



Consent Item 10

To:	Ava Community Energy Authority
From:	Jason Bartlett, Senior Finance Manager
Subject:	Fiscal Year 2024-2025 Q3 Financial Statements
Date:	July 16, 2025

Summary/Recommendation

This memo updates the Board on Ava's financial position as of March 31, 2025.

Financial Impact

This is an informational item

Analysis and Context

Ava's current fiscal year (FY) runs from July 1, 2024, through June 30, 2025. Financial position statements are generated every quarter, and are audited annually by a third party. The financial statements presented today represent Ava's financial position and activity for the quarter ending March 31, 2025 and the FY to date. These statements are prepared by Ava's accountant, Maher Accountancy.

Committee Recommendation

The Finance Administrative and Procurement Committee has reviewed these statements without comment.

Attachments

- A. Fiscal Year 2024-2025 Q3 Financial Statements



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 March 31, 2025, and the related statements of revenues, expenses, and changes in net position, and the statement of cash flows for the three months and nine 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
June 6, 2025

AVA COMMUNITY ENERGY
STATEMENT OF NET POSITION
As of March 31, 2025

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 347,133,805
Cash and cash equivalents - restricted	4,486,257
Accounts receivable, net of allowance	71,603,581
Accrued revenue	38,912,044
Other receivables	5,123,810
Prepaid expenses	3,477,847
Deposits	3,918,125
Investments	39,653,617
Total current assets	<u>514,309,086</u>
Noncurrent assets	
Cash and cash equivalents in Rate Stabilization Fund - unrestricted	57,597,693
Deposits	1,075,786
Investments	297,288,479
Loan receivable	2,104,299
Capital assets, net of depreciation and amortization	9,732,613
Total noncurrent assets	<u>367,798,870</u>
Total assets	<u>882,107,956</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	159,183,829
Accounts payable	4,616,860
Advances from grantors	4,486,257
Other accrued liabilities	1,749,275
User taxes and energy surcharges due to other governments	7,983,278
Security deposits - energy suppliers	7,209,453
Total current liabilities	<u>185,228,952</u>
Noncurrent liabilities	
Security deposits - energy suppliers	3,600,000
Total liabilities	<u>188,828,952</u>

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	<u>57,597,693</u>
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NET POSITION

Net investment in capital assets	9,732,613
Unrestricted	625,948,698
Total net position	<u><u>\$ 635,681,311</u></u>

AVA COMMUNITY ENERGY
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
Nine Months Ended March 31, 2025

	Three Months	Year-to-Date
OPERATING REVENUES		
Electricity sales, net	\$ 174,362,333	\$ 657,775,110
Revenue directed from Rate Stabilization Fund	22,319,294	22,319,294
Liquidated damages	464,475	10,041,975
Grant revenue	1,209,625	2,696,073
Other operating revenues	160,588	279,225
Total operating revenues	<u>198,516,315</u>	<u>693,111,677</u>
OPERATING EXPENSES		
Cost of electricity	210,329,690	570,268,195
Contract services	6,081,136	17,912,902
Staff compensation	5,413,542	15,059,174
Other operating expenses	2,121,747	6,011,589
Depreciation and amortization	219,914	678,220
Total operating expenses	<u>224,166,029</u>	<u>609,930,080</u>
Operating income (loss)	<u>(25,649,714)</u>	<u>83,181,597</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	8,978,872	17,194,082
Interest expense	(4,043)	(28,399)
Nonoperating revenues (expenses), net	<u>8,974,829</u>	<u>17,165,683</u>
CHANGE IN NET POSITION	<u>(16,674,885)</u>	<u>100,347,280</u>
Net position at beginning of period	<u>652,356,196</u>	<u>535,334,031</u>
Net position at end of period	<u>\$ 635,681,311</u>	<u>\$ 635,681,311</u>

AVA COMMUNITY ENERGY
STATEMENT OF CASH FLOWS
Nine Months Ended March 31, 2025

	<u>Three Months</u>	<u>Year-to-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 202,595,026	\$ 720,023,592
Receipts of supplier security deposits	1,857,704	5,789,956
Other operating receipts	630,739	10,792,476
Payments to suppliers for electricity	(216,072,885)	(556,879,191)
Payments for other goods and services	(6,723,316)	(24,274,712)
Payments for staff compensation	(5,427,689)	(15,005,451)
Payments for deposits and collateral	(3,406,878)	(12,300,878)
Payments of taxes and surcharges to other governments	(8,388,975)	(26,310,264)
Net cash provided by operating activities	<u>(34,936,274)</u>	<u>101,835,528</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments of lease liability	(256,702)	(737,014)
Purchases of capital assets	-	(87,745)
Net cash (used) by capital and related financing activities	<u>(256,702)</u>	<u>(824,759)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	60,977,683	60,982,046
Principal payments of loan received	83,736	90,962
Investment income received	5,603,624	12,751,520
Purchase of investments	(75,973,828)	(395,146,269)
Loan issued	-	(2,057,344)
Net cash provided (used) by investing activities	<u>(9,308,785)</u>	<u>(323,379,085)</u>
Net change in cash and cash equivalents	(44,501,761)	(222,368,316)
Cash and cash equivalents at beginning of period	453,719,516	631,586,071
Cash and cash equivalents at end of period	<u>\$ 409,217,755</u>	<u>\$ 409,217,755</u>
Reconciliation to the Statement of Net Position		
Cash and cash equivalents - unrestricted (current)	\$ 347,133,805	\$ 347,133,805
Cash and cash equivalents - restricted (current)	4,486,257	4,486,257
Cash and cash equivalents (noncurrent)	57,597,693	57,597,693
Cash and cash equivalents	<u>\$ 409,217,755</u>	<u>\$ 409,217,755</u>

AVA COMMUNITY ENERGY
STATEMENT OF CASH FLOWS (Continued)
Nine Months Ended March 31, 2025

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

	<u>Three Months</u>	<u>Year-to-Date</u>
Operating income (loss)	\$ (25,649,714)	\$ 83,181,597
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization expense	219,914	678,220
(Increase) decrease in:		
Accounts receivable	13,263,131	13,359,235
Other receivables	(2,193,568)	(2,950,142)
Accrued revenue	6,720,203	22,040,349
Prepaid expenses	1,190,120	(652,306)
Deposits	294,000	2,225,232
Increase (decrease) in:		
Accrued cost of electricity	(5,635,149)	9,884,320
Accounts payable	1,422,525	(795,948)
Other accrued liabilities	10,073	69,798
Advances from grantors	(3,529,649)	(4,565,894)
Deferred revenue	(51,958)	(1,738,936)
User taxes due to other governments	(139,612)	538,641
Security deposits from energy suppliers	1,462,704	2,880,656
Rate Stabilization Fund	(22,319,294)	(22,319,294)
Net cash provided (used) by operating activities	<u>\$ (34,936,274)</u>	<u>\$ 101,835,528</u>
NONCASH INVESTING ACTIVITIES		
Unrealized appreciation (depreciation) and timing differences in investment income	\$ 3,375,248	\$ 4,442,562