

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 7 (a)**

TO: Board of Directors

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

SUBJECT: Monthly Treasurer’s Report (Informational Item) – October 31, 2025

DATE: February 12, 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 October 31, 2025.

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 October 31, 2025.

Financial Statements for the period October 1, 2025 – October 31, 2025

In the Statement of Net Position, VCE, as of October 31, 2025, has a total of \$73,345,000 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 October 31, 2025, VCE’s net position was \$89,579,190.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$6,830,862 of revenue (net of allowance for doubtful accounts), of which \$7,640,855 was billed in, and \$4,007,527 represents estimated unbilled revenue. The cost of electricity for the October revenue totaled \$4,627,299. For October, VCE’s gross margin was approximately 34% and the net income totaled \$1,854,294. The year-to-date change in net position was \$26,318,186.

In the Statement of Cash Flows, VCE cash flows from operations were \$2,643,858 due to October cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 10/31/2025):

Operating Account	\$39,832,783
Insured Cash Sweep Account	\$35,162,773
Debt Service Account	\$1,100,000
CAISO Operational Account	\$6,377,486
Total Cash on Deposit	\$82,473,042

Note: VCE receives 6.19% 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. October 2025 earnings were \$140,891.

VCE's Outstanding Loan Balances (as of 08/31/2025):

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, 2026. The related debt outstanding at the close of business on October 31, 2025 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 October 31, 2025

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

- Electric Revenue – (\$11,056,979) and -13% – Unfavorable variance mainly driven by lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Purchased Power – \$8,439,957 and 15% – Favorable mainly due to renewable energy credit sales in Q1 and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Labor & Benefits \$424,520 and 24% – Favorable Variance due to vacancy for additional budgeted positions. Recruitments are in progress and expected to be filled in Q4.
- Legal Services \$121,600 – Favorable Variance due to AgFIT to PG&E administered HFP pilot, current year shared regulatory proceedings by CalCCA.
- Programs \$1,799,172 – Favorable Variance due to timing differences in AgFIT closeout, current year program activities, and member agency support services.
- Marketing & Engagement \$146,250 – Favorable Variance due to lower forecasted activities for support of programs and events.
- Other Contract Services (e.g. IRP) 60,000 – Favorable Variance due to the IRP process being delayed by CPUC.

Attachments:

- 1) Financial Statements (Unaudited) October 1, 2025 to October 31, 2025 (with comparative year to date information.)
- 2) Actual vs. Budget for the year to date ending October 31, 2025



VALLEY CLEAN ENERGY

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF OCTOBER 1 TO OCTOBER 31,

2025 PREPARED ON DECEMBER 17, 2025

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
OCTOBER 31, 2025
(UNAUDITED)

ASSETS

Current assets:

Cash and cash equivalents	74,345,000
Accounts receivable, net of allowance	9,979,470
Accrued revenue	4,007,527
Prepaid expenses	426,222
Inventory - Renewable Energy Credits	-
Other current assets and deposits	8,184,369
Total current assets	<u>96,942,588</u>

Restricted assets:

Debt service reserve fund	1,100,000
Total restricted assets	<u>1,100,000</u>

TOTAL ASSETS

\$ 98,042,588

LIABILITIES

Current liabilities:

Accounts payable	243,673
Accrued payroll	101,638
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	4,156,525
Other accrued liabilities	2,092,100
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	69,462

TOTAL LIABILITIES

\$ 8,463,398

NET POSITION

Net position:

Local Programs Reserve	1,085,585
Restricted	1,100,000
Unrestricted	87,393,605
TOTAL NET POSITION	<u><u>\$ 89,579,190</u></u>

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
OCTOBER 31, 2025
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING OCTOBER 31, 2025	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	\$ 6,830,862	\$ 76,700,484
Other revenue	-	\$ 26,530
TOTAL OPERATING REVENUES	6,830,862	76,727,014
OPERATING EXPENSES		
Cost of electricity	4,627,299	47,387,042
Contract services	236,745	2,177,231
Staff compensation	117,291	1,373,585
General, administration, and other	136,124	772,701
TOTAL OPERATING EXPENSES	5,117,459	51,710,560
TOTAL OPERATING INCOME (LOSS)	1,713,403	25,016,455
NONOPERATING REVENUES (EXPENSES)		
Interest income	140,891	1,301,731
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	140,891	1,301,731
CHANGE IN NET POSITION	1,854,294	26,318,186
Net position at beginning of period	87,724,896	63,263,712
Net position at end of period	\$ 89,579,190	\$ 89,581,897

