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) – June 30, 2026

DATE: September 10, 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 June 30, 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 June 30, 2026.

Financial Statements for the period June 1, 2026 – June 30, 2026
In the Statement of Net Position, VCE, as of June 30, 2026, has a total of $80,332,123 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 June 30, 2026, VCE's net position was $91,645,092.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded $4,929,222 of revenue (net of allowance for doubtful accounts), of which $4,270,736 was billed in, and $2,379,101 represents estimated unbilled revenue. The cost of electricity for the June revenue totaled $3,549,149 For June, VCE's gross margin was approximately 30% and the net income totaled $1,065,841. The year-to-date change in net position was ($3,118,914.

In the Statement of Cash Flows, VCE cash flows from operations were ($453,606) due to June cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 06/30/2026):

Operating Account	$41,766,028
Insured Cash Sweep Account	$39,701,950
Debt Service Account	$1,100,000
CAISO Operational Account	$7,917,580
Total Cash on Deposit	$90,485,559

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. June 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 June 30, 2026

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

- Electric Revenue – $440,940 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 – $2,616,887 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 – 137,769 and 13% favorable, driven by a vacancy in the Budgeted Policy Analyst role currently in recruitment and underfilled positions.
- CC Power $108,000 and 100% Favorable due to the timing difference between amortization of budgeted expenses and actual expenses.
- Other Contracting Services $54,730 and 72% Favorable due to the timing difference between amortization of budgeted expenses and actual expenses due to delayed regulatory proceedings.
- Programs $645,104 – 92% 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) June 1, 2026 to June 30, 2026 (with comparative year to date information.)
2) Actual vs. Budget for the year to date ending June 30, 2026

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF JUNE 1 TO JUNE 30, 2026

PREPARED ON AUGUST 21, 2026

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
JUNE 30, 2026
(UNAUDITED)

ASSETS		
Current assets:		
Cash and cash equivalents	$	80,332,123
Accounts receivable, net of allowance		6,612,975
Accrued revenue		2,379,101
Prepaid expenses		175,429
Inventory - Renewable Energy Credits		-
Other current assets and deposits		9,724,463
Total current assets		99,224,090
Restricted assets:		
Debt service reserve fund		1,100,000
Total restricted assets		1,100,000
TOTAL ASSETS	$	100,324,090
LIABILITIES		
Current liabilities:		
Accounts payable		272,331
Accrued payroll		71,330
Interest payable		-
Due to member agencies		-
Accrued cost of electricity		4,198,199
Other accrued liabilities		2,289,528
Security deposits - energy supplies		1,800,000
User taxes and energy surcharges		47,610
TOTAL LIABILITIES	$	8,678,999
NET POSITION		
Net position:		
Designated Funds	$	18,849,585
Local Programs Reserve		2,709,585
Rate Stabilization		12,284,000
Customer Difidends		3,856,000
Restricted		1,100,000
Unrestricted		71,695,507
TOTAL NET POSITION	$	91,645,092

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
JUNE 30, 2026
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING JUNE 30, 2026	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	$ 4,929,222	$ 19,430,940
Other revenue	0	31,375
TOTAL OPERATING REVENUES	4,929,222	19,462,315
OPERATING EXPENSES		
Cost of electricity	3,579,149	21,366,879
Contract services	235,027	1,251,459
Staff compensation	150,662	920,591
General, administration, and other	47,080	486,534
TOTAL OPERATING EXPENSES	4,011,918	24,025,463
TOTAL OPERATING INCOME (LOSS)	917,304	(4,563,148)
NONOPERATING REVENUES (EXPENSES)		
Interest income	148,537	917,467
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	148,537	917,467
CHANGE IN NET POSITION	1,065,841	(3,645,681)
Net position at beginning of period	90,579,251	95,290,772
Net position at end of period	$ 91,645,092	$ 91,645,092

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
JUNE 30, 2026
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING JUNE 30, 2026	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	$ 2,958,926	$ 24,663,117
Public purpose program receipts	-	-
Payments received from other revenue sources	0	31,375
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(2,999,298)	(21,220,547)
Payments for contract services, general, and adminstration	(269,148)	(1,723,913)
Payments for member agency services	-	-
Payments for staff compensation	(144,086)	(970,105)
Tax and surcharge payments to other governments	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	(453,606)	779,928
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	148,537	917,467
Net cash provided (used) by investing activities	148,537	917,467
NET CHANGE IN CASH AND CASH EQUIVALENTS	(305,069)	1,697,395
Cash and cash equivalents at beginning of period	81,737,192	79,734,728
Cash and cash equivalents at end of period	81,432,123	81,432,123
Cash and cash equivalents included in:		
Cash and cash equivalents	80,332,123	80,332,123
Restricted assets	1,100,000	1,100,000
Cash and cash equivalents at end of period	$ 81,432,123	$ 81,432,123

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
JUNE 30, 2026
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING JUNE 30, 2026	YEAR TO DATE
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 917,304	$ (4,563,148)
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	42,500	209,800
(Increase) decrease in net accounts receivable	(1,318,140)	3,636,379
(Increase) decrease in accrued revenue	(714,003)	1,384,577
(Increase) decrease in prepaid expenses	18,735	18,604
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	-	-
Increase (decrease) in accounts payable	7,548	(20,206)
Increase (decrease) in accrued payroll	6,577	(49,514)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	566,526	162,014
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	19,348	1,421
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	$ (453,606)	$ 779,928

