



Services of the San Francisco
Public Utilities Commission

CleanPowerSF



2022 JUNE FINANCIAL REPORT

Reporting Unaudited Financial Results

For the year ending

June 30, 2022

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**HETCH HETCHY WATER AND POWER ENTERPRISE
CLEANPOWERSF**

STATEMENTS OF NET POSITION

June 30, 2022

(In thousands)

	Unaudited FYE 2022*
ASSETS	
Current assets	
Cash and investments with City Treasury	\$ 59,665 **
Charges for services receivables (net of allowance for doubtful accounts of \$6,551 as of Jun 30, 2022 and \$5,485 as of June 30, 2021)	26,600
Interest receivables	52
Total current receivables	26,652
Prepaid charges and other receivables	16,644 ***
Total current assets	102,961
Total assets	102,961
Deferred outflows of resources	
Pensions	803
Other post-employment benefits	442
Total deferred outflows of resources	1,245
LIABILITIES	
Current liabilities	
Accounts payable	16,724
Accrued payroll	287
Accrued vacation and sick leave, current portion	205
Damage claims liability, current portion	6
Unearned revenues, refunds, and other, current portion	4,192
Total current liabilities	21,414
Long-term liabilities	
Other post-employment benefits obligations	2,909
Net pension liability	3,008
Accrued vacation and sick leave, less current portion	195
Unearned revenues, refunds, and other, less current portion	9,000
Total long-term liabilities	15,112
Total liabilities	36,526
Deferred inflows of resources	
Related to pensions	1,093
Other post-employment benefits	1,913
Total deferred inflows of resources	3,006
NET POSITION	
Unrestricted	64,674
Total net position	\$ 64,674

* FY 2022 Statements of Net Position is prepared in accordance with partial accrual basis of accounting based on data as of August 1, 2022. Balances of the following items are not fully accounted for or adjusted until the fiscal year-end: (i) Damage and claim liability, (ii) other post-employment benefits obligation, (iii) payroll accrual, vacation and sick leave accrual for services earned but not taken, (iv) workers' compensation, and (v) pension liability.

** Cash and investments with City Treasury included \$9,000 cash collateral received for power purchase agreement and \$2,676 grants received in advance.

*** \$16,644 in prepaid charges and other receivables included \$12,208 collateral payments made to CleanPowerSF's CAISO scheduling coordinator, APX Inc.

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

Year ended June 30, 2022
(In thousands)

	Unaudited FYE 2022*
OPERATING REVENUES	
Charges for services	\$ 235,795
Total operating revenues	<u>235,795</u>
OPERATING EXPENSES	
Personnel services	4,071
Contractual services	6,098
Transmission/distribution and other power costs	176
Purchases from Hetchy Power	1,589
Purchased electricity	238,206
Materials and supplies	9
Services provided by other departments	2,274
General and administrative and other	8,786
Total operating expenses	<u>261,209</u>
Operating loss	<u>(25,414) **</u>
NON-OPERATING REVENUES (EXPENSES)	
Federal and state grants	2,424 ***
Interest and investment income	249
Other non-operating revenues	335
Net non-operating revenues	<u>3,008</u>
Change in net position	<u>(22,406)</u>
Net position at beginning of year	<u>87,080</u>
Net position at end of year	<u>\$ 64,674</u>

* FY 2022 Statements of Revenue, Expenses, and Changes in Net Position is prepared in accordance with partial accrual basis of accounting; fiscal year ended 2022 is preliminary unaudited based on data as of August 1, 2022.

** Operating loss is mainly due to higher purchased electricity costs, which is accounted for 91.8% of total operating expenses. On September 28, 2021, the Commissioner approved a rate increase up to 15% above the equivalent PG&E generation rates, effectively on November 1st, 2021 (Resolution No: 21-0152). As a result, rate were increased in November 2021 and March 2022.

*** \$2,424 Federal grant received for the California Arrearage Payment Program (CAPP).

**HETCH HETCHY WATER AND POWER ENTERPRISE
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STATEMENTS OF CASH FLOWS

Year ended June 30, 2022

(In thousands)

	<u>Unaudited FYE 2022*</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 237,948
Cash paid to employees for services	(4,075)
Cash paid to suppliers for goods and services	(267,615)
Cash paid to Hetchy Power	(1,589)
Cash paid for judgments and claims	(1,529)
Net cash used in operating activities	<u>(36,860)</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash received from grants	5,100
Cash received from miscellaneous revenues	335
Net cash provided by non-capital financing activities	<u>5,435</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income received	326
Net cash provided by investing activities	<u>326</u>
Decrease in cash and cash equivalents	<u>(31,099)</u>
Cash and cash equivalents:	
Beginning of year	90,764
End of year	\$ <u><u>59,665</u></u>
Reconciliation of cash and cash equivalents to the statements of net position:	
Cash and investments with City Treasury:	
Unrestricted	\$ 59,665
Cash and cash equivalents at end of year	\$ <u><u>59,665</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ <u>(25,414)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Provision for uncollectible accounts	1,066
Changes in operating assets and liabilities:	
Charges for service receivables	599
Prepaid charges, advances, and other	(14,460)
Accounts payable	865
Accrued payroll	(4)
Unearned revenues, refunds, and other liabilities	488
Total adjustments	<u>(11,446)</u>
Net cash used in operating activities	\$ <u><u>(36,860)</u></u>

* Statements of Cash Flows is prepared in accordance with cash basis of accounting. Fiscal year-end 2022 is preliminary unaudited based on data as of August 1, 2022.



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

CleanPowerSF

Michael Hyams, Director

Financial Services Bureau

Nancy L. Hom, Deputy Chief Financial Officer
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