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
OCTOBER 31, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING OCTOBER 31, 2025	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	\$ 10,667,961	\$ 76,470,329
Payments received from other revenue sources	-	26,530
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(7,674,172)	(47,685,863)
Payments for contract services, general, and administration	(373,532)	(3,696,108)
Payments for member agency services	-	-
Payments for staff compensation	(117,291)	(1,373,585)
Return of security deposits to energy suppliers	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	2,502,966	23,741,303
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	140,891	1,301,731
Net cash provided (used) by investing activities	140,891	1,301,731
NET CHANGE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of period	2,643,858	25,043,035
Cash and cash equivalents at end of period	71,340,142	90,006,110
	73,984,000	115,049,145
Cash and cash equivalents included in:		
Cash and cash equivalents	74,345,000	74,345,000
Restricted assets	1,100,000	1,100,000
Cash and cash equivalents at end of period	\$ 75,445,000	\$ 75,445,000

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
OCTOBER 31, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	<u>FOR THE</u> <u>PERIOD ENDING</u> <u>OCTOBER 31, 2025</u>	<u>YEAR TO DATE</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 1,713,403	\$ 25,016,455
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	79,600	763,600
(Increase) decrease in net accounts receivable	2,717,171	(1,591,379)
(Increase) decrease in accrued revenue	1,036,540	(558,229)
(Increase) decrease in prepaid expenses	(36,300)	(85,781)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	11,434	(240,419)
Increase (decrease) in accounts payable	(12,096)	(505,758)
Increase (decrease) in accrued payroll	(50,376)	(49,836)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	(3,046,874)	(298,821)
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	-	-
Increase (decrease) in security deposits from energy suppliers	74,364	1,271,040
Increase (decrease) in user taxes due to other governments	16,101	20,432
Increase (decrease) in advances from public purpose programs	-	-
Net cash provided (used) by operating activities	\$ 2,502,967	\$ 23,741,303

VALLEY CLEAN ENERGY
2025 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 10/31/2025