VALLEY CLEAN ENERGY
2026 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 06/30/2026

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	$ 20,379,783	$ 19,662,000	$ 717,783	4%
Electric Revenue	$ 19,430,941	$ 18,990,000	$ 440,941	2%
Interest Revenues	$ 917,466	$ 660,000	$ 257,466	39%
Reimbursable Revenues	$ 31,375	$ 12,000	$ 19,375	161%
Purchased Power	$ 20,840,113	$ 23,457,000	$ (2,616,887)	-11%
Purchased Power Base	$ 20,840,113	$ 22,297,000	$ (1,456,887)	-7%
Purchased Power Contingency 5%	$ -	$ 1,160,000	$ (1,160,000)	-100%
Labor & Benefits	$ 936,237	$ 1,074,000	$ (137,763)	-13%
Salaries & Wages/Benefits	$ 758,329	$ 870,000	$ (111,671)	-13%
Contract Labor	$ 100,660	$ 108,000	$ (7,340)	-7%
Human Resources & Payroll	$ 77,248	$ 96,000	$ (18,752)	-20%
Office Supplies & Other Expenses	$ 196,141	$ 263,500	$ (67,359)	-26%
Technology Costs	$ 63,130	$ 25,000	$ 38,130	153%
Office Supplies	$ 12,321	$ 6,000	$ 6,321	105%
Travel	$ 14,026	$ 22,500	$ (8,474)	-38%
CalCCA Dues	$ 105,000	$ 96,000	$ 9,000	9%
CC Power	$ -	$ 108,000	$ (108,000)	-100%
Memberships	$ 1,665	$ 6,000	$ (4,336)	-72%
Contractual Services	$ 1,178,187	$ 1,393,900	$ (215,713)	-15%
Other Contract Services (e.g. IRP)	$ 20,880	$ 75,000	$ (54,120)	-72%
Don Dame	$ 2,794	$ 18,000	$ (15,206)	-84%
Wholesale Energy Services (TEA)	$ 393,554	$ 432,000	$ (38,446)	-9%
2030 100% Renewable & Storage	$ -	$ 15,000	$ (15,000)	-100%
Customer Support Call Center	$ 483,981	$ 483,000	$ 981	0%
Operating Services	$ 460	$ 60,000	$ (59,540)	-99%
Commercial Legal Support	$ 61,653	$ 15,000	$ 46,653	311%
Legal General Counsel	$ 34,051	$ 39,000	$ (4,949)	-13%
Regulatory Counsel	$ 108,213	$ 102,000	$ 6,213	6%
Joint CCA Regulatory counsel	$ -	$ 9,600	$ (9,600)	-100%
Legislative - (Lobbyist)	$ 33,000	$ 34,500	$ (1,500)	-4%
Accounting Services	$ -	$ 1,800	$ (1,800)	-100%
Financial Consultant	$ -	$ 9,000	$ (9,000)	-100%
Audit Fees	$ 39,600	$ 55,000	$ (15,400)	-28%
Marketing	$ 152,403	$ 199,000	$ (46,597)	-23%
Marketing Collateral	$ 152,403	$ 160,000	$ (7,597)	-5%
Community Engagement Activities & Sponsorships	$ -	$ 39,000	$ (39,000)	-100%
Programs	$ 53,896	$ 699,000	$ (645,104)	-92%
Program Costs (Rebates, Incentives, etc.)	$ 42,317	$ 480,000	$ (437,683)	-91%
Member Agency Advisory Services	$ -	$ 12,000	$ (12,000)	-100%
AG Fit	$ 11,578	$ 132,000	$ (120,422)	-91%
PIPP Program	$ -	$ 75,000	$ (75,000)	-100%
Rents & Leases	$ 12,600	$ 26,100	$ (13,500)	-52%
Hunt Boyer Mansion	$ 12,600	$ 14,100	$ (1,500)	-11%
Lease Improvement	$ -	$ 12,000	$ (12,000)	-100%
Other A&G	$ 127,017	$ 376,700	$ (249,683)	-66%
Development - New Members	$ -	$ 7,500	$ (7,500)	-100%
Strategic Plan Implementation	$ 11,759	$ 38,400	$ (26,641)	-69%
Strategic Plan Update & Community Focus Group	$ -	$ 75,000	$ (75,000)	-100%
PG&E Data Fees	$ 44,117	$ 150,000	$ (105,883)	-71%
Insurance	$ 34,289	$ 48,000	$ (13,711)	-29%
Banking Fees	$ 36,852	$ 57,800	$ (20,948)	-36%
Miscellaneous Operating Expenses	$ 2,104	$ 6,000	$ (3,896)	-65%
Contingency	$ -	$ 120,000	$ (120,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	$ 23,498,697	$ 27,615,200	$ (4,116,503)	-15%
Interest on RCB Term loan	$ -	$ -	$ -	100%
NET INCOME	$ (3,118,914)	$ (7,953,200)		