

# FY 2024-25 Budget to Actuals

Overall, actual Revenues out-performed expectations while Operating Expenditures were in line with budgeted estimates.

- Accounting for deferred revenues, actualized revenues were 12.6% higher than budget—approximately \$89.7MM
- Ava recognized about \$22.3MM from previously deferred revenues for customer on-bill credits in January of 2025
- Uncollectables were higher than expected due to true up in accounts receivables across multiple periods
- Overall energy costs were in line with the Budget
- Total Operating Expenditures were slightly lower than Budget by -0.6%
- Overhead items were materially under Budget by -27.6% on average
- Other Sources outperformed due to higher than expected investment income as interest rates stayed higher for longer, and the collection of performance and delay of resource damages from contractual agreements
- Approximately \$112MM of net revenues were deferred to the RSF and on-bill credits

REVENUES	Budget	Actuals	
Electricity Sales	881,671,000	903,222,917	2.4%
Revenue Recognized from Previous Deferrals*	-	22,319,294	
Uncollectable	(8,817,000)	(12,850,000)	45.7%
Total Revenue and Other Sources	872,854,000	912,692,211	4.6%
<b>EXPENDITURES &amp; OTHER USES</b>			
<b>OPERATING EXPENDITURES</b>			
Cost of Energy	760,248,000	767,656,144	1.0%
Data Management/Customer Service	8,057,000	8,480,433	5.3%
PG&E Service Fees	2,820,000	2,815,289	-0.2%
CAISO Scheduling Coordinator	731,000	723,146	-1.1%
Personnel	26,592,000	20,387,169	-23.3%
Marketing & Communications	6,168,000	3,711,163	-39.8%
Legal, Policy, & Regulatory Affairs	4,104,000	1,689,641	-58.8%
Other Professional Services	2,136,000	1,742,950	-18.4%
General & Administrative	5,868,000	4,972,203	-15.3%
Total Current Expenditures	816,724,000	812,178,138	-0.6%
<b>OTHER SOURCES &amp; USES</b>			
Investment Income	11,400,000	24,813,379	117.7%
Other Income	399,000	523,852	31.3%
Liquidated Damages	-	10,825,198	100.0%
Interest & Financing Costs	(2,796,000)	(1,282,356)	-54.1%
Local Development Transfer	(22,400,000)	(22,400,000)	0.0%
Capital Expenditures **	(499,000)	(966,824)	93.8%
Total Other Sources & Uses	(13,896,000)	11,513,249	-182.9%
<b>GROSS INCREASE (DECREASE)</b>	42,234,000	112,027,322	165.3%
Revenue Deferred to RSF and Credits*	-	(112,027,322)	0.0%
<b>NET INCREASE (DECREASE)</b>	42,234,000	-	-100.0%

\* Amount not determinable at time of budget approval

\*\* Depreciation has been removed from Operations and is expressed as Capital Expenditures

# Budget Net Revenues to Audit Net Position Reconciliation

The Budget is an internal proforma document set at the discretion of the Board. The financial statements in the Audit are standardized by Generally Accepted Accounting Principles (GAAP) and have additional rules set forth by the Governmental Accounting Standards Board (GASB).

Ava drafts each budget in accordance with industry best practices and does best efforts to align with GAAP and GASB standards, but fundamental differences exist and reconciliation should be defined.

The table below reconciles the audited Net Position increase to the budget actuals Net Revenues

Reconciled Item	Details	Amount	Balance
Audited Net Position	<i>Includes net deferred revenues</i>		18,563,835
Loss on Disposition of Assets	<i>Accrued depreciation of discarded assets</i>	(80,978)	18,644,813
LD Actual Expenses	<i>Actual FY 24/25 Program expenses</i>	(8,213,268)	26,858,081
LD Budget Allocation	<i>Budgeted capital transfer to Programs</i>	22,400,000	4,458,081
LD Revenue from Grants	<i>FY 24/25 grant revenue in Programs</i>	3,822,021	636,060
LD Interest Income	<i>Interest on development loans</i>	115,326	520,734
Capital Outlay	<i>Capital reconcilliation</i>	43,494	477,240
GASB 87 Lease	<i>Lease obligations outstanding as of 6/30/2025</i>	477,240	-

# Deferred Revenue

- September 17, 2025, the Board of Directors (the “Board”) approved resolution R-2025-41 adopting the Rate Stabilization Fund (RSF) Policy to allow surplus revenues to be deferred for later uses.
- The Board also adopted resolution R-2025-42 allocating 90% of fiscal year 2024-25 net revenues to be deferred to the RSF and 10% to on-bill credits for CARE/FERA customers for distribution in the 2025-26 fiscal year.
- Based upon the audited financial statements and the net revenues to net position reconciliation, it is determined that \$112,027,322 comprises 100% of net revenues for the fiscal year, of which \$11,202,732 will be allocated to on-bill credits and the remainder to the RSF

Usage	Balance	Guidance
		R-2025-41 authorizes conversions from previous budget deferrals.
RSF	132,954,316	R-2025-23 authorizes recognition of ~\$35MM to balance FY25-26 budget.
On-bill Credits	11,202,732	R-2025-42 authorizes deferral for specified use and recognition in FY 2025-26
		R-2023-37 authorizes deferral for specified use.
Renewables	10,504,837	R-2024-26 authorizes recognition in 2027
Solar/Storage Incentives	14,963,130	R-2024-2 authorizes deferral for specified use.
<b>Total Deferrals</b>	<b>169,625,015</b>	

Note: RSF Balance *includes* the ~\$35MM authorized to balance the current year’s budget as \$0 have yet been recognized from deferrals

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