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	\$ 77,637,281	\$ 88,786,000	\$ (11,148,719)	-13%
Electric Revenue	\$ 76,309,021	\$ 87,366,000	\$ (11,056,979)	-13%
Interest Revenues	\$ 1,301,730	\$ 820,000	\$ 481,730	59%
Reimbursable Revenues	\$ 26,530	\$ 600,000	\$ (573,470)	-96%
Purchased Power	\$ 47,387,043	\$ 55,827,000	\$ (8,439,957)	-15%
Purchased Power Base	\$ 47,387,043	\$ 53,170,000	\$ (5,782,957)	-11%
Purchased Power Contingency 5%	\$ -	\$ 2,657,000	\$ (841,378)	-32%
Labor & Benefits	\$ 1,325,480	\$ 1,750,000	\$ (424,520)	-24%
Salaries & Wages/Benefits	\$ 1,023,142	\$ 1,440,000	\$ (416,858)	-29%
Contract Labor	\$ 183,917	\$ 160,000	\$ 23,917	15%
Human Resources & Payroll	\$ 118,421	\$ 150,000	\$ (31,579)	-21%
Office Supplies & Other Expenses	\$ 260,994	\$ 430,100	\$ (169,106)	-39%
Technology Costs	\$ 77,605	\$ 45,600	\$ 32,005	70%
Office Supplies	\$ 5,409	\$ 10,000	\$ (4,591)	-46%
Travel	\$ 13,256	\$ 24,500	\$ (11,244)	-46%
CalCCA Dues	\$ 163,660	\$ 160,000	\$ 3,660	2%
CC Power	\$ -	\$ 180,000	\$ (180,000)	-100%
Memberships	\$ 1,064	\$ 10,000	\$ (8,936)	-89%
Contractual Services	\$ 1,953,713	\$ 2,212,000	\$ (258,287)	-12%
Other Contract Services (e.g. IRP)	\$ -	\$ 60,000	\$ (60,000)	-100%
Don Dame	\$ 2,876	\$ 18,000	\$ (15,125)	-84%
Wholesale Energy Services (TEA)	\$ 672,408	\$ 720,000	\$ (47,592)	-7%
2030 100% Renewable & Storage	\$ -	\$ 25,000	\$ (25,000)	-100%
Customer Support Call Center	\$ 830,288	\$ 805,000	\$ 25,288	3%
Operating Services	\$ 115,560	\$ 100,000	\$ 15,560	16%
Commercial Legal Support	\$ 34,882	\$ 20,000	\$ 14,882	74%
Legal General Counsel	\$ 17,763	\$ 70,000	\$ (52,238)	-75%
Regulatory Counsel	\$ 116,638	\$ 170,000	\$ (53,362)	-31%
Joint CCA Regulatory counsel	\$ -	\$ 16,000	\$ (16,000)	-100%
Legislative - (Lobbyist)	\$ 55,000	\$ 57,500	\$ (2,500)	-4%
Accounting Services	\$ -	\$ 2,500	\$ (2,500)	-100%
Financial Consultant	\$ 48,070	\$ 93,000	\$ (44,930)	-48%
Audit Fees	\$ 60,230	\$ 55,000	\$ 5,230	10%
Marketing	\$ 163,750	\$ 310,000	\$ (146,250)	-47%
Marketing Collateral	\$ 163,720	\$ 270,000	\$ (106,280)	-39%
Community Engagement Activities & Sponsorships	\$ 30	\$ 40,000	\$ (39,970)	-100%
Programs	\$ 65,828	\$ 1,865,000	\$ (1,799,172)	-96%
Program Costs (Rebates, Incentives, etc.)	\$ 159,363	\$ 800,000	\$ (640,637)	-80%
Member Agency Advisory Services	\$ -	\$ 130,000	\$ (130,000)	-100%
AG Fit	\$ (93,535)	\$ 920,000	\$ (1,013,535)	-110%
PIPP Program	\$ -	\$ 15,000	\$ (15,000)	-100%
Rents & Leases	\$ 33,003	\$ 41,000	\$ (7,997)	-20%
Hunt Boyer Mansion	\$ 33,003	\$ 21,000	\$ 12,003	57%
Lease Improvement	\$ -	\$ 20,000	\$ (20,000)	-100%
Other A&G	\$ 443,246	\$ 648,600	\$ (205,354)	-32%
Development - New Members	\$ -	\$ 21,000	\$ (21,000)	-100%
Strategic Plan Implementation	\$ 108,345	\$ 64,000	\$ 44,345	69%
Strategic Plan Update & Community Focus Group	\$ 58,971	\$ 100,000	\$ (41,029)	-41%
PG&E Data Fees	\$ 221,309	\$ 250,000	\$ (28,691)	-11%
Insurance	\$ 54,621	\$ 80,000	\$ (25,379)	-32%
Banking Fees	\$ -	\$ 133,600	\$ (133,600)	-100%
Miscellaneous Operating Expenses	\$ 12,136	\$ 10,000	\$ 2,136	21%
Contingency	\$ -	\$ 200,000	\$ (200,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	\$ 51,645,194	\$ 63,293,700	\$ (11,648,506)	-18%
Interest on RCB Term loan	\$ -	\$ -	\$ -	100%
NET INCOME	\$ 25,992,087	\$ 25,492,300		

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 7 (b)**

TO: Board of Directors

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

SUBJECT: Monthly Treasurer’s Report (Informational Item) – November 30, 2025

DATE: February 12, 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 November 30, 2025.

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 November 30, 2025.

Financial Statements for the period November 1, 2025 – November 30, 2025

In the Statement of Net Position, VCE, as of November 30, 2025, has a total of \$76,653,542 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 November 30, 2025, VCE’s net position was \$88,737,398.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$4,386,879 of revenue (net of allowance for doubtful accounts), of which \$5,004,788 was billed in, and \$3,456,396 represents estimated unbilled revenue. The cost of electricity for the November revenue totaled \$4,902,296 For November, VCE’s gross margin was approximately -8% and the net loss totaled \$841,792. The year-to-date change in net position was \$25,558,750.

In the Statement of Cash Flows, VCE cash flows from operations were \$4,498,782 due to November cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 11/30/2025):

Operating Account	\$42,040,968
Insured Cash Sweep Account	\$35,284,677
Debt Service Account	\$1,100,000
CAISO Operational Account	\$6,534,935
Total Cash on Deposit	\$84,960,580

Note: VCE receives 6.05% 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. November 2025 earnings were \$143,496.

