

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 7

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**TO:** Valley Clean Energy Alliance Board of Directors

**FROM:** Lisa Limcaco, Finance and Operations Director, VCEA  
Mitch Sears, Interim General Manager, VCEA

**SUBJECT:** Financial Update – June 30, 2019 and July 31, 2019 (unaudited) financial statements (with comparative year to date information) and Actual vs. Budget year to date ending June 30, 2019 and July 31, 2019

**DATE:** September 12, 2019

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### RECOMMENDATION:

Accept the following Financial Statements (unaudited):

1. For the period of June 1, 2018 to June 30, 2018 (with comparative year to date information) and Actual vs. Budget year to date ending July 31, 2019.
2. For the period of July 1, 2019 to July 31, 2019 (with comparative year to date information) and Actual vs. Budget year to date ending July 31, 2019.

### 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, 2019 and July 31, 2019.

### Financial Statements for the period June 1, 2019 – June 30, 2019

In the Statement of Net Position, VCEA as of June 30, 2019 has a total of \$6,914,296 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account and \$655,745 restricted assets for the Power Purchases Reserve account. VCEA has incurred obligations from Member agencies and SMUD and owes as of June 30, 2019 \$410,309 and \$1,084,658 respectively

for a grand total of \$1,494,967. VCEA began paying SMUD for the monthly operating expenditures (starting with November 2018 expenditures) and repayment of the deferred amount of \$1,522,433 over a 24-month period. VCEA began paying the Member agencies for the quarterly reimbursable expenditures starting in June 2019 and repayment of the deferred amount of \$556,188 over a 12-month period. The outstanding line of credit balance with River City Bank at June 30, 2019 totaled \$1,976,610. At June 30, 2019, VCE's net position is \$7,328,833.

In the Statement of Revenues, Expenditures and Changes in Net Position, VCEA recorded \$6,878,613 of revenue (net of allowance for doubtful accounts) of which \$5,071,232 was billed in June and \$1,925,582 represent estimated unbilled revenue (net May and June). The cost of the electricity for the June revenue totaled \$4,635,740. For June, VCEA's gross margin is approximately 32.61% and operating income totaled \$1,901,317. The year-to-date change in net position was \$8,752,686.

In the Statement of Cash Flows, VCEA cash flows from operations was \$452,739 due to June cash receipts of revenues exceeding the monthly operating expenses with the increase in billings beginning in May 2019.

Actual vs. Budget Variances for the year to date ending June 30, 2019

Below are the financial statement line items with variances >\$25,000 and 5%:

Electric revenues - (\$3,172,665) and (6%) - actual electric revenues are down from budget due to the mild summer weather which led to lower retail customer usage than forecasted load and the deferral of NEM customers until 2020.

Purchased Power – (\$2,563,681) and (6%) – due to customer load is down due to decrease in electric revenues and deferral of NEM customers until 2020.

Labor & Benefits – (\$375,898) and (28%) – the decrease is due to the budgeted Assistant general manager (AGM) position has not been filled. Beginning September 2018, SMUD's Task Order 4 was amended to have SMUD provide proxy AGM services which is included in Contract Labor.

SMUD – Credit Support – (\$82,363) and (13%) – due to the contracted amount is based on wholesale load which is down as explained in Purchased power explanation above.

SMUD – Wholesale Energy Services - \$36,670 and 7% - due to additional costs related to LT renewable procurement and other services.

SMUD – Call Center – (\$107,291) and (14%) – due to lower retail customers from the deferral of NEM customers.

Legal - \$53,837 and 126% - due to the increase legal costs related to PG&E bankruptcy case in 2019.

Legislative/Regulatory – (\$75,916) and (32%) – the decrease is due to no legislative expenditures incurred until February 2019 when VCE contracted for lobbying services.

Accounting Services – (\$74,923) and (82%) – due to Yolo County’s accounting department providing accounting services along with the VCE Director of Finance oversight which is ~\$6,000/month less than an outside accounting firm’s fees that were budgeted.

Audit fees – (\$42,000) and (70%) – the decrease is due to the audit fees for the 2017/18 fiscal year were \$18,000 due to only one month of operations compared to the budget of \$60,000.

