



Fiscal Year 2022-23, 2nd Quarter Financial Report

Reporting Unaudited Financial Results

For the six months ended

December 31, 2022

Table of Contents

	Page
Unaudited Financial Statements	
Statements of Net Position	1
Statements of Revenues, Expenses and Changes in Net Position	2
Statements of Cash Flows	3

**HETCH HETCHY WATER AND POWER ENTERPRISE
CLEANPOWERSF
STATEMENTS OF NET POSITION**
As of December 31, 2022
(In thousands)

	Unaudited DEC 2022*
ASSETS	
Current assets	
Cash and investments with City Treasury	\$ 81,278 ¹
Charges for services receivables (net of allowance for doubtful accounts of \$7,050 as of December 31, 2022 and \$6,330 as of June 30, 2022)	26,883
Interest receivables	61
Total current receivables	<u>26,944</u>
Prepaid charges and other receivables	114
Total current assets	<u>108,336</u>
Non-current assets:	
Net pension asset	1,833
Lease right-to-use assets, net of accumulated amortization	230
Prepaid charges, advances, and other receivables, less current portion	16,275 ²
Total non-current assets	<u>18,338</u>
Total assets	<u>126,674</u>
Deferred outflows of resources	
Pensions	852
Other post-employment benefits	798
Total deferred outflows of resources	<u>1,650</u>
LIABILITIES	
Current liabilities	
Accounts payable	1,294
Accrued payroll	2
Accrued vacation and sick leave, current portion	279
Damage claims liability, current portion	15
Lease liability, current portion	232
Unearned revenues, refunds, and other, current portion	5,372
Total current liabilities	<u>7,194</u>
Long-term liabilities	
Other post-employment benefits obligations	2,264
Accrued vacation and sick leave, less current portion	267
Damage claims liability, less current portion	17
Unearned revenues, refunds, and other, less current portion	9,000
Total long-term liabilities	<u>11,548</u>
Total liabilities	<u>18,742</u>
Deferred inflows of resources	
Related to pensions	5,414
Other post-employment benefits	1,594
Total deferred inflows of resources	<u>7,008</u>
NET POSITION	
Unrestricted	<u>102,574</u>
Total net position	<u>\$ 102,574</u>

* FY2023 Statements of Net Position is prepared in accordance with partial accrual basis of accounting based on data as of January 20, 2023. Balances of the following items are not fully accounted for or adjusted until the fiscal year-end: (i) lease assets and liabilities, (ii) Damage and claim liability, (iii) other post-employment benefits obligation, (iv) payroll accrual, vacation and sick leave accrual for services earned but not taken, (v) workers' compensation, and (vi) pension liability.

¹ Cash and investments with City Treasury included \$9,000 cash collateral received for power purchase agreement, and (\$1,653) manual reversal of unrealized loss on investments, which was auto-reversed in the beginning of the year.

² Non-current prepaid charges, advances, and other receivables represents \$16.3M collateral paid to CAISO scheduling coordinator, APX Inc. to satisfy CAISO's financial security requirements.

**HETCH HETCHY WATER AND POWER ENTERPRISE
CLEANPOWERSF
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

For six months ended December 31, 2022

(In thousands)

	Unaudited DEC 2022*
OPERATING REVENUES	
Charges for services	\$ 149,668
Total operating revenues	149,668
OPERATING EXPENSES	
Personnel services	2,400
Contractual services	3,172
Transmission/distribution and other power costs	80
Purchases from Hetchy Power	146
Purchased electricity	121,251
Materials and supplies	4
Services provided by other departments	467
General and administrative and other	3,872
Total operating expenses	131,392
Operating income	18,276
NON-OPERATING REVENUES (EXPENSES)	
Federal and state grants	10
Interest and investment income	38
Other non-operating revenues	2
Other non-operating expenses	(72)
Net non-operating revenues (expenses)	(22)
Change in net position	18,254
Net position at beginning of year	84,320
Net position at end of period	\$ 102,574

* FY 2023 Statements of Revenue, Expenses, and Changes in Net Position is prepared in accordance with partial accrual basis of accounting; Six months to December 31, 2022 is preliminary unaudited based on data as of January 20, 2023.

CLEANPOWERSF
STATEMENTS OF CASH FLOWS
For six months ended December 31, 2022
(In thousands)

	Unaudited DEC 2022*
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 171,986
Cash received from miscellaneous revenues	2
Cash paid to employees for services	(2,771)
Cash paid to suppliers for goods and services	(142,985)
Cash paid to Hetchy Power	(146)
Cash paid for judgments and claims	(1,544)
Net cash provided by operating activities	<u>24,542</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash received from grants	574
Cash paid for rebates, program incentives, and other	(72)
Net cash provided by non-capital financing activities	<u>502</u>
Increase in cash and cash equivalents	25,044
Cash and cash equivalents:	
Beginning of year	57,887
End of period	<u>\$ 82,931</u>
Reconciliation of cash and cash equivalents to the statements of net position:	
Cash and investments with City Treasury:	
Unrestricted	\$ 81,278
Add: Unrealized loss on investments	1,653
Cash and cash equivalents at end of period	<u>\$ 82,931</u>
RECONCILIATION OF OPERATING INCOME TO NET	
CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 18,276
Adjustments to reconcile operating income to net cash provided by operating activities:	
Miscellaneous revenues	2
Provision for uncollectible accounts	720
Changes in operating assets and liabilities:	
Charges for service receivables	21,100
Prepaid charges, advances, and other	6,435
Accounts payable	(22,232)
Accrued payroll	(371)
Unearned revenues, refunds, and other liabilities	612
Total adjustments	<u>6,266</u>
Net cash provided by operating activities	<u>\$ 24,542</u>
Noncash transactions:	
Unrealized loss on investment	1,653

* FY 2023 Statements of Cash Flows is prepared in accordance with cash basis of accounting. Six months to December 31, 2022 is preliminary unaudited based on data as of January 20, 2023.



WE GIVE 100%

Executive Management

Dennis J. Herrera

General Manager

Ronald P. Flynn

Deputy General Manager

Barbara Hale

Assistant General Manager, Power Enterprise

Gregory Norby

Assistant General Manager, Wastewater Enterprise

Masood Ordikhani

Assistant General Manager, External Affairs

Steve Ritchie

Assistant General Manager, Water Enterprise

Stephen D. Robinson

Assistant General Manager, Infrastructure

Nancy L. Hom,

Assistant General Manager, Business Services & Chief Financial Officer

CleanPowerSF

Michael Hyams, Director

Financial Services Bureau

Charles Perl, Deputy Chief Financial Officer

Brendan Conran, Financial Reporting & Analysis Director

Laura Busch, Budget Director

Vivian Chen, Accounting Services Director

Requests for additional information regarding this report can be sent to:

525 Golden Gate Avenue, 4th Floor

San Francisco, CA 94102