-Pine 1, LLC, a Delaware limited liability company. Dollar Energy Fund, Inc. was the sole member of BE-Pine 1, LLC through September 26, 2022, at which time Dollar Energy Fund, Inc. assigned to Four Twelve Renewables, Inc. all its membership interests in BE-Pine 1, LLC.

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The aggregate purchase price of the membership interests totals \$4,400,000. On September 21, 2021, 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 from its Board-Designated Reserve. Dollar Energy Fund, Inc. did not use any donated dollars towards the purchase of the membership interests in BE-Pine 1, LLC. On December 3, 2021, Dollar Energy Fund, Inc. paid the seller \$2,640,000 triggered by the occurrence of notice to proceed from proceeds borrowed under the term note as more fully described in Note 7.

Remaining payments on the membership interest purchase payable of \$660,000 at September 30, 2022 are due as follows: 1) 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.

Costs associated with the acquisition of BE-Pine 1, LLC are included as construction in process on the consolidated statements of net position.

7. Notes Payable

Dollar Energy Fund, Inc.

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 \$143,361 were made for the year ended September 30, 2022.

Annual principal maturities on the note are as follows at September 30:

2023	\$	145,660
2024		147,982
2025		150,368
2026		63,361
		<u>507,371</u>
	\$	<u>507,371</u>

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BE-Pine 1, LLC

On December 3, 2021 BE-Pine 1, LLC entered into an interim loan, guaranteed by Dollar Energy Fund, Inc., in an aggregate principal amount up to, but not in excess of \$10,000,000, and later increased to \$15,000,000. Amounts outstanding under the interim loan bear interest at rate per annum equal to the sum of LIBOR in effect on the reset date, as defined in the interim loan, plus 1.75%. Accrued interest is due and payable monthly by BE-Pine 1, LLC from the date of the first advance of funds until the earlier of six months from the date of the interim loan or the date upon which BE-Pine 1, LLC and the bank enter into the definitive transaction documentation for construction financing as contemplated by the term sheet between the bank dated November 2, 2021 and accepted by BE-Pine 1, LLC on November 8, 2021.

As detailed in the closing statement dated September 26, 2022, an initial advance in the amount of \$15,168,894 was deemed to have been made under the loan agreement described below for payment in full of the interim loan.

On September 26, 2022, BE-Pine 1, LLC entered into a loan, guaranteed by Dollar Energy Fund, Inc., in an aggregate principal amount up to, but not in excess of \$60,000,000. Amounts outstanding under the interim loan bear interest at rate per annum equal to Term SOFR, as defined in the loan, plus 1.75%. Accrued interest is due and payable monthly by BE-Pine 1, LLC from the date of the first advance of funds until the maturity date. The loan matures at the earliest of 1) September 30, 2023; 2) the Break Date as defined in the loan, or 3) the Lease Commencement Date as defined in the loan. At September 30, 2022, the balance of the loan is \$20,449,536.

Debt issuance costs of \$68,750, included in the loan payable, are being amortized by the straight-line method over the term of the loan. There is no accumulated amortization at September 30, 2022.

8. Net Assets

Without Donor Restrictions – Board-Designated

Board-designated net assets of \$3,647,708 and \$2,778,588 at September 30, 2022 and 2021, respectively, consist of a Board-Designated Reserve as established by Dollar Energy Fund, Inc.'s Board of Directors. The Board-Designated Reserve is included in investments on the consolidated statements of financial position. The investment philosophy of Dollar

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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.

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 of Directors approved withdrawal not to exceed \$2,000,000 in conjunction with Dollar Energy Fund, Inc.'s purchase of the membership interests in BE-Pine 1, 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 1, LLC.

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In November 2021, the Board of Directors approved a transfer of \$1,600,000 from cash and cash equivalents to the Board-Designated Reserve. The transfer was approved by the Board of Directors in accordance with Dollar Energy Fund, Inc.'s annual review of its investment policy described above.

With Donor Restrictions – Time and Purpose

Net assets released from donor restrictions as reflected in the consolidated statements of activities are as follows for the year ended September 30, 2022:

	<u>Customer Grants</u>	<u>Operating Support</u>	<u>Agency Remuneration</u>	<u>Proprietary Project</u>	<u>September 30, 2022</u>
Pennsylvania	\$ 3,884,950	\$ 454,707	\$ 140,553	\$ -	\$ 4,480,210
West Virginia	1,266,013	84,968	19,177	-	1,370,158
Ohio	2,443,977	163,888	93,114	-	2,700,979
Virginia	286,202	37,466	9,530	-	333,198
Tennessee	5,790	2,434	750	-	8,974
Arkansas	10,345	1,368	-	-	11,713
Louisiana	17,736	2,309	-	-	20,045
Texas	19,734	2,213	-	-	21,947
Kentucky	46,087	5,766	2,895	-	54,748
Connecticut	37,780	-	-	-	37,780
California	277,929	182,943	-	-	460,872
Maryland	1,617	1,365	481	-	3,463
Indiana	53,384	9,786	2,007	-	65,177
Nebraska	-	43,300	21,852	-	65,152
	<u>\$ 8,351,544</u>	<u>\$ 992,513</u>	<u>\$ 290,359</u>	<u>\$ -</u>	<u>\$ 9,634,416</u>