VCE's Outstanding Loan Balances (as of 08/31/2025):

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, 2026. The related debt outstanding at the close of business on October 31, 2025 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 November 30, 2025

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

- Electric Revenue – (\$12,888,100) and -14% – Unfavorable variance mainly driven by lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Purchased Power – \$7,206,661 and 12% – Favorable mainly due to renewable energy credit sales in Q1 and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Labor & Benefits \$465,533 and 24% – Favorable Variance due to vacancy for additional budgeted positions. Recruitments are in progress and expected to be filled in Q4.
- Programs \$1,862,053 – Favorable Variance due to timing differences in AgFIT closeout, current year program activities, and member agency support services.
- Marketing & Engagement \$164,825 – Favorable Variance due to lower forecasted activities for support of programs and events.
- Other Contract Services (e.g. IRP) 66,000 – Favorable Variance due to the IRP process being delayed by CPUC.

Attachments:

- 3) Financial Statements (Unaudited) November 1, 2025 to November 30, 2025 (with comparative year to date information.)
- 4) Actual vs. Budget for the year to date ending November 30, 2025



VALLEY CLEAN ENERGY

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF NOVEMBER 1 TO NOVEMBER 30, 2025

PREPARED ON FEBRUARY 1, 2026

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
NOVEMBER 30, 2025
(UNAUDITED)

ASSETS

Current assets:

Cash and cash equivalents	76,653,542
Accounts receivable, net of allowance	8,467,825
Accrued revenue	3,456,397
Prepaid expenses	400,847
Inventory - Renewable Energy Credits	-
Other current assets and deposits	8,341,819
Total current assets	<u>97,320,429</u>

Restricted assets:

Debt service reserve fund	<u>1,100,000</u>
Total restricted assets	<u>1,100,000</u>
TOTAL ASSETS	<u>\$ 98,420,429</u>

LIABILITIES

Current liabilities:

Accounts payable	244,041
Accrued payroll	109,188
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	5,421,782
Other accrued liabilities	2,095,884
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	12,136
TOTAL LIABILITIES	<u>\$ 9,683,031</u>

NET POSITION

Net position:

Local Programs Reserve	1,085,585
Restricted	1,100,000
Unrestricted	86,551,813
TOTAL NET POSITION	<u>\$ 88,737,398</u>

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
NOVEMBER 30, 2025
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	<u>FOR THE PERIOD ENDING NOVEMBER 30, 2025</u>	<u>YEAR TO DATE</u>
OPERATING REVENUE		
Electricity sales, net	\$ 4,386,879	\$ 81,087,363
Other revenue	-	\$ 26,530
TOTAL OPERATING REVENUES	<u>4,386,879</u>	<u>81,113,893</u>
OPERATING EXPENSES		
Cost of electricity	4,902,296	52,289,338
Contract services	202,675	2,379,906
Staff compensation	131,716	1,505,301
General, administration, and other	135,480	825,825
TOTAL OPERATING EXPENSES	<u>5,372,167</u>	<u>57,000,371</u>
TOTAL OPERATING INCOME (LOSS)	(985,288)	24,113,523
NONOPERATING REVENUES (EXPENSES)		
Interest income	143,496	1,445,228
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>143,496</u>	<u>1,445,228</u>
CHANGE IN NET POSITION	(841,792)	25,558,750
Net position at beginning of period	89,579,190	63,263,712
Net position at end of period	<u>\$ 88,737,398</u>	<u>\$ 88,822,462</u>

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
NOVEMBER 30, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	<u>FOR THE PERIOD ENDING NOVEMBER 30, 2025</u>	<u>YEAR TO DATE</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	\$ 6,442,229	\$ 82,912,558
Payments received from other revenue sources	-	26,530
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(3,637,040)	(51,322,902)
Payments for contract services, general, and administration	(318,187)	(3,931,938)
Payments for member agency services	-	-
Payments for staff compensation	(131,716)	(1,505,301)
Return of security deposits to energy suppliers	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	<u>2,355,286</u>	<u>26,178,946</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	143,496	1,445,228
Net cash provided (used) by investing activities	<u>143,496</u>	<u>1,445,228</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of period	2,498,782	27,624,174
Cash and cash equivalents at end of period	<u>73,984,000</u>	<u>73,984,000</u>
	<u>76,482,782</u>	<u>101,608,174</u>
Cash and cash equivalents included in:		
Cash and cash equivalents	76,653,542	76,653,542
Restricted assets	1,100,000	1,100,000
Cash and cash equivalents at end of period	<u>\$ 77,753,542</u>	<u>\$ 77,753,542</u>

