

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) – July 31, 2026

DATE: October 8, 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 July 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 July 31, 2026.

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

In the Statement of Net Position, VCE, as of July 31, 2026, has a total of \$80,619,916 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 July 31, 2026, VCE's net position was \$93,205,771.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$7,384,046 of revenue (net of allowance for doubtful accounts), of which \$6,752,438 was billed in, and \$3,107,951 represents estimated unbilled revenue. The cost of electricity for the July revenue totaled \$5,520,537. For July, VCE's gross margin was approximately 30% and the net income totaled \$1,560,679. The year-to-date change in net position was (\$2,085,001).

In the Statement of Cash Flows, VCE cash flows from operations were \$290,673 due to July cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 07/31/2026):

Operating Account	\$41,983,925
Insured Cash Sweep Account	\$39,832,346
Debt Service Account	\$1,100,000
CAISO Operational Account	\$8,040,305
Total Cash on Deposit	\$90,956,577

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. July 2026 earnings were \$156,068.

VCE's Outstanding Loan Balances (as of 06/30/2026):

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 April 15, 2027. 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 July 31, 2026

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

- Electric Revenue – \$1,695,897 and 6% – 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 – \$3,372,350 and 11% – 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 – 173,987 and 14% favorable, driven by a vacancy in the Budgeted Policy Analyst role currently in recruitment and underfilled positions.
- Other Contracting Services \$66,620 and 76% Favorable due to the timing difference between amortization of budgeted expenses and actual expenses due to delayed regulatory proceedings.
- Programs \$724,288 – 90% Favorable Variance due to timing differences from the anticipated EV phase II program being deferred to Q426.
- Marketing Plan / Focus Groups \$75,000 – 100% Favorable Variance due to being deferred to Q426.

Attachments:

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



VALLEY CLEAN ENERGY

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF JULY 1 TO JULY 31, 2026

PREPARED ON SEPTEMBER 2, 2026

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

ASSETS

Current assets:

Cash and cash equivalents	\$ 80,619,916
Accounts receivable, net of allowance	8,204,473
Accrued revenue	3,107,952
Prepaid expenses	271,512
Inventory - Renewable Energy Credits	-
Other current assets and deposits	9,847,188
Total current assets	<u>102,051,041</u>

Restricted assets:

Debt service reserve fund	<u>1,102,881</u>
Total restricted assets	<u>1,102,881</u>
TOTAL ASSETS	<u>\$ 103,153,922</u>

LIABILITIES

Current liabilities:

Accounts payable	257,207
Accrued payroll	36,378
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	5,487,483
Other accrued liabilities	2,297,157
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	69,926
TOTAL LIABILITIES	<u>\$ 9,948,151</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	1,102,881
Unrestricted	<u>73,253,305</u>
TOTAL NET POSITION	<u>\$ 93,205,771</u>

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

	FOR THE PERIOD ENDING JULY 31, 2026	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	\$ 7,384,046	\$ 26,814,986
Other revenue	-	31,375
TOTAL OPERATING REVENUES	<u>7,384,046</u>	<u>26,846,361</u>
OPERATING EXPENSES		
Cost of electricity	5,520,537	26,887,416
Contract services	230,074	1,481,533
Staff compensation	147,776	1,068,367
General, administration, and other	81,048	567,581
TOTAL OPERATING EXPENSES	<u>5,979,435</u>	<u>30,004,897</u>
TOTAL OPERATING INCOME (LOSS)	1,404,611	(3,158,537)
NONOPERATING REVENUES (EXPENSES)		
Interest income	156,068	1,073,535
Interest and related expenses	-	-
Other Non Operating Revenues	<u>-</u>	<u>-</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>156,068</u>	<u>1,073,535</u>
CHANGE IN NET POSITION	1,560,679	(2,085,001)
Net position at beginning of period	91,645,092	95,290,772
Net position at end of period	<u>\$ 93,205,771</u>	<u>\$ 93,205,771</u>

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

	FOR THE PERIOD ENDING JULY 31, 2026	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	\$ 5,093,640	\$ 29,756,758
Public purpose program receipts	-	-
Payments received from other revenue sources	-	31,375
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(4,390,541)	(25,611,088)
Payments for contract services, general, and administration	(385,766)	(2,109,678)
Payments for member agency services	-	-
Payments for staff compensation	(182,728)	(1,152,833)
Tax and surcharge payments to other governments	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	134,605	914,533
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	-	-
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	156,068	1,073,535
Net cash provided (used) by investing activities	156,068	1,073,535
NET CHANGE IN CASH AND CASH EQUIVALENTS	290,673	1,988,069
Cash and cash equivalents at beginning of period	81,432,123	79,734,728
Cash and cash equivalents at end of period	81,722,797	81,722,797
Cash and cash equivalents included in:		
Cash and cash equivalents	80,619,916	80,619,916
Restricted assets	1,102,881	1,102,881
Cash and cash equivalents at end of period	\$ 81,722,797	\$ 81,722,797

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

	FOR THE PERIOD ENDING JULY 31, 2026	YEAR TO DATE
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 1,404,611	\$ (3,158,537)
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	67,300	277,100
(Increase) decrease in net accounts receivable	(1,651,170)	1,985,208
(Increase) decrease in accrued revenue	(728,851)	655,726
(Increase) decrease in prepaid expenses	(96,083)	(77,479)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	-	-
Increase (decrease) in accounts payable	(15,124)	(35,329)
Increase (decrease) in accrued payroll	(34,952)	(84,466)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	1,166,559	1,328,573
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	22,316	23,737
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	\$ 134,605	\$ 914,533