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

	<u>Customer Grants</u>	<u>Operating Support</u>	<u>Agency Remuneration</u>	<u>Proprietary Project</u>	<u>September 30, 2021</u>
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>

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Net assets with donor restrictions at September 30, 2022 are subject to expenditure for a specific purpose or time (customer grants and agency remuneration) or solely to the passage of time (operating support) as follows:

	Customer Grants	Operating Support	Agency Remuneration	September 30, 2022
Pennsylvania	\$ 6,049,246	\$ 469,133	\$ 96,642	\$ 6,615,021
West Virginia	1,975,110	46,891	11,765	2,033,766
Ohio	2,426,736	-	-	2,426,736
Virginia	584,213	9,634	1,970	595,817
Tennessee	88,832	-	-	88,832
Arkansas	25,279	1,175	-	26,454
Louisiana	17,820	2,180	-	20,000
Texas	18,332	2,213	-	20,545
Kentucky	146,453	5,871	2,300	154,624
Connecticut	353,341	-	-	353,341
California	1,514,921	300,000	-	1,814,921
Maryland	56,370	1,322	427	58,119
Indiana	-	-	-	-
	<u>\$ 13,256,653</u>	<u>\$ 838,419</u>	<u>\$ 113,104</u>	<u>\$ 14,208,176</u>

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

	Customer Grants	Operating Support	Agency Remuneration	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>\$ 14,375,616</u>

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9. 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 2022 and 2021, 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 \$273,812 and \$266,031 during fiscal years 2022 and 2021, respectively.

10. Contributed Nonfinancial Assets

For the years ended September 30, 2022 and 2021, contributed nonfinancial assets recognized within the consolidated statements of activities include:

	2022	2021
Office space	\$ 9,250	\$ 13,574
Office equipment	1,358	2,845
Advertising and promotion	117,440	112,490
	<u>\$ 128,048</u>	<u>\$ 128,909</u>

Dollar Energy Fund, Inc. recognized contributed nonfinancial assets within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed office space is valued and reported at fair value in the consolidated financial statements based on rates commensurate with the space provided. Contributed office space was used by the First Energy – West Penn Power Weatherization program.

Contributed office equipment used in conjunction with contributed office space is valued and reported based on retail prices that would be received for selling similar equipment in the United States. Contributed office equipment was used by the First Energy – West Penn Power Weatherization program.

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Contributed advertising and promotion is recorded as in-kind revenue at its estimated fair value if it creates or enhances nonfinancial assets, or if it requires specialized skills that would need to be purchased if it was not contributed. Contributed advertising and promotion is valued and reported at its estimated fair value in the consolidated financial statements based on current rates for similar services. Contributed advertising and promotion, consisting of periodic mentions in news releases, consumer utility bill messages and inserts, and website and social media channels, were utilized by the grant program and fundraising supporting service.

11. Leases

Dollar Energy Fund, Inc.

Dollar Energy Fund, Inc. entered into two operating leases for office space, 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 \$495,717 and \$641,856 in fiscal years 2022 and 2021, respectively, and is included in rent and utilities on the consolidated 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, 2022:

2023	\$	476,674
2024		486,947
2025		497,286
2026		507,824
2027		518,628
Thereafter		<u>662,816</u>
	\$	<u>3,150,175</u>

BE-Pine 1, LLC

On May 4, 2021, BE-Pine 1, LLC entered into a Solar Option and Lease and Easement Agreement (Agreement) to explore the possibility of developing, owning, and operating a commercial solar energy facility on a certain parcel of land situated in Beaver County,

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Pennsylvania, consisting of approximately four-hundred forty-eight acres. Upon BE-Pine 1, LLC's exercise of the option and satisfactory payment of the option rent, BE-Pine 1, LLC pays construction rent in accordance with the terms of the Agreement. For each month during the first twelve months of the construction term, BE-Pine 1, LLC pays rent in the amount of \$14,583. For each month thereafter that the construction term extends beyond twelve months, the monthly rent shall be increased to \$18,000. Rent paid was \$14,583 and \$0 in fiscal years 2022 and 2021, respectively, and is capitalized as construction in process on the consolidated statement of financial position. It is anticipated that construction of the solar energy facility will be complete within the initial twelve-month construction term.