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
NOVEMBER 30, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING NOVEMBER 30, 2025	YEAR TO DATE
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**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (985,288)	\$ 24,113,523
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	49,900	813,500
(Increase) decrease in net accounts receivable	1,340,869	(250,508)
(Increase) decrease in accrued revenue	551,130	(7,099)
(Increase) decrease in prepaid expenses	5,775	(80,006)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	19,600	(220,819)
Increase (decrease) in accounts payable	368	(505,390)
Increase (decrease) in accrued payroll	7,550	(42,286)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	1,265,257	966,436
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	-	-
Increase (decrease) in security deposits from energy suppliers	157,450	1,428,490
Increase (decrease) in user taxes due to other governments	(57,325)	(36,893)
Increase (decrease) in advances from public purpose programs	-	-
Net cash provided (used) by operating activities	\$ 2,355,286	\$ 26,178,946

VALLEY CLEAN ENERGY
2025 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 11/30/2025

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	\$ 82,167,656	\$ 95,149,000	\$ (12,981,344)	-14%
Electric Revenue	\$ 80,695,900	\$ 93,584,000	\$ (12,888,100)	-14%
Interest Revenues	\$ 1,445,226	\$ 905,000	\$ 540,226	60%
Reimbursable Revenues	\$ 26,530	\$ 660,000	\$ (633,470)	-96%
Purchased Power	\$ 52,289,339	\$ 59,496,000	\$ (7,206,661)	-12%
Purchased Power Base	\$ 52,289,339	\$ 56,664,000	\$ (4,374,661)	-8%
Purchased Power Contingency 5%	\$ -	\$ 2,832,000	\$ (918,411)	-32%
Labor & Benefits	\$ 1,459,467	\$ 1,925,000	\$ (465,533)	-24%
Salaries & Wages/Benefits	\$ 1,131,122	\$ 1,584,000	\$ (452,878)	-29%
Contract Labor	\$ 198,723	\$ 176,000	\$ 22,723	13%
Human Resources & Payroll	\$ 129,622	\$ 165,000	\$ (35,378)	-21%
Office Supplies & Other Expenses	\$ 271,811	\$ 469,800	\$ (197,989)	-42%
Technology Costs	\$ 85,254	\$ 48,800	\$ 36,454	75%
Office Supplies	\$ 6,077	\$ 11,000	\$ (4,923)	-45%
Travel	\$ 13,256	\$ 25,000	\$ (11,744)	-47%
CalCCA Dues	\$ 166,160	\$ 176,000	\$ (9,840)	-6%
CC Power	\$ -	\$ 198,000	\$ (198,000)	-100%
Memberships	\$ 1,064	\$ 11,000	\$ (9,936)	-90%
Contractual Services	\$ 2,141,721	\$ 2,435,400	\$ (293,679)	-12%
Other Contract Services (e.g. IRP)	\$ -	\$ 66,000	\$ (66,000)	-100%
Don Dame	\$ 3,431	\$ 19,800	\$ (16,370)	-83%
Wholesale Energy Services (TEA)	\$ 746,262	\$ 792,000	\$ (45,738)	-6%
2030 100% Renewable & Storage	\$ -	\$ 27,500	\$ (27,500)	-100%
Customer Support Call Center	\$ 909,988	\$ 885,500	\$ 24,488	3%
Operating Services	\$ 115,684	\$ 110,000	\$ 5,684	5%
Commercial Legal Support	\$ 42,778	\$ 22,000	\$ 20,778	94%
Legal General Counsel	\$ 21,652	\$ 77,000	\$ (55,349)	-72%
Regulatory Counsel	\$ 133,128	\$ 187,000	\$ (53,872)	-29%
Joint CCA Regulatory counsel	\$ -	\$ 17,600	\$ (17,600)	-100%
Legislative - (Lobbyist)	\$ 60,500	\$ 63,250	\$ (2,750)	-4%
Accounting Services	\$ -	\$ 2,750	\$ (2,750)	-100%
Financial Consultant	\$ 48,070	\$ 95,000	\$ (46,930)	-49%
Audit Fees	\$ 60,230	\$ 70,000	\$ (9,770)	-14%
Marketing	\$ 176,175	\$ 341,000	\$ (164,825)	-48%
Marketing Collateral	\$ 175,256	\$ 297,000	\$ (121,744)	-41%
Community Engagement Activities & Sponsorships	\$ 919	\$ 44,000	\$ (43,081)	-98%
Programs	\$ 157,447	\$ 2,019,500	\$ (1,862,053)	-92%
Program Costs (Rebates, Incentives, etc.)	\$ 159,363	\$ 900,000	\$ (740,637)	-82%
Member Agency Advisory Services	\$ -	\$ 143,000	\$ (143,000)	-100%
AG Fit	\$ (1,916)	\$ 960,000	\$ (961,916)	-100%
PIPP Program	\$ -	\$ 16,500	\$ (16,500)	-100%
Rents & Leases	\$ 35,103	\$ 45,100	\$ (9,997)	-22%
Hunt Boyer Mansion	\$ 35,103	\$ 23,100	\$ 12,003	52%
Lease Improvement	\$ -	\$ 22,000	\$ (22,000)	-100%
Other A&G	\$ 474,158	\$ 700,300	\$ (226,142)	-32%
Development - New Members	\$ -	\$ 23,100	\$ (23,100)	-100%
Strategic Plan Implementation	\$ 111,476	\$ 70,400	\$ 41,076	58%
Strategic Plan Update & Community Focus Group	\$ 58,971	\$ 110,000	\$ (51,029)	-46%
PG&E Data Fees	\$ 243,315	\$ 275,000	\$ (31,685)	-12%
Insurance	\$ 60,396	\$ 88,000	\$ (27,604)	-31%
Banking Fees	\$ -	\$ 133,800	\$ (133,800)	-100%
Miscellaneous Operating Expenses	\$ 12,139	\$ 11,000	\$ 1,139	10%
Contingency	\$ -	\$ 220,000	\$ (220,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	\$ 57,017,361	\$ 67,663,100	\$ (10,645,739)	-16%
Interest on RCB Term loan	\$ -	\$ -	\$ -	100%
NET INCOME	\$ 25,150,295	\$ 27,485,900		