Marketing Collateral – (\$102,521) and (47%) – the decrease is due to the selection of a new marketing firm made in November.

PG&E Data Fees – (\$153,433) and (39%) – due to timing of the billing from PG&E and the deferral of the NEM customers that were included in the budget.

Contingency – (\$470,061) and (100%) – due to the inclusion of 10% of operating expenses for contingency in the VCE budget.

Interest on RCB loan – (\$416,059) and (79%) – due to lower outstanding Line of credit balance than originally budgeted.

#### Financial Statements for the period July 1, 2019 – July 31, 2019

In the Statement of Net Position, VCEA as of July 31, 2019 has a total of \$8,307,999 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account and \$732,969 restricted assets for the Power Purchases Reserve account. VCEA has incurred obligations from Member agencies and SMUD and owes as of July 31, 2019 \$384,220 and \$1,021,701 respectively for a grand total of \$1,405,921. VCEA began paying SMUD for the monthly operating expenditures (starting with November 2018 expenditures) and repayment of the deferred amount of \$1,522,433 over a 24-month period. VCEA began paying the Member agencies for the quarterly reimbursable expenditures starting in June 2019 and repayment of the deferred amount of \$556,188 over a 12-month period. The outstanding line of credit balance with River City Bank at July 31, 2019 totaled \$1,976,610. At July 31, 2019, VCE’s net position is \$8,397,576.

In the Statement of Revenues, Expenditures and Changes in Net Position, VCEA recorded \$6,478,940 of revenue (net of allowance for doubtful accounts) of which \$6,964,400 was billed in July and (\$338,797) represent estimated unbilled revenue (net June and July). The cost of the electricity for the July revenue totaled \$5,025,963. For July, VCEA’s gross margin is approximately 22.42% and operating income totaled \$1,076,147. The year-to-date change in net position was \$1,068,743.

In the Statement of Cash Flows, VCEA cash flows from operations was \$1,478,945 due to July cash receipts of revenues exceeding the monthly operating expenses.

Actual vs. Budget Variances for the year to date ending July 31, 2019

Below are the financial statement line items with variances >\$50,000 and 10%:

Electric revenues - (\$1,208,292) and (16%) - actual electric revenues are down from budget due to the July budget included the increase in PG&E rates effective July 1, 2019, however the July billings with rate changes will be included in the August billings.

**Attachments:**

- 1) Financial Statements (Unaudited) June 1, 2019 to June 30, 2019 (with comparative year to date information.)
- 2) Financial Statements (Unaudited) July 1, 2019 to July 31, 2019 (with comparative year to date information.)
- 3) Actual vs. Budget for year to date ending June 30, 2019
- 4) Actual vs. Budget for year to date ending July 31, 2019



# **VALLEY CLEAN ENERGY**

**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE PERIOD OF JUNE 1 TO JUNE 30, 2019**

**(WITH COMPARATIVE YEAR TO DATE INFORMATION)**

**PREPARED ON AUGUST 8, 2019**

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF NET POSITION**  
AS OF JUNE 30, 2019  
(UNAUDITED)

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 6,914,296
Accounts receivable, net of allowance	4,995,273
Accrued revenue	4,295,713
Prepaid expenses	-
Inventory - Renewable Energy Credits	207,168
Other current assets and deposits	2,540
Total current assets	<u>16,414,990</u>

Restricted assets:

Debt service reserve fund	1,100,000
Power purchase reserve fund	655,745
Total restricted assets	<u>1,755,745</u>

Noncurrent assets:

Other noncurrent assets and deposits	100,000
Total noncurrent assets	<u>100,000</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 18,270,735</u></u>

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 586,120
Accrued payroll	3,789
Interest payable	112,312
Due to member agencies	410,309
Accrued cost of electricity	5,210,656
Other accrued liabilities	1,084,658
User taxes and energy surcharges	57,448
Line of credit	1,976,610
Total current liabilities	<u>9,441,902</u>

Noncurrent liabilities

Loans from member agencies	1,500,000
Total noncurrent liabilities	<u>1,500,000</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 10,941,902</u></u>

**NET POSITION**

Net position:

