

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 5**

TO: Board of Directors

FROM: Edward Burnham, Chief Financial Officer / Treasurer
Mitch Sears, Chief Executive Officer

SUBJECT: Monthly Treasurer’s Report (Informational Item) – May 31, 2026

DATE: July 9, 2026

RECOMMENDATION:

Accept the Treasurer’s report on VCE’s cash, investments, debt, and unaudited financial statements (with comparative year to date information) and Actual vs. Budget year to date for the month ending May 31, 2026.

BACKGROUND & DISCUSSION:

The attached financial statements are prepared in a form to satisfy the debt covenants with River City Bank pursuant to the Line of Credit and are required to be prepared monthly.

The Financial Statements include the following reports:

- Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Net Position
- Statement of Cash Flows

In addition, Staff is reporting the Actual vs. Budget variances year to date ending May 30, 2026.

Financial Statements for the period May 1, 2026 – May 31, 2026

In the Statement of Net Position, VCE, as of May 30, 2026, has a total of \$81,163,959 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, and \$1,800,000 restricted assets related to supplier deposits. On May 30, 2026, VCE’s net position was \$91,106,017.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$746,950 of revenue (net of allowance for doubtful accounts), of which \$2,469,055 was billed in, and \$1,665,097 represents estimated unbilled revenue. The cost of electricity for the May revenue totaled \$3,450,399. For May, VCE’s gross margin was approximately (270%) and the net loss totaled (\$2,999,464). The year-to-date change in net position was (\$4,184,755). Accrued revenue estimates for April 2026, unbilled

revenues, were higher than actuals and included in the May 2026 updated financial estimates, partially driving lower revenues reported in May.

In the Statement of Cash Flows, VCE cash flows from operations were (\$946,540) due to May cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 05/31/2026):

Operating Account	\$42,772,826
Insured Cash Sweep Account	\$39,476,390
Debt Service Account	\$1,100,000
CAISO Operational Account	\$7,801,149
Total Cash on Deposit	\$91,150,365

Note: VCE receives 5.72% interest earnings for the average balance on the ICS account and CAISO operational account equal to the Local Agency Investment Fund (LAIF) state investments rate. May 2026 earnings were \$160,490.

VCE's Outstanding Loan Balances (as of 05/31/2026):

Valley Clean Energy Alliance has available at the financial institution a line of credit totaling \$11,000,000 with \$7,000,000 withdrawal limit, which expires on May 15, 2026. The related debt outstanding at the close of business on October 31, 2026 was \$0. VCE has issued, but undrawn, letters of credit for a total of \$266,989 for regulatory.

Actual vs. Budget Variances for the year to date ending May 31, 2026

Below are the financial statement line items with variances >\$50,000 and 5%

- Electric Revenue – \$1,127,024 and 8% – Favorable variance mainly driven by favorable PG&E PCIA rate adjustments than forecasted, resulting from final actual results for PG&E included in the December true-up process and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Purchased Power – \$884,036 and 5% – Favorable mainly due to lower power costs resulting in less PPA cost recoveries, increased curtailment energy, and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Salaries & Wages – 13% favorable, driven by vacancy in the Budgeted Policy Analyst role currently in recruitment.
- CC Power \$90,000 and 100% Favorable due to the timing difference between amortization of budgeted expenses and actual expenses.
- Other Contracting Services \$60,730 and 97% Favorable due to the timing difference between amortization of budgeted expenses and actual expenses due to delayed regulatory proceedings.
- Programs \$531,347 – 92% Favorable Variance due to timing differences from the anticipated EV phase II program being deferred to Q426.
- Marketing Plan / Focus Groups \$60,000 – 100% Favorable Variance due to being deferred to Q426.

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Attachments:

- 1) Financial Statements (Unaudited) May 1, 2026 to May 31, 2026 (with comparative year to date information.)
- 2) Actual vs. Budget for the year to date ending May 31, 2026



VALLEY CLEAN ENERGY

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF MAY 1 TO MAY 31, 2026

PREPARED ON JUNE 30, 2026

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
MAY 31, 2026
(UNAUDITED)

ASSETS

Current assets:

Cash and cash equivalents	\$ 81,163,959
Accounts receivable, net of allowance	5,343,665
Accrued revenue	1,665,098
Prepaid expenses	194,164
Inventory - Renewable Energy Credits	-
Other current assets and deposits	9,608,032
Total current assets	<u>97,974,917</u>

Restricted assets:

Debt service reserve fund	1,100,000
Total restricted assets	<u>1,100,000</u>
TOTAL ASSETS	<u><u>\$ 99,074,917</u></u>