In the event BE-Pine 1, LLC achieves the operations date as defined in the Agreement, BE-Pine 1, LLC shall pay annual fixed rent under the operations term in the amount equal to \$325,000, increasing annually by 1.75% of the amount of fixed annual rent to be paid in the immediately preceding year. The operations term is for a period of twenty-five years with the right to extend for three additional five-year periods. Operations rent will continue to be due after operations cease until such time as the entire operations area has been decommissioned and restored as specified in the Agreement. As of the date of the independent auditor's report, the operations date can not be determined.

12. 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 58% and 62% for 2022 and 2021, respectively. Dollar Energy Fund, Inc.'s two largest contributors accounted for approximately 15% and 40% of total revenues for the years ended September 30, 2022 and 2021, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

13. Liquidity and Availability

The following reflects Dollar Energy Fund, Inc.'s financial assets as of September 30, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the consolidated statements of financial position:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 14,865,748	\$ 16,179,528
Investments	4,033,593	2,778,588
Accounts receivable	1,288,296	1,567,349
Contributions receivable	3,022,236	2,285,800
Other restricted assets	285,771	360,991
Less: amounts not available to be used within one year:		
Board-designated investments	(3,647,708)	(2,778,588)
Donor-restricted investments	(385,886)	-
Donor-restricted operating due after one year	(245,142)	(245,142)
Donor-restricted agency remuneration	(113,104)	(94,292)
Donor-restricted customer grants	(13,256,653)	(13,508,755)
Financial assets available to meet cash general expenditures within one year	<u>\$ 5,847,151</u>	<u>\$ 6,545,479</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

DOLLAR ENERGY FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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.

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.

14. Related Party

For the years ended September 30, 2022 and 2021, Dollar Energy Fund, Inc.'s Board of Directors includes one utility company representative that provides corporate support to Dollar Energy Fund, Inc., one individual who is employed by a company that provided investment management services for Dollar Energy Fund, Inc. through January 2021, one individual who is employed by a company that provides legal services for Dollar Energy Fund, Inc., and one individual who is employed by company that entered into a note with Dollar Energy Fund, Inc. and BE-Pine 1, LLC as more fully described in Note 6.

SUPPLEMENTARY INFORMATION

DOLLAR ENERGY FUND, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2022

	Four Twelve Renewables, Inc.						
	Dollar Energy Fund, Inc.	Four Twelve Renewables, Inc.	BE-Pine 1 LLC	Four Twelve Renewables, Inc. Subtotal	Subtotal	Eliminations	Total
Assets							
Cash and cash equivalents	\$ 14,865,748	\$ -	\$ -	\$ -	\$ 14,865,748	\$ -	\$ 14,865,748
Investments	4,033,593	-	-	-	4,033,593	-	4,033,593
Accounts receivable	1,288,296	-	-	-	1,288,296	-	1,288,296
Contributions receivable	3,022,236	-	-	-	3,022,236	-	3,022,236
Intercompany receivable - Four Twelve Renewables, Inc.	1,744	-	-	-	1,744	(1,744)	-
Intercompany receivable - BE-Pine 1 LLC	5,040,736	-	-	-	5,040,736	(5,040,736)	-
Prepaid expenses	41,988	-	32,006	32,006	73,994	-	73,994
Other restricted assets	285,771	-	-	-	285,771	-	285,771
Fixed assets, net	1,141,240	-	-	-	1,141,240	-	1,141,240
Construction in process	-	-	26,339,336	26,339,336	26,339,336	-	26,339,336
Total Assets	\$ 29,721,352	\$ -	\$ 26,371,342	\$ 26,371,342	\$ 56,092,694	\$ (5,042,480)	\$ 51,050,214
Liabilities and Net Assets							
Liabilities:							
Accounts payable	\$ 67,841	\$ -	\$ 240,130	\$ 240,130	\$ 307,971	\$ -	\$ 307,971
Interest payable	-	-	49,690	49,690	49,690	-	49,690
Accrued liabilities	299,754	-	-	-	299,754	-	299,754
Membership interest purchase payable	-	-	660,000	660,000	660,000	-	660,000
Intercompany payable - Dollar Energy Fund, Inc.	-	1,744	5,040,736	5,042,480	5,042,480	(5,042,480)	-
Deferred revenue	23,750	-	-	-	23,750	-	23,750
Notes payable	507,371	-	-	-	507,371	-	507,371
Loan payable, net	-	-	20,380,786	20,380,786	20,380,786	-	20,380,786
Refundable advance	3,000,000	-	-	-	3,000,000	-	3,000,000
Total Liabilities	3,898,716	1,744	26,371,342	26,373,086	30,271,802	(5,042,480)	25,229,322
Net Assets:							
Without donor restrictions:							
Board-designated	3,647,708	-	-	-	3,647,708	-	3,647,708
Undesignated	7,966,752	(1,744)	-	(1,744)	7,965,008	-	7,965,008
Total without donor restrictions	11,614,460	(1,744)	-	(1,744)	11,612,716	-	11,612,716
With donor restrictions - time and purpose	14,208,176	-	-	-	14,208,176	-	14,208,176
Total Net Assets	25,822,636	(1,744)	-	(1,744)	25,820,892	-	25,820,892
Total Liabilities and Net Assets	\$ 29,721,352	\$ -	\$ 26,371,342	\$ 26,371,342	\$ 56,092,694	\$ (5,042,480)	\$ 51,050,214