Restricted	
Local Programs Reserve	\$ 87,525
Unrestricted	<u>7,241,308</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 7,328,833</u></u>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION**  
**FOR THE PERIOD OF JUNE 1, 2019 TO JUNE 30, 2019**  
**(WITH COMPARATIVE YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING JUNE 30, 2019</u>	<u>YEAR TO DATE</u>
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 6,878,613	\$ 51,141,568
<b>TOTAL OPERATING REVENUES</b>	<u>6,878,613</u>	<u>51,141,568</u>
 <b>OPERATING EXPENSES</b>		
Cost of electricity	4,635,740	38,539,605
Contract services	221,533	2,309,962
Staff compensation	83,085	981,805
General, administration, and other	36,938	392,897
<b>TOTAL OPERATING EXPENSES</b>	<u>4,977,296</u>	<u>42,224,269</u>
 <b>TOTAL OPERATING INCOME (LOSS)</b>	 1,901,317	 8,917,299
 <b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	5,657	37,944
Interest and related expenses	(26,732)	(202,557)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(21,075)</u>	<u>(164,613)</u>
 <b>CHANGE IN NET POSITION</b>		
Net position at beginning of period	1,880,242	8,752,686
	5,448,591	(1,423,853)
Net position at end of period	<u>\$ 7,328,833</u>	<u>\$ 7,328,833</u>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF JUNE 1 TO JUNE 30, 2019**  
**(WITH COMPARATIVE YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	FOR THE	
	PERIOD ENDING	
	JUNE 30, 2019	YEAR TO DATE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from electricity sales	\$ 3,833,066	\$ 44,728,189
Payments for security deposits with energy suppliers	-	500,000
Payments to purchase electricity	(3,001,551)	(35,773,468)
Payments for contract services, general, and administration	(295,830)	(2,238,396)
Payments for staff compensation	(82,946)	(872,425)
<b>Net cash provided (used) by operating activities</b>	<u>452,739</u>	<u>6,343,900</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Draw of line of credit	-	4,376,610
Principal payments of Line of Credit to bank	-	(4,000,000)
Interest and related expenses	(12,991)	(151,801)
<b>Net cash provided (used) by non-capital financing activities</b>	<u>(12,991)</u>	<u>224,809</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	5,657	37,944
<b>Net cash provided (used) by investing activities</b>	<u>5,657</u>	<u>37,944</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	445,405	6,606,653
Cash and cash equivalents at beginning of period	8,224,636	2,063,388
<b>Cash and cash equivalents at end of period</b>	<u>\$ 8,670,041</u>	<u>\$ 8,670,041</u>
Cash and cash equivalents included in:		
Cash and cash equivalents	\$ 6,914,296	\$ 6,914,296
Restricted assets	1,755,745	1,755,745
<b>Cash and cash equivalents at end of period</b>	<u>\$ 8,670,041</u>	<u>\$ 8,670,041</u>



**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF JUNE 1 TO JUNE 30, 2019**  
**(WITH COMPARATIVE YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	FOR THE PERIOD ENDING <u>JUNE 30, 2019</u>	<u>YEAR TO DATE</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 1,901,317	\$ 8,917,299
(Increase) decrease in net accounts receivable	(1,141,866)	(4,989,602)
(Increase) decrease in accrued revenue	(1,925,583)	(1,471,223)
(Increase) decrease in prepaid expenses	9,585	-
(Increase) decrease in inventory - renewable energy credits	(132,510)	229,419
(Increase) decrease in other assets and deposits	-	500,000
Increase (decrease) in accounts payable	111,398	448,645
Increase (decrease) in accrued payroll	139	2,165
Increase (decrease) in due to member agencies	(95,490)	(124,330)
Increase (decrease) in accrued cost of electricity	1,766,699	2,536,717
Increase (decrease) in other accrued liabilities	(62,852)	247,364
Increase (decrease) in user taxes and energy surcharges	21,902	47,446
<b>Net cash provided (used) by operating activities</b>	<b><u>\$ 452,739</u></b>	<b><u>\$ 6,343,900</u></b>



