



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
AVA Community Energy

Management is responsible for the accompanying financial statements of AVA Community Energy (a California Joint Powers Authority) which comprise the statement of net position as of December 31, 2023, and the related statements of revenues, expenses, and changes in net position, and the statement of cash flows for the three and six 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. AVA Community Energy'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  
February 6, 2024

**AVA COMMUNITY ENERGY**  
**STATEMENT OF NET POSITION**  
**As of December 31, 2023**

**ASSETS**

Current assets	
Cash and cash equivalents - unrestricted	\$ 442,390,646
Accounts receivable, net of allowance	76,854,357
Accrued revenue	50,606,910
Other receivables	3,762,496
Prepaid expenses	2,933,196
Deposits	7,302,495
Total current assets	<u>583,850,100</u>
Noncurrent assets	
Unrestricted cash and cash equivalents in Rate Stabilization Fund	53,014,000
Deposits	933,059
Loan receivable	479,973
Lease asset, net of amortization	865,676
Capital assets:	
Non depreciable asset	9,386,864
Furniture and equipment, net of depreciation	384,434
Total capital assets	<u>9,771,298</u>
Total noncurrent assets	<u>65,064,006</u>
Total assets	<u>648,914,106</u>

**LIABILITIES**

Current liabilities	
Accrued cost of electricity	100,357,316
Accounts payable	2,805,275
Other accrued liabilities	6,831,292
User taxes and energy surcharges due to other governments	7,149,445
Lease liability	691,760
Security deposits - energy suppliers	5,210,360
Total current liabilities	<u>123,045,448</u>
Noncurrent liabilities	
Lease liability	252,245
Security deposits - energy suppliers	3,600,000
Total liabilities	<u>126,897,693</u>

**DEFERRED INFLOWS OF RESOURCES**

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

Net investment in capital assets	9,692,969
Unrestricted	459,309,444
Total net position	<u>\$ 469,002,413</u>

**AVA COMMUNITY ENERGY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGE IN NET POSITION**  
**Six Months Ended December 31, 2023**

	<u>Quarter</u>	<u>Year-to-Date</u>
<b>OPERATING REVENUES</b>		
Electricity sales, net	\$ 204,950,105	\$ 473,602,735
Liquidated damages	5,387,857	5,441,770
Grant revenue	612,562	668,793
Other operating revenues	123,921	288,760
Total operating revenues	<u>211,074,445</u>	<u>480,002,058</u>
<b>OPERATING EXPENSES</b>		
Cost of electricity	166,176,901	358,828,204
Contract services	4,370,378	8,778,404
Staff compensation	3,695,401	7,665,384
Other operating expenses	1,974,914	2,896,989
Depreciation and amortization	211,229	238,966
Total operating expenses	<u>176,428,823</u>	<u>378,407,947</u>
Operating income (loss)	<u>34,645,622</u>	<u>101,594,111</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	3,087,672	4,983,728
Financing costs	(128,569)	(231,702)
Nonoperating revenues (expenses), net	<u>2,959,103</u>	<u>4,752,026</u>
<b>CHANGE IN NET POSITION</b>	37,604,725	106,346,137
Net position at beginning of period	<u>431,397,688</u>	<u>362,656,276</u>
Net position at end of period	<u>\$ 469,002,413</u>	<u>\$ 469,002,413</u>

**AVA COMMUNITY ENERGY**  
**STATEMENT OF CASH FLOWS**  
**Six Months Ended December 31, 2023**

	<u>Quarter</u>	<u>Year-to-Date</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 245,011,629	\$ 494,242,986
Other operating receipts	5,859,390	6,159,374
Receipts of supplier security deposits	5,109,360	5,970,360
Payments to suppliers for electricity	(171,145,993)	(314,765,615)
Payments for other goods and services	(6,298,685)	(12,467,342)
Payments of staff compensation	(3,504,229)	(7,415,978)
Deposits and collateral paid	(6,929,262)	(7,216,883)
Tax and surcharge payments to other governments	(9,498,037)	(18,390,759)
Net cash provided (used) by operating activities	<u>58,604,173</u>	<u>146,116,143</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Payments of financing costs	-	(103,134)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payments of lease liability	(118,304)	(118,304)
Payments to acquire capital assets	(85,603)	(178,302)
Net cash (used) by capital and related financing activities	<u>(203,907)</u>	<u>(296,606)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Principal payments received of loan receivable	5,562	11,049
Investment income received	2,886,733	4,627,961
Net cash provided (used) by investing activities	<u>2,892,295</u>	<u>4,639,010</u>
Net change in cash and cash equivalents	61,292,561	150,355,413
Cash and cash equivalents at beginning of period	434,112,085	345,049,233
Cash and cash equivalents at end of period	<u>\$ 495,404,646</u>	<u>\$ 495,404,646</u>
<b>Reconciliation to the Statement of Net Position</b>		
Unrestricted cash and cash equivalents (current)	\$ 442,390,646	\$ 442,390,646
Unrestricted cash and cash equivalents (noncurrent)	53,014,000	53,014,000
Cash and cash equivalents	<u>\$ 495,404,646</u>	<u>\$ 495,404,646</u>

**AVA COMMUNITY ENERGY**  
**STATEMENT OF CASH FLOWS (Continued)**  
**Six Months Ended December 31, 2023**

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

	<b>Quarter</b>	<b>Year-to-Date</b>
Operating income (loss)	\$ 34,645,622	\$ 101,594,111
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization expense	211,229	238,966
(Increase) decrease in:		
Accounts receivable	28,902,980	7,344,301
Market settlements receivable	-	807,102
Other receivables	(2,495,935)	(3,316,161)
Accrued revenue	2,669,819	(4,839,581)
Prepaid expenses	(399,724)	15,454,888
Deposits	(6,873,069)	(7,157,390)
Increase (decrease) in:		
Accrued cost of electricity	768,662	35,221,181
Accounts payable	388,826	(1,654,157)
Other accrued liabilities	241,781	266,587
Deferred revenue	(58,466)	633,769
User taxes due to other governments	(1,009,312)	(255,233)
Security deposits from energy suppliers	1,611,760	1,777,760
Net cash provided (used) by operating activities	\$ 58,604,173	\$ 146,116,143