DOLLAR ENERGY FUND, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Four Twelve Renewables, Inc.						
	Dollar Energy Fund, Inc.	Four Twelve Renewables, Inc.	BE-Pine 1 LLC	Four Twelve Renewables, Inc. Subtotal	Subtotal	Eliminations	Total
Net Assets without Donor Restrictions:							
Revenues, gains, and other support:							
Contributions from customers	\$ 2,462,036	\$ -	\$ -	\$ -	\$ 2,462,036	\$ -	\$ 2,462,036
Contract revenue	9,529,937	-	-	-	9,529,937	-	9,529,937
Investment income (loss), net of fees	(698,588)	-	-	-	(698,588)	-	(698,588)
Contributed nonfinancial assets	128,048	-	-	-	128,048	-	128,048
Foundation grants	774	-	-	-	774	-	774
Government grants	898,225	-	-	-	898,225	-	898,225
Special events	693,169	-	-	-	693,169	-	693,169
Other grants and contributions	26,856	-	-	-	26,856	-	26,856
Other income	13,500	-	-	-	13,500	-	13,500
Net assets released from restrictions	9,634,416	-	-	-	9,634,416	-	9,634,416
Total revenues, gains, and other support	22,688,373	-	-	-	22,688,373	-	22,688,373
Expenses:							
Salaries	5,303,804	-	-	-	5,303,804	-	5,303,804
Payroll taxes	391,383	-	-	-	391,383	-	391,383
Employee benefits	1,191,282	-	-	-	1,191,282	-	1,191,282
Grants to customers	11,901,421	-	-	-	11,901,421	-	11,901,421
Energy efficiency benefits	56,429	-	-	-	56,429	-	56,429
Agency remuneration	390,954	-	-	-	390,954	-	390,954
Contracted services	1,153,460	1,744	-	1,744	1,155,204	-	1,155,204
Advertising and promotion	222,896	-	-	-	222,896	-	222,896
Rent and utilities	572,321	-	-	-	572,321	-	572,321
Telephone	183,758	-	-	-	183,758	-	183,758
Insurance	52,688	-	-	-	52,688	-	52,688
Repairs and maintenance	73,939	-	-	-	73,939	-	73,939
Audit	25,887	-	-	-	25,887	-	25,887
Office supplies	28,948	-	-	-	28,948	-	28,948
Postage	45,500	-	-	-	45,500	-	45,500
Printing and copying	21,290	-	-	-	21,290	-	21,290
Training and staff incentives	36,357	-	-	-	36,357	-	36,357
Travel and conference	19,958	-	-	-	19,958	-	19,958
Bad debt	-	-	-	-	-	-	-
Depreciation	321,267	-	-	-	321,267	-	321,267
Contributed nonfinancial assets	128,048	-	-	-	128,048	-	128,048
Miscellaneous	3,228	-	-	-	3,228	-	3,228
Interest	9,312	-	-	-	9,312	-	9,312
Total expenses	22,134,130	1,744	-	1,744	22,135,874	-	22,135,874
Change in Net Assets without Donor Restrictions before Nonoperating Expense	554,243	(1,744)	-	(1,744)	552,499	-	552,499
Nonoperating expense:							
Fresh Start Program	-	-	-	-	-	-	-
Change in Net Assets without Donor Restrictions	554,243	(1,744)	-	(1,744)	552,499	-	552,499
Net Assets with Donor Restrictions:							
Revenues, gains, and other support:							
Corporate support	9,406,976	-	-	-	9,406,976	-	9,406,976
Investment income (loss), net of fees	-	-	-	-	-	-	-
Foundation grants	60,000	-	-	-	60,000	-	60,000
Other income	-	-	-	-	-	-	-
Total revenues, gains, and other support	9,466,976	-	-	-	9,466,976	-	9,466,976
Net assets released from restriction	(9,634,416)	-	-	-	(9,634,416)	-	(9,634,416)
Change in Net Assets with Donor Restrictions	(167,440)	-	-	-	(167,440)	-	(167,440)
Change in Net Assets	386,803	(1,744)	-	(1,744)	385,059	-	385,059
Net Assets:							
Beginning of year	25,435,833	-	-	-	25,435,833	-	25,435,833
End of year	\$ 25,822,636	\$ (1,744)	\$ -	\$ (1,744)	\$ 25,820,892	\$ -	\$ 25,820,892