LIABILITIES

Current liabilities:

Accounts payable	264,783
Accrued payroll	64,754
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	3,515,241
Other accrued liabilities	2,295,859
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	28,262
TOTAL LIABILITIES	<u><u>\$ 7,968,899</u></u>

NET POSITION

Net position:

Designated Funds	\$ 18,849,585
Local Programs Reserve	2,709,585
Rate Stabilization	12,284,000
Customer Dividends	3,856,000
Restricted	1,100,000
Unrestricted	71,156,433
TOTAL NET POSITION	<u><u>\$ 91,106,018</u></u>

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
MAY 31, 2026
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING MAY 31, 2026	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	\$ 746,950	\$ 14,501,719
Other revenue	25,000	31,375
TOTAL OPERATING REVENUES	771,950	14,533,094
 OPERATING EXPENSES		
Cost of electricity	3,450,399	17,260,964
Contract services	232,137	1,016,432
Staff compensation	160,626	769,929
General, administration, and other	88,742	439,454
TOTAL OPERATING EXPENSES	3,931,904	19,486,778
 TOTAL OPERATING INCOME (LOSS)	(3,159,954)	(4,953,685)
 NONOPERATING REVENUES (EXPENSES)		
Interest income	160,490	768,930
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	160,490	768,930
 CHANGE IN NET POSITION		
Net position at beginning of period	(2,999,464)	(4,184,755)
Net position at end of period	94,105,481	95,290,772
	\$ 91,106,018	\$ 91,106,018

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
MAY 31, 2026
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	<u>FOR THE PERIOD ENDING MAY 31, 2026</u>	<u>YEAR TO DATE</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	\$ 2,627,706	\$ 21,704,192
Public purpose program receipts	-	-
Payments received from other revenue sources	25,000	31,375
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(3,078,085)	(17,694,482)
Payments for contract services, general, and administration	(301,314)	(1,454,764)
Payments for member agency services	-	-
Payments for staff compensation	(219,817)	(826,019)
Tax and surcharge payments to other governments	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	<u>(946,510)</u>	<u>1,760,301</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Principal payments of Debt	-	-
Interest and related expenses	-	-
Other Non Operating Revenue	-	-
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	160,490	768,930
Net cash provided (used) by investing activities	<u>160,490</u>	<u>768,930</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of period	(786,019)	2,529,231
Cash and cash equivalents at end of period	<u>83,049,978</u>	<u>79,734,728</u>
	<u>82,263,959</u>	<u>82,263,959</u>
Cash and cash equivalents included in:		
Cash and cash equivalents	81,163,959	81,163,959
Restricted assets	1,100,000	1,100,000
Cash and cash equivalents at end of period	<u>\$ 82,263,959</u>	<u>\$ 82,263,959</u>

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
MAY 31, 2026
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	<u>FOR THE PERIOD ENDING MAY 31, 2026</u>	<u>YEAR TO DATE</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (3,159,954)	\$ (4,953,685)
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	24,600	167,300
(Increase) decrease in net accounts receivable	208,035	4,954,519
(Increase) decrease in accrued revenue	1,676,527	2,098,581
(Increase) decrease in prepaid expenses	22,050	(131)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	-	-
Increase (decrease) in accounts payable	13,790	(27,754)
Increase (decrease) in accrued payroll	(59,191)	(56,091)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	356,039	(404,512)
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	(28,406)	(17,927)
Increase (decrease) in security deposits from energy suppliers	-	-
Increase (decrease) in user taxes due to other governments	-	-
Increase (decrease) in advances from public purpose programs	-	-
Net cash provided (used) by operating activities	<u>\$ (946,510)</u>	<u>\$ 1,760,301</u>

VALLEY CLEAN ENERGY
2026 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 05/31/2026