VALLEY CLEAN ENERGY
2026 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 07/31/2026

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	\$ 27,919,897	\$ 26,224,000	\$ 1,695,897	6%
Electric Revenue	\$ 26,814,987	\$ 25,450,000	\$ 1,364,987	5%
Interest Revenues	\$ 1,073,534	\$ 760,000	\$ 313,534	41%
Reimbursable Revenues	\$ 31,375	\$ 14,000	\$ 17,375	124%
Purchased Power	\$ 26,360,650	\$ 29,633,000	\$ (3,272,350)	-11%
Purchased Power Base	\$ 26,360,650	\$ 28,167,000	\$ (1,806,350)	-6%
Purchased Power Contingency 5%	\$ -	\$ 1,466,000	\$ (311,798)	-21%
Labor & Benefits	\$ 1,084,013	\$ 1,258,000	\$ (173,987)	-14%
Salaries & Wages/Benefits	\$ 882,189	\$ 1,020,000	\$ (137,811)	-14%
Contract Labor	\$ 115,312	\$ 126,000	\$ (10,688)	-8%
Human Resources & Payroll	\$ 86,512	\$ 112,000	\$ (25,488)	-23%
Office Supplies & Other Expenses	\$ 228,788	\$ 325,000	\$ (96,212)	-30%
Technology Costs	\$ 73,229	\$ 50,000	\$ 23,229	46%
Office Supplies	\$ 13,085	\$ 7,000	\$ 6,085	87%
Travel	\$ 18,310	\$ 23,000	\$ (4,691)	-20%
CalCCA Dues	\$ 122,500	\$ 112,000	\$ 10,500	9%
CC Power	\$ -	\$ 126,000	\$ (126,000)	-100%
Memberships	\$ 1,665	\$ 7,000	\$ (5,336)	-76%
Contractual Services	\$ 1,374,183	\$ 1,617,050	\$ (242,867)	-15%
Other Contract Services (e.g. IRP)	\$ 20,880	\$ 87,500	\$ (66,620)	-76%
Don Dame	\$ 3,916	\$ 21,000	\$ (17,084)	-81%
Wholesale Energy Services (TEA)	\$ 478,653	\$ 504,000	\$ (25,347)	-5%
2030 100% Renewable & Storage	\$ -	\$ 17,500	\$ (17,500)	-100%
Customer Support Call Center	\$ 566,565	\$ 563,500	\$ 3,065	1%
Operating Services	\$ 460	\$ 70,000	\$ (69,540)	-99%
Commercial Legal Support	\$ 57,302	\$ 17,000	\$ 40,302	237%
Legal General Counsel	\$ 41,419	\$ 46,000	\$ (4,581)	-10%
Regulatory Counsel	\$ 123,298	\$ 119,000	\$ 4,298	4%
Joint CCA Regulatory counsel	\$ -	\$ 11,200	\$ (11,200)	-100%
Legislative - (Lobbyist)	\$ 38,500	\$ 40,250	\$ (1,750)	-4%
Accounting Services	\$ -	\$ 2,100	\$ (2,100)	-100%
Financial Consultant	\$ -	\$ 10,500	\$ (10,500)	-100%
Audit Fees	\$ 43,190	\$ 55,000	\$ (11,810)	-21%
Marketing	\$ 157,483	\$ 232,500	\$ (75,017)	-32%
Marketing Collateral	\$ 157,483	\$ 187,000	\$ (29,517)	-16%
Community Engagement Activities & Sponsorships	\$ -	\$ 45,500	\$ (45,500)	-100%
Programs	\$ 78,712	\$ 803,000	\$ (724,288)	-90%
Program Costs (Rebates, Incentives, etc.)	\$ 45,710	\$ 560,000	\$ (514,290)	-92%
Member Agency Advisory Services	\$ -	\$ 14,000	\$ (14,000)	-100%
AG Fit	\$ 33,002	\$ 154,000	\$ (120,998)	-79%
PIPP Program	\$ -	\$ 75,000	\$ (75,000)	-100%
Rents & Leases	\$ 14,700	\$ 30,450	\$ (15,750)	-52%
Hunt Boyer Mansion	\$ 14,700	\$ 16,450	\$ (1,750)	-11%
Lease Improvement	\$ -	\$ 14,000	\$ (14,000)	-100%
Other A&G	\$ 172,594	\$ 418,300	\$ (245,706)	-59%
Development - New Members	\$ -	\$ 9,500	\$ (9,500)	-100%
Strategic Plan Implementation	\$ 29,716	\$ 44,800	\$ (15,084)	-34%
Strategic Plan Update & Community Focus Group	\$ -	\$ 75,000	\$ (75,000)	-100%
PG&E Data Fees	\$ 66,327	\$ 175,000	\$ (108,673)	-62%
Insurance	\$ 39,700	\$ 56,000	\$ (16,300)	-29%
Banking Fees	\$ 36,852	\$ 58,000	\$ (21,148)	-36%
Miscellaneous Operating Expenses	\$ 7,009	\$ 7,000	\$ 9	0%
Contingency	\$ -	\$ 140,000	\$ (140,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	\$ 29,478,132	\$ 34,464,300	\$ (4,986,168)	-14%
Interest on RCB Term loan	\$ -	\$ -	\$ -	100%
NET INCOME	\$ (1,558,235)	\$ (8,240,300)		