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 7 (c)**

TO: Board of Directors

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

SUBJECT: Monthly Treasurer’s Report (Informational Item) – December 31, 2025

DATE: February 12, 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 December 31, 2025.

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 December 31, 2025.

Financial Statements for the period December 1, 2025 – December 31, 2025

In the Statement of Net Position, VCE, as of December 31, 2025, has a total of \$79,013,892 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 December 31, 2025, VCE’s net position was \$94,049,205.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$7,315,915 of revenue (net of allowance for doubtful accounts), of which \$7,460,485 was billed in, and \$3,410,317 represents estimated unbilled revenue. The cost of electricity for the December revenue totaled \$1,645,260 For December, VCE’s gross margin was approximately 78% and the net income totaled \$5,311,807. The year-to-date change in net position was \$30,871,429.

In the Statement of Cash Flows, VCE cash flows from operations were \$3,233,387 due to December cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 12/31/2025):

Operating Account	\$42,282,795
Insured Cash Sweep Account	\$37,417,161
Debt Service Account	\$1,100,000
CAISO Operational Account	\$7,346,171
Total Cash on Deposit	\$88,146,127

Note: VCE receives 6.05% 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. December 2025 earnings were \$153,000.

VCE's Outstanding Loan Balances (as of 08/31/2025):

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, 2026. The related debt outstanding at the close of business on October 31, 2025 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 December 31, 2025

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

- Electric Revenue – (\$12,424,185) and -12% – Unfavorable variance mainly driven by lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Purchased Power – \$10,057,407 and 12% – Favorable mainly due to renewable energy credit sales in Q1 and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Labor & Benefits \$469,164 and 23% – Favorable Variance due to vacancy for additional budgeted positions. 2 of 3 successful recruitments completed in Q4.
- Programs \$1,952,260 – Favorable Variance due to timing differences in AgFIT closeout, current year program activities, and member agency support services.
- Marketing & Engagement \$176,890 – Favorable Variance due to lower forecasted activities for support of programs and events.
- Other Contract Services (e.g. IRP) 72,000 – Favorable Variance due to the IRP process being delayed by CPUC.