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	\$ 15,302,024	\$ 14,175,000	\$ 1,127,024	8%
Electric Revenue	\$ 14,501,719	\$ 13,615,000	\$ 886,719	7%
Interest Revenues	\$ 768,929	\$ 550,000	\$ 218,929	40%
Reimbursable Revenues	\$ 31,375	\$ 10,000	\$ 21,375	214%
Purchased Power	\$ 17,260,964	\$ 18,145,000	\$ (884,036)	-5%
Purchased Power Base	\$ 17,260,964	\$ 17,247,000	\$ 13,964	0%
Purchased Power Contingency 5%	\$ -	\$ 898,000	\$ (206,174)	-23%
Labor & Benefits	\$ 781,445	\$ 895,000	\$ (113,555)	-13%
Salaries & Wages/Benefits	\$ 632,381	\$ 725,000	\$ (92,619)	-13%
Contract Labor	\$ 85,808	\$ 90,000	\$ (4,192)	-5%
Human Resources & Payroll	\$ 63,256	\$ 80,000	\$ (16,744)	-21%
Office Supplies & Other Expenses	\$ 162,933	\$ 217,000	\$ (54,067)	-25%
Technology Costs	\$ 56,020	\$ 15,000	\$ 41,020	273%
Office Supplies	\$ 6,361	\$ 5,000	\$ 1,361	27%
Travel	\$ 11,472	\$ 22,000	\$ (10,528)	-48%
CalCCA Dues	\$ 87,500	\$ 80,000	\$ 7,500	9%
CC Power	\$ -	\$ 90,000	\$ (90,000)	-100%
Memberships	\$ 1,580	\$ 5,000	\$ (3,420)	-68%
Contractual Services	\$ 962,927	\$ 1,170,750	\$ (207,823)	-18%
Other Contract Services (e.g. IRP)	\$ 1,770	\$ 62,500	\$ (60,730)	-97%
Don Dame	\$ 2,030	\$ 15,000	\$ (12,970)	-86%
Wholesale Energy Services (TEA)	\$ 317,991	\$ 360,000	\$ (42,009)	-12%
2030 100% Renewable & Storage	\$ -	\$ 12,500	\$ (12,500)	-100%
Customer Support Call Center	\$ 401,487	\$ 402,500	\$ (1,013)	0%
Operating Services	\$ 460	\$ 50,000	\$ (49,540)	-99%
Commercial Legal Support	\$ 47,889	\$ 10,000	\$ 37,889	379%
Legal General Counsel	\$ 32,744	\$ 35,000	\$ (2,256)	-6%
Regulatory Counsel	\$ 91,457	\$ 85,000	\$ 6,457	8%
Joint CCA Regulatory counsel	\$ -	\$ 8,000	\$ (8,000)	-100%
Legislative - (Lobbyist)	\$ 27,500	\$ 28,750	\$ (1,250)	-4%
Accounting Services	\$ -	\$ 1,500	\$ (1,500)	-100%
Financial Consultant	\$ -	\$ 7,500	\$ (7,500)	-100%
Audit Fees	\$ 39,600	\$ 55,000	\$ (15,400)	-28%
Marketing	\$ 114,500	\$ 165,500	\$ (51,000)	-31%
Marketing Collateral	\$ 114,500	\$ 133,000	\$ (18,500)	-14%
Community Engagement Activities & Sponsorships	\$ -	\$ 32,500	\$ (32,500)	-100%
Programs	\$ 48,653	\$ 580,000	\$ (531,347)	-92%
Program Costs (Rebates, Incentives, etc.)	\$ 38,291	\$ 400,000	\$ (361,709)	-90%
Member Agency Advisory Services	\$ -	\$ 10,000	\$ (10,000)	-100%
AG Fit	\$ 10,362	\$ 110,000	\$ (99,638)	-91%
PIPP Program	\$ -	\$ 60,000	\$ (60,000)	-100%
Rents & Leases	\$ 10,500	\$ 21,750	\$ (11,250)	-52%
Hunt Boyer Mansion	\$ 10,500	\$ 11,750	\$ (1,250)	-11%
Lease Improvement	\$ -	\$ 10,000	\$ (10,000)	-100%
Other A&G	\$ 142,753	\$ 320,600	\$ (177,847)	-55%
Development - New Members	\$ -	\$ 6,000	\$ (6,000)	-100%
Strategic Plan Implementation	\$ 10,784	\$ 32,000	\$ (21,216)	-66%
Marketing Plan Update & Community Focus Group	\$ -	\$ 60,000	\$ (60,000)	-100%
PG&E Data Fees	\$ 66,241	\$ 125,000	\$ (58,759)	-47%
Insurance	\$ 28,875	\$ 40,000	\$ (11,125)	-28%
Banking Fees	\$ 36,852	\$ 57,600	\$ (20,748)	-36%
Miscellaneous Operating Expenses	\$ 2,104	\$ 5,000	\$ (2,896)	-58%
Contingency	\$ -	\$ 100,000	\$ (100,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	\$ 19,486,779	\$ 21,620,600	\$ (2,133,821)	-10%
Interest on RCB Term loan	\$ -	\$ -	\$ -	100%
NET INCOME	\$ (4,184,755)	\$ (7,445,600)		