# **VALLEY CLEAN ENERGY**

**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE PERIOD OF JULY 1 TO JULY 31, 2019**

**(WITH COMPARATIVE YEAR TO DATE INFORMATION)**

**PREPARED ON AUGUST 28, 2019**

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF NET POSITION**  
**JULY 31, 2019**  
(WITH COMPARATIVE PRIOR PERIOD INFORMATION)  
(UNAUDITED)

	JULY 31, 2019	JULY 31, 2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,307,999	\$ 1,246,062
Accounts receivable, net of allowance	5,736,171	5,281,479
Accrued revenue	3,956,916	3,789,784
Prepaid expenses	22,743	16,687
Inventory - Renewable Energy Credits	106,080	1,029,703
Other current assets and deposits	2,540	2,540
<b>Total current assets</b>	<u>18,132,449</u>	<u>11,366,255</u>
Restricted assets:		
Debt service reserve fund	1,100,000	1,100,000
Power purchase reserve fund	732,969	36,293
<b>Total restricted assets</b>	<u>1,832,969</u>	<u>1,136,293</u>
Noncurrent assets:		
Other noncurrent assets and deposits	100,000	600,000
<b>Total noncurrent assets</b>	<u>100,000</u>	<u>600,000</u>
<b>TOTAL ASSETS</b>	<u>\$ 20,065,418</u>	<u>\$ 13,102,548</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 646,014	\$ 122,542
Accrued payroll	3,692	2,332
Interest payable	111,698	67,968
Due to member agencies	384,220	574,654
Accrued cost of electricity	5,437,197	6,804,900
Other accrued liabilities	1,528,923	1,082,390
User taxes and energy surcharges	79,488	33,690
Line of credit	1,976,610	3,600,885
<b>Total current liabilities</b>	<u>10,167,842</u>	<u>12,289,361</u>
Noncurrent liabilities		
Loans from member agencies	1,500,000	1,500,000
<b>Total noncurrent liabilities</b>	<u>1,500,000</u>	<u>1,500,000</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 11,667,842</u>	<u>\$ 13,789,361</u>
<b>NET POSITION</b>		
Restricted		
Local Programs Reserve	\$ 98,212	\$ 7,370
Unrestricted	8,299,364	(694,183)
<b>TOTAL NET POSITION</b>	<u>\$ 8,397,576</u>	<u>\$ (686,813)</u>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION**  
**FOR THE PERIOD OF JULY 1, 2019 TO JULY 31, 2019**  
**(WITH COMPARATIVE PRIOR PERIOD INFORMATION)**  
**(UNAUDITED)**