Attachments:

- 5) Financial Statements (Unaudited) December 1, 2025 to December 31, 2025 (with comparative year to date information.)
- 6) Actual vs. Budget for the year to date ending December 31, 2025



VALLEY CLEAN ENERGY

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF DECEMBER 1 TO DECEMBER 31,

2025 PREPARED ON FEBRUARY 1, 2026

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
DECEMBER 31, 2025
(UNAUDITED)

ASSETS

Current assets:

Cash and cash equivalents	79,013,892
Accounts receivable, net of allowance	9,580,149
Accrued revenue	3,410,317
Prepaid expenses	389,517
Inventory - Renewable Energy Credits	-
Other current assets and deposits	9,153,055
Total current assets	<u>101,546,929</u>

Restricted assets:

Debt service reserve fund	1,100,000
Total restricted assets	<u>1,100,000</u>

TOTAL ASSETS	<u><u>\$ 102,646,929</u></u>
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LIABILITIES

Current liabilities:

Accounts payable	275,960
Accrued payroll	120,355
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	4,269,113
Other accrued liabilities	2,101,541
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	30,754

TOTAL LIABILITIES	<u><u>\$ 8,597,724</u></u>
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NET POSITION

Net position:

Local Programs Reserve	1,085,585
Restricted	1,100,000
Unrestricted	91,863,620
TOTAL NET POSITION	<u><u>\$ 94,049,205</u></u>

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
DECEMBER 31, 2025
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING DECEMBER 31, 2025	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	\$ 7,315,915	\$ 88,403,278
Other revenue	-	\$ 26,530
TOTAL OPERATING REVENUES	7,315,915	88,429,808
OPERATING EXPENSES		
Cost of electricity	1,645,260	53,934,599
Contract services	210,702	2,590,608
Staff compensation	168,510	1,673,811
General, administration, and other	132,636	957,589
TOTAL OPERATING EXPENSES	2,157,108	59,156,607
TOTAL OPERATING INCOME (LOSS)	5,158,807	29,273,201
NONOPERATING REVENUES (EXPENSES)		
Interest income	153,000	1,598,228
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	153,000	1,598,228
CHANGE IN NET POSITION	5,311,807	30,871,429
Net position at beginning of period	88,737,398	63,263,712
Net position at end of period	\$ 94,049,205	\$ 94,135,140

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING DECEMBER 31, 2025	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	\$ 6,342,689	\$ 89,255,247
Payments received from other revenue sources	-	26,530
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(2,797,929)	(54,120,831)
Payments for contract services, general, and administration	(305,862)	(4,236,932)
Payments for member agency services	-	-
Payments for staff compensation	(168,510)	(1,673,811)
Return of security deposits to energy suppliers	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	3,070,387	29,250,202
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	153,000	1,598,228
Net cash provided (used) by investing activities	153,000	1,598,228
NET CHANGE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of period	76,482,782	76,482,782
Cash and cash equivalents at end of period	79,706,169	107,331,212
Cash and cash equivalents included in:		
Cash and cash equivalents	79,013,892	79,013,892
Restricted assets	1,100,000	1,100,000
Cash and cash equivalents at end of period	\$ 80,113,892	\$ 80,113,892

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	<u>FOR THE</u> <u>PERIOD ENDING</u> <u>DECEMBER 31, 2025</u>	<u>YEAR TO DATE</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 5,158,807	\$ 29,273,201
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	74,400	887,900
(Increase) decrease in net accounts receivable	(1,940,501)	(2,191,012)
(Increase) decrease in accrued revenue	46,080	38,981
(Increase) decrease in prepaid expenses	5,775	(74,231)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	5,556	(215,264)
Increase (decrease) in accounts payable	31,920	(473,471)
Increase (decrease) in accrued payroll	11,167	(31,119)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	(1,152,669)	(186,233)
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	-	-
Increase (decrease) in security deposits from energy suppliers	811,236	2,239,726
Increase (decrease) in user taxes due to other governments	18,618	(18,276)
Increase (decrease) in advances from public purpose programs	-	-
Net cash provided (used) by operating activities	\$ 3,070,387	\$ 29,250,203

VALLEY CLEAN ENERGY
2025 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 12/31/2025

