



Consent Item 7

TO: Ava Community Energy Authority

FROM: Jason Bartlett, Senior Finance Manager

SUBJECT: Fiscal Year 2023-2024 Q1 Financial Statements

DATE: December 20, 2023

Recommendation

Receive the Draft Financial Statements for the first quarter ending September 30, 2023 of the 2023-2024 fiscal year.

Background and Discussion

Ava's accountant prepares the quarterly financial statements after the close of each fiscal quarter. Ava's fiscal year starts on July 1st and ends on June 30th of each year.

The schedule of quarters ends on the following days:

- Q1: September 30
- Q2: December 31
- Q3: March 31
- Q4: June 30

In general, the accounting close of the fiscal quarter is 45 calendar days after the last day of the calendar quarter close date to allow transaction settlements to complete. The quarterly financial statements are generally released within 5 business days after the accounting close date.

The financial statements are shared with various counterparties, reporting entities, and other stakeholders upon release. Additionally, they are posted on Ava's website for the public to review.

Please note: These financial statements are titled as EBCE as this was the name Ava was conducting financial transactions under through the quarter being reported.

Committee Recommendation

The Finance, Administrative, & Procurement Subcommittee has approved these statements to be delivered to the Board of Directors as a consent item.

Attachments

- A. 2024-Q1 DRAFT EBCE Financial Statements



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
East Bay Community Energy Authority

Management is responsible for the accompanying financial statements of East Bay Community Energy Authority (a California Joint Powers Authority) which comprise the statement of net position as of September 30, 2023, and the related statements of revenues, expenses, and changes in net position, and the statement of cash flows for the three months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. East Bay Community Energy Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
October 27, 2023

EAST BAY COMMUNITY ENERGY AUTHORITY
STATEMENT OF NET POSITION
As of September 30, 2023

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 380,098,086
Accounts receivable, net of allowance	105,757,337
Accrued revenue	53,276,729
Other receivables	1,065,622
Prepaid expenses	2,533,472
Deposits	431,584
Restricted cash	1,000,000
Total current assets	<u>544,162,830</u>
Noncurrent assets	
Unrestricted cash and cash equivalents in Rate Stabilization Fund	53,014,000
Deposits	930,901
Loan receivable	485,536
Capital assets:	
Land and construction-in-progress	9,386,864
Capital assets, net of depreciation	272,520
Total capital assets	<u>9,659,384</u>
Total noncurrent assets	<u>64,089,821</u>
Total assets	<u>608,252,651</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	99,588,654
Accounts payable	2,246,975
Other accrued liabilities	6,647,977
User taxes and energy surcharges due to other governments	8,158,757
Security deposits - energy suppliers	2,411,100
Total current liabilities	<u>119,053,463</u>
Noncurrent liabilities	
Security deposits - energy suppliers	4,787,500
Total liabilities	<u>123,840,963</u>

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	<u>53,014,000</u>
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NET POSITION

Investment in capital assets	9,659,384
Restricted for collateral	1,000,000
Unrestricted	420,738,304
Total net position	<u>\$ 431,397,688</u>

EAST BAY COMMUNITY ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
Three Months Ended September 30, 2023

OPERATING REVENUES

Electricity sales, net	\$ 268,652,630
Liquidated damages	53,913
Grant revenue	56,231
Other operating revenues	164,839
Total operating revenues	<u>268,927,613</u>

OPERATING EXPENSES

Cost of electricity	192,651,303
Contract services	4,408,026
Staff compensation	3,969,983
Other operating expenses	922,075
Depreciation	27,737
Total operating expenses	<u>201,979,124</u>
Operating income (loss)	<u>66,948,489</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	1,896,056
Financing expense	(103,133)
Nonoperating revenues (expenses), net	<u>1,792,923</u>

CHANGE IN NET POSITION

	68,741,412
Net position at beginning of period	<u>362,656,276</u>
Net position at end of period	<u>\$ 431,397,688</u>

EAST BAY COMMUNITY ENERGY AUTHORITY
STATEMENT OF CASH FLOWS
Three Months Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 249,231,357
Other operating receipts	299,984
Receipts of supplier security deposit	861,000
Payments to suppliers for electricity	(143,619,622)
Payments for other goods and services	(6,168,657)
Payments of staff compensation	(3,911,749)
Deposits and collateral paid	(287,621)
Tax and surcharge payments to other governments	(8,892,722)
Net cash provided (used) by operating activities	<u>87,511,970</u>

**CASH FLOWS FROM NON-CAPITAL
FINANCING ACTIVITIES**

Principal payments received on loan receivable	5,487
Financing expense payments	(103,133)
Net cash provided (used) by non-capital financing activities	<u>(97,646)</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Payments to acquire capital assets	<u>(92,699)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	<u>1,741,228</u>
Net change in cash and cash equivalents	89,062,853
Cash and cash equivalents at beginning of period	<u>345,049,233</u>
Cash and cash equivalents at end of period	<u><u>\$ 434,112,086</u></u>

Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents (current)	\$ 380,098,086
Restricted cash and cash equivalents (current)	1,000,000
Unrestricted cash and cash equivalents (noncurrent)	53,014,000
Cash and cash equivalents	<u><u>\$ 434,112,086</u></u>

EAST BAY COMMUNITY ENERGY AUTHORITY
(continued)
Three Months Ended September 30, 2023

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 66,948,489
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	27,737
(Increase) decrease in:	
Accounts receivable	(21,558,679)
Market settlements receivable	807,102
Other receivables	(820,226)
Accrued revenue	(7,509,400)
Prepaid expenses	15,854,612
Deposits	(284,321)
Increase (decrease) in:	
Accrued cost of electricity	34,452,519
Accounts payable	(2,042,983)
Other accrued liabilities	24,806
Deferred revenue	692,235
User taxes due to other governments	754,079
Security deposits from energy suppliers	166,000
Net cash provided (used) by operating activities	<u>\$ 87,511,970</u>