	FOR THE PERIOD ENDING JULY 31, 2019	FOR THE PERIOD ENDING JULY 31, 2018
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 6,478,940	\$ 6,652,688
<b>TOTAL OPERATING REVENUES</b>	<u>6,478,940</u>	<u>6,652,688</u>
<b>OPERATING EXPENSES</b>		
Cost of electricity	5,025,963	5,538,730
Contract services	259,588	320,470
Staff compensation	84,979	9,049
General, administration, and other	32,263	36,966
<b>TOTAL OPERATING EXPENSES</b>	<u>5,402,793</u>	<u>5,905,215</u>
<b>TOTAL OPERATING INCOME (LOSS)</b>	1,076,147	747,473
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	1,224	-
Interest and related expenses	(8,628)	(10,433)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(7,404)</u>	<u>(10,433)</u>
<b>CHANGE IN NET POSITION</b>	1,068,743	737,040
Net position at beginning of period	7,328,833	(1,423,853)
Net position at end of period	<u>\$ 8,397,576</u>	<u>\$ (686,813)</u>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF JULY 1 TO JULY 31, 2019**  
**(WITH COMPARATIVE PRIOR PERIOD INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING JULY 31, 2019</u>	<u>FOR THE PERIOD ENDING JULY 31, 2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from electricity sales	\$ 6,098,879	\$ 435,274
Payments for security deposits with energy suppliers	-	-
Payments to purchase electricity	(4,698,334)	(2,000,885)
Payments for contract services, general, and administration	163,476	(103,945)
Payments for staff compensation	(85,076)	(8,341)
<b>Net cash provided (used) by operating activities</b>	<u>1,478,945</u>	<u>(1,677,897)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Draw of line of credit	-	2,000,885
Interest and related expenses	(9,242)	(4,021)
<b>Net cash provided (used) by non-capital financing activities</b>	<u>(9,242)</u>	<u>1,996,864</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	1,224	-
<b>Net cash provided (used) by investing activities</b>	<u>1,224</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of period	1,470,927	318,967
<b>Cash and cash equivalents at end of period</b>	<u>8,670,041</u>	<u>2,063,388</u>
	<u>\$ 10,140,968</u>	<u>\$ 2,382,355</u>
Cash and cash equivalents included in:		
Cash and cash equivalents	\$ 8,307,999	1,246,062
Restricted assets	1,832,969	1,136,293
<b>Cash and cash equivalents at end of period</b>	<u>\$ 10,140,968</u>	<u>\$ 2,382,355</u>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF JULY 1 TO JULY 31, 2019**  
**(WITH COMPARATIVE PRIOR PERIOD INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING JULY 31, 2019</u>	<u>FOR THE PERIOD ENDING JULY 31, 2018</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 1,076,147	\$ 747,473
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) decrease in net accounts receivable	(740,898)	(5,275,808)
(Increase) decrease in accrued revenue	338,797	(965,294)
(Increase) decrease in prepaid expenses	(22,743)	(16,687)
(Increase) decrease in inventory - renewable energy credits	101,088	(593,116)
Increase (decrease) in accounts payable	59,894	(14,933)
Increase (decrease) in accrued payroll	(97)	708
Increase (decrease) in due to member agencies	(26,089)	40,015
Increase (decrease) in accrued cost of electricity	226,541	4,130,961
Increase (decrease) in other accrued liabilities	444,265	245,096
Increase (decrease) in user taxes and energy surcharges	22,040	23,688
<b>Net cash provided (used) by operating activities</b>	<u>\$ 1,478,945</u>	<u>\$ (1,677,897)</u>

**VALLEY CLEAN ENERGY**  
**ACTUAL VS. BUDGET FYE 6-30-2019**  
**FOR THE YEAR TO DATE ENDING June 30, 2019**

Description	6/30/2019	6/30/2019	YTD Variance	% over/under
	YTD FY2019 Actuals	YTD FY2019 Budget		
Electric Revenue	\$ 51,141,568	\$ 54,314,233	\$ (3,172,665)	-6%
Interest Revenues	37,944	89,253	(51,309)	-57%
Purchased Power	38,539,605	41,103,286	(2,563,681)	-6%
Labor & Benefits	981,805	1,357,703	(375,898)	-28%
Salaries & Wages/Benefits	335,259	752,313	(417,054)	-55%
Contract Labor	635,375	593,200	42,175	7%
Human Resources & Payroll	11,170	12,190	(1,020)	-8%
Office Supplies & Other Expenses	116,940	168,102	(51,162)	-30%
Technology Costs	9,135	22,220	(13,085)	-59%
Office Supplies	1,807	1,212	595	49%
Travel	4,075	30,550	(26,475)	-87%
CalCCA Dues	100,118	102,000	(1,882)	-2%
Memberships	1,805	12,120	(10,315)	-85%
Contractual Services	2,309,962	2,718,793	(408,830)	-15%
LEAN Energy	3,996	12,000	(8,005)	-67%
Don Dame	14,568	3,000	11,568	386%
SMUD - Credit Support	555,222	637,585	(82,363)	-13%
SMUD - Wholesale Energy Services	600,670	564,000	36,670	7%
SMUD - Call Center	668,984	776,275	(107,291)	-14%
CirclePoint	54,915	72,801	(17,886)	-25%
Legal	96,607	42,770	53,837	126%
Legislative/Regulatory	164,884	240,800	(75,916)	-32%
Accounting Services	16,744	91,667	(74,923)	-82%
Audit Fees	18,000	60,000	(42,000)	-70%
Marketing Collateral	115,374	217,895	(102,521)	-47%
Rents & Leases	17,081	39,000	(21,920)	-56%
Hunt Boyer Mansion	17,081	8,400	8,681	103%
Future Office Space	-	30,600	(30,600)	-100%
Other A&G	245,916	410,999	(165,083)	-40%
PG&E Data Fees	237,930	391,363	(153,433)	-39%
Community Engagement Activities & Sponsorships	1,101	12,060	(10,959)	-91%
Green-e Certification	-	3,000	(3,000)	-100%
Banking Fees	6,885	4,576	2,309	50%
Miscellaneous Operating Expenses	12,960	6,010	6,950	116%
Contingency	-	470,061	(470,061)	-100%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 42,224,269</b>	<b>\$ 46,273,953</b>	<b>\$ (4,049,684)</b>	<b>-9%</b>
Interest Expense - Munis	63,913	47,799	16,114	34%
Interest on RCB loan	107,667	523,727	(416,059)	-79%
Interest Expense - SMUD	24,317	19,060	5,257	28%
Miscellaneous Non-Operating	6,660	-	6,660	0%
<b>NET INCOME</b>	<b>\$ 8,752,686</b>	<b>\$ 7,538,948</b>	<b>\$ 1,213,738</b>	<b>16%</b>

