



Consent Item 7

To:	Ava Community Energy Authority
From:	Russell Mills, CFO
Subject:	Fiscal Year 2025-2026 Q1 Financial Statements
Date:	December 17, 2025

Summary/Recommendation

This memo updates the Board on Ava's financial position as of September 30, 2025.

Financial Impact

This is an informational item

Analysis and Context

Ava's current fiscal year (FY) runs from July 1, 2025, through June 30, 2026. 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 September 30, 2025, and the FY to date. These statements are prepared by Ava's accountant, Maher Accountancy.

Committee Recommendation

Attachments

- A. Fiscal Year 2025-2026 Q1 Financial Statements
- B. Fiscal Year 2025-2026 Q1 Budgetary Comparison 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 September 30, 2025, 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. 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
November 4, 2025

AVA COMMUNITY ENERGY
STATEMENT OF NET POSITION
As of September 30, 2025

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 438,449,908
Cash and cash equivalents - restricted	2,715,372
Accounts receivable, net of allowance	129,804,349
Accrued revenue	68,390,562
Other receivables	13,885,706
Prepaid expenses	6,034,298
Deposits	5,835,232
Investments	43,158,476
Total current assets	<u>708,273,903</u>
Noncurrent assets	
Deposits	1,135,937
Investments	298,867,687
Loans receivable	2,737,260
Capital assets, net of depreciation and amortization	22,141,481
Total noncurrent assets	<u>324,882,365</u>
Total assets	<u>1,033,156,268</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	156,354,191
Accounts payable	5,058,825
Advances from grantors	2,715,372
Other accrued liabilities	2,248,244
User taxes and energy surcharges due to other governments	10,938,690
Lease liability	297,729
Security deposits - energy suppliers	4,585,670
Total current liabilities	<u>182,198,721</u>
Noncurrent liabilities	
Lease liability	11,818,971
Total liabilities	<u>194,017,692</u>

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	<u>188,014,795</u>
NET POSITION	
Net investment in capital assets	10,024,781
Unrestricted	641,099,000
Total net position	<u>\$ 651,123,781</u>

AVA COMMUNITY ENERGY
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
Three Months Ended September 30, 2025

	<u>Year-to-Date</u>
OPERATING REVENUES	
Electricity sales, net	\$ 332,421,835
Grant revenue	1,306,793
Other operating revenues	2,378,428
Total operating revenues	<u>336,107,056</u>
OPERATING EXPENSES	
Cost of electricity	229,257,457
Contract services	6,010,361
Staff compensation	6,137,542
Other operating expenses	3,836,615
Depreciation and amortization	266,263
Total operating expenses	<u>245,508,238</u>
Operating income (loss)	<u>90,598,818</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	6,865,765
Interest expense	(238,668)
Nonoperating revenues (expenses), net	<u>6,627,097</u>
CHANGE IN NET POSITION	97,225,915
Net position at beginning of period	<u>553,897,866</u>
Net position at end of period	<u><u>\$ 651,123,781</u></u>

AVA COMMUNITY ENERGY
STATEMENT OF CASH FLOWS
Three Months Ended September 30, 2025

	<u>Year-to-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 319,458,477
Receipts from grantors	692,178
Other operating receipts	1,056,256
Receipts of supplier security deposits	1,203,539
Payments to suppliers for electricity	(218,547,159)
Payments for other goods and services	(11,399,327)
Payments for staff compensation	(6,113,006)
Payments of deposits and collateral	(5,840,748)
Payments of taxes and surcharges to other governments	(10,534,256)
Net cash provided by operating activities	<u>69,975,954</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(1,270,542)
Net cash used by capital and related financing activities	<u>(1,270,542)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	12,593,685
Investment income received	1,999,145
Loan principal received	5,066
Purchase of investments	(19,881,950)
Loan issued	(750,000)
Net cash provided (used) by investing activities	<u>(6,034,054)</u>
Net change in cash and cash equivalents	62,671,358
Cash and cash equivalents at beginning of period	378,493,922
Cash and cash equivalents at end of period	<u>\$ 441,165,280</u>
Reconciliation to the Statement of Net Position	
Cash and cash equivalents - unrestricted	\$ 438,449,908
Cash and cash equivalents - restricted	2,715,372
Cash and cash equivalents	<u>\$ 441,165,280</u>

AVA COMMUNITY ENERGY
STATEMENT OF CASH FLOWS (Continued)
Three Months Ended September 30, 2025

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

	<u>Year-to-Date</u>
Operating income (loss)	\$ 90,598,818
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation and amortization expense	266,263
(Increase) decrease in:	
Accounts receivable	(37,157,547)
Other receivables	(7,161,630)
Accrued revenue	(7,213,304)
Prepaid expenses	(833,443)
Deposits	(5,813,539)
Increase (decrease) in:	
Accrued cost of electricity	18,539,799
Accounts payable	(915,902)
Other accrued liabilities	11,093
Advances from grantors	(975,865)
Deferred revenue	(29,560)
User taxes due to other governments	2,483,452
Security deposits from energy suppliers	(212,461)
Rate Stabilization Fund	18,389,780
Net cash provided (used) by operating activities	<u><u>\$ 69,975,954</u></u>

NONCASH INVESTING ACTIVITIES

Change in fair value of investments	\$ 4,993,065
Change in interest receivable	\$ (126,445)



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
AVA Community Energy

Management is responsible for the accompanying special purpose Budgetary Comparison Schedule – Operating Fund of AVA Community Energy (a California Joint Powers Authority for the three months ended September 30, 2025, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. 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 statement 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, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of the Authority.