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	\$ 89,636,571	\$ 102,195,000	\$ (12,558,429)	-12%
Electric Revenue	\$ 88,011,815	\$ 100,436,000	\$ (12,424,185)	-12%
Interest Revenues	\$ 1,598,226	\$ 990,000	\$ 608,226	61%
Reimbursable Revenues	\$ 26,530	\$ 769,000	\$ (742,470)	-97%
Purchased Power	\$ 53,934,599	\$ 63,992,000	\$ (10,057,401)	-16%
Purchased Power Base	\$ 53,934,599	\$ 60,946,000	\$ (7,011,401)	-12%
Purchased Power Contingency 5%	\$ -	\$ 3,046,000	\$ (926,134)	-30%
Labor & Benefits	\$ 1,630,836	\$ 2,100,000	\$ (469,164)	-22%
Salaries & Wages/Benefits	\$ 1,271,030	\$ 1,728,000	\$ (456,970)	-26%
Contract Labor	\$ 218,361	\$ 192,000	\$ 26,361	14%
Human Resources & Payroll	\$ 141,445	\$ 180,000	\$ (38,555)	-21%
Office Supplies & Other Expenses	\$ 301,891	\$ 509,500	\$ (207,609)	-41%
Technology Costs	\$ 94,269	\$ 52,000	\$ 42,269	81%
Office Supplies	\$ 6,268	\$ 12,000	\$ (5,732)	-48%
Travel	\$ 16,630	\$ 25,500	\$ (8,870)	-35%
CalCCA Dues	\$ 183,660	\$ 192,000	\$ (8,340)	-4%
CC Power	\$ -	\$ 216,000	\$ (216,000)	-100%
Memberships	\$ 1,064	\$ 12,000	\$ (10,936)	-91%
Contractual Services	\$ 2,331,551	\$ 2,643,800	\$ (312,249)	-12%
Other Contract Services (e.g. IRP)	\$ -	\$ 72,000	\$ (72,000)	-100%
Don Dame	\$ 3,799	\$ 21,600	\$ (17,802)	-82%
Wholesale Energy Services (TEA)	\$ 820,718	\$ 864,000	\$ (43,282)	-5%
2030 100% Renewable & Storage	\$ -	\$ 30,000	\$ (30,000)	-100%
Customer Support Call Center	\$ 989,782	\$ 966,000	\$ 23,782	2%
Operating Services	\$ 116,119	\$ 120,000	\$ (3,881)	-3%
Commercial Legal Support	\$ 54,884	\$ 24,000	\$ 30,884	129%
Legal General Counsel	\$ 23,850	\$ 84,000	\$ (60,151)	-72%
Regulatory Counsel	\$ 148,101	\$ 204,000	\$ (55,899)	-27%
Joint CCA Regulatory counsel	\$ -	\$ 19,200	\$ (19,200)	-100%
Legislative - (Lobbyist)	\$ 66,000	\$ 69,000	\$ (3,000)	-4%
Accounting Services	\$ -	\$ 3,000	\$ (3,000)	-100%
Financial Consultant	\$ 48,070	\$ 97,000	\$ (48,930)	-50%
Audit Fees	\$ 60,230	\$ 70,000	\$ (9,770)	-14%
Marketing	\$ 195,110	\$ 372,000	\$ (176,890)	-48%
Marketing Collateral	\$ 193,829	\$ 324,000	\$ (130,171)	-40%
Community Engagement Activities & Sponsorships	\$ 1,281	\$ 48,000	\$ (46,719)	-97%
Programs	\$ 221,740	\$ 2,174,000	\$ (1,952,260)	-90%
Program Costs (Rebates, Incentives, etc.)	\$ 203,348	\$ 1,000,000	\$ (796,652)	-80%
Member Agency Advisory Services	\$ -	\$ 156,000	\$ (156,000)	-100%
AG Fit	\$ 18,392	\$ 1,000,000	\$ (981,608)	-98%
PIPP Program	\$ -	\$ 18,000	\$ (18,000)	-100%
Rents & Leases	\$ 37,203	\$ 49,200	\$ (11,997)	-24%
Hunt Boyer Mansion	\$ 37,203	\$ 25,200	\$ 12,003	48%
Lease Improvement	\$ -	\$ 24,000	\$ (24,000)	-100%
Other A&G	\$ 508,530	\$ 752,000	\$ (243,470)	-32%
Development - New Members	\$ -	\$ 25,200	\$ (25,200)	-100%
Strategic Plan Implementation	\$ 113,776	\$ 76,800	\$ 36,976	48%
Strategic Plan Update & Community Focus Group	\$ 58,971	\$ 120,000	\$ (61,029)	-51%
PG&E Data Fees	\$ 265,357	\$ 300,000	\$ (34,643)	-12%
Insurance	\$ 66,171	\$ 96,000	\$ (29,829)	-31%
Banking Fees	\$ 4,255	\$ 134,000	\$ (129,745)	-97%
Miscellaneous Operating Expenses	\$ 13,009	\$ 12,100	\$ 909	8%
Contingency	\$ -	\$ 240,000	\$ (240,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	\$ 59,174,469	\$ 72,844,600	\$ (13,670,131)	-19%
Interest on RCB Term loan	\$ -	\$ -	\$ -	100%
NET INCOME	\$ 30,462,102	\$ 29,350,400		