**VALLEY CLEAN ENERGY**  
**ACTUAL VS. BUDGET FYE 7-31-2019**  
**FOR THE YEAR TO DATE ENDING June 30, 2020**

Description	7/31/2019	7/31/2019	YTD Variance	% over/under
	YTD FY2020 Actuals	YTD FY2020 Budget		
Electric Revenue	\$ 6,478,940	\$ 7,687,232	\$ (1,208,292)	-16%
Interest Revenues	1,224	6,669	(5,445)	-82%
Purchased Power	5,025,963	5,430,341	(404,378)	-7%
Labor & Benefits	84,979	98,243	(13,264)	-14%
Salaries & Wages/Benefits	29,717	50,735	(21,018)	-41%
Contract Labor	52,816	46,459	6,358	14%
Human Resources & Payroll	2,446	1,050	1,396	133%
Office Supplies & Other Expenses	10,071	10,658	(587)	-6%
Technology Costs	945	772	173	22%
Office Supplies	-	102	(102)	-100%
Travel	46	400	(354)	-89%
CalCCA Dues	9,080	9,083	(3)	0%
Memberships	-	300	(300)	-100%
Contractual Services	259,590	298,778	(39,188)	-13%
Don Dame	7,143	1,500	5,643	376%
SMUD - Credit Support	66,358	71,833	(5,475)	-8%
SMUD - Wholesale Energy Services	46,000	47,012	(1,012)	-2%
SMUD - Call Center	55,000	55,495	(495)	-1%
SMUD - Operating Services	3,000	52,000	(49,000)	-94%
Legal	15,048	14,000	1,048	7%
Regulatory Counsel	18,845	15,440	3,405	22%
Joint Regulatory	5,170	2,500	2,670	107%
Legislative	5,000	5,000	-	0%
Accounting Services	-	2,000	(2,000)	-100%
Audit Fees	15,750	13,500	2,250	17%
Marketing Collateral	22,276	18,498	3,778	20%
Rents & Leases	1,442	1,442	-	0%
Hunt Boyer Mansion	1,442	1,442	-	0%
Other A&G	19,693	25,636	(5,943)	-23%
PG&E Data Fees	19,176	19,423	(247)	-1%
Community Engagement Activities & Sponsorships	-	500	(500)	-100%
Insurance	517	613	(96)	-16%
New Member Expenses	-	5,000	(5,000)	-100%
Banking Fees	-	100	(100)	-100%
Miscellaneous Operating Expenses	1,055	511	544	106%
Contingency	-	21,763	(21,763)	-100%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,402,793</b>	<b>\$ 5,887,372</b>	<b>\$ (484,579)</b>	<b>-8%</b>
Interest Expense - Munis	-	4,596	(4,596)	-100%
Interest on RCB loan	7,030	7,264	(234)	-3%
Interest Expense - SMUD	1,598	1,703	(105)	-6%
Miscellaneous Non-Operating	-	-	-	0%
<b>NET INCOME</b>	<b>\$ 1,068,743</b>	<b>\$ 1,792,968</b>	<b>\$ (724,225)</b>	<b>-40%</b>