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
November 4, 2025

**AVA COMMUNITY ENERGY
BUDGETARY COMPARISON SCHEDULE
OPERATING FUND
Three Months Ended September 30, 2025**

	2025/26 YTD Budget	2025/26 YTD Actual	2025/26 YTD Budget Variance Over (Under)	2025/26 YTD Actual/ Budget %	2025/26 Annual Budget	2025/26 Budget Remaining
REVENUE						
Electricity Sales	\$ 354,648,000	\$ 335,779,631	\$ (18,868,369)	95%	\$ 869,170,000	\$ 533,390,369
GASB 62 Revenue (Deferral)	-	-	-	N/A	35,327,000	35,327,000
Uncollectible	(3,546,480)	(3,357,796)	188,684	95%	(8,692,000)	(5,334,204)
Total Revenue and Other Sources	351,101,520	332,421,835	(18,679,685)	95%	895,805,000	563,383,165
EXPENDITURES AND OTHER USES						
CURRENT EXPENDITURES						
Cost of energy	232,374,839	229,257,457	(3,117,382)	99%	836,970,000	607,712,543
Energy Services						
Data Management/CRM	2,455,801	2,495,253	39,452	102%	10,081,000	7,585,747
Billing & Metering	781,391	804,046	22,655	103%	3,208,000	2,403,954
Scheduling	187,194	183,789	(3,405)	98%	767,000	583,211
Total Energy Services	3,424,386	3,483,088	58,702	102%	14,056,000	10,572,912
Overhead Operating Expenses						
Personnel	7,409,750	6,137,542	(1,272,208)	83%	29,639,000	23,501,458
Marketing & Communications	968,000	388,123	(579,877)	40%	3,872,000	3,483,877
Legal, Policy, & Regulatory Affairs	1,060,750	778,465	(282,285)	73%	4,243,000	3,464,535
Other Professional Services	879,500	640,126	(239,374)	73%	3,518,000	2,877,874
General & Administrative	1,773,750	1,198,481	(575,269)	68%	7,095,000	5,896,519
Total Overhead Operating Expenses	12,091,750	9,142,737	(2,949,013)	76%	48,367,000	39,224,263
Total Current Expenditures	247,890,975	241,883,282	(6,007,693)	98%	899,393,000	657,509,718
OTHER SOURCES AND USES						
Investment Income	3,369,000	6,816,168	3,447,168	202%	15,066,000	8,249,832
Other Income	12,300	1,321,295	1,308,995	10742%	49,000	(1,272,295)
Interest and Financing Costs	(240,000)	(225,205)	14,795	94%	(1,087,000)	(861,795)
Local Development (Transfer to LD Fund Budget)	-	-	-	N/A	(10,190,000)	(10,190,000)
Capital expenditures	(250,000)	(523,951)	(273,951)	210%	(250,000)	273,951
Total Other Sources and Uses	2,891,300	7,388,307	4,497,007	0%	3,588,000	(3,800,307)
Net Increase (Decrease)	\$ 106,101,845	\$ 97,926,860	\$ (8,174,985)	92%	\$ -	

LOCAL DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
Three Months Ended September 30, 2025

	<u>2025/26 Annual Budget</u>	<u>2025/26 YTD Actual</u>	<u>2025/26 Budget Remaining</u>
REVENUE AND OTHER SOURCES			
Transfer from Operating Fund	\$ 10,190,000	\$ -	\$ 10,190,000
Grants/Credits	-	2,363,926	(2,363,926)
Interest income	-	49,597	(49,597)
Total Revenues and other sources	<u>10,190,000</u>	<u>2,413,523</u>	<u>7,776,477</u>
EXPENDITURES AND OTHER USES			
CURRENT EXPENDITURES			
Program expenses	<u>10,190,000</u>	<u>3,936,506</u>	<u>6,253,494</u>
Total Expenditures and other uses	<u>10,190,000</u>	<u>3,936,506</u>	<u>6,253,494</u>
Net Increase (Decrease)	-	(1,522,983)	
Fund balance at beginning of period	<u>78,261,745</u>	<u>78,261,745</u>	
Fund balance at end of period	<u><u>\$ 78,261,745</u></u>	<u><u>\$ 76,738,762</u></u>	