2023 1st Quarter Financial Report

Reporting Unaudited Financial Results

For the three months ending September 30, 2022
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**Unaudited Financial Statements**

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# HETCH HETCHY WATER AND POWER ENTERPRISE

## CLEANPOWERSF

### STATEMENTS OF NET POSITION

As of September 30, 2022

(In thousands)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Unaudited Q1 2023*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and investments with City Treasury</td>
<td>$51,782</td>
</tr>
<tr>
<td>Charges for services receivables (net of allowance for doubtful accounts of $7,049 as of September 30, 2022)</td>
<td>27,956</td>
</tr>
<tr>
<td>Interest receivables</td>
<td>61</td>
</tr>
<tr>
<td>Total current receivables</td>
<td>28,017</td>
</tr>
<tr>
<td>Prepaid charges and other receivables</td>
<td>35,056</td>
</tr>
<tr>
<td>Total current assets</td>
<td>114,855</td>
</tr>
<tr>
<td><strong>Non-current assets:</strong></td>
<td></td>
</tr>
<tr>
<td>Net pension asset</td>
<td>1,833</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>1,833</td>
</tr>
<tr>
<td>Total assets</td>
<td>116,688</td>
</tr>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td></td>
</tr>
<tr>
<td>Pensions</td>
<td>852</td>
</tr>
<tr>
<td>Other post-employment benefits</td>
<td>442</td>
</tr>
<tr>
<td>Total deferred outflows of resources</td>
<td>1,294</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>8,075</td>
</tr>
<tr>
<td>Accrued vacation and sick leave, current portion</td>
<td>279</td>
</tr>
<tr>
<td>Damage claims liability, current portion</td>
<td>6</td>
</tr>
<tr>
<td>Unearned revenues, refunds, and other, current portion</td>
<td>5,015</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>13,375</td>
</tr>
<tr>
<td><strong>Long-term liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Other post-employment benefits obligations</td>
<td>2,909</td>
</tr>
<tr>
<td>Accrued vacation and sick leave, less current portion</td>
<td>267</td>
</tr>
<tr>
<td>Unearned revenues, refunds, and other, less current portion</td>
<td>9,000</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>12,176</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>25,551</td>
</tr>
<tr>
<td><strong>Deferred inflows of resources</strong></td>
<td></td>
</tr>
<tr>
<td>Related to pensions</td>
<td>5,414</td>
</tr>
<tr>
<td>Other post-employment benefits</td>
<td>1,913</td>
</tr>
<tr>
<td>Total deferred inflows of resources</td>
<td>7,327</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>85,104</td>
</tr>
<tr>
<td>Total net position</td>
<td>$85,104</td>
</tr>
</tbody>
</table>

* FY 2023 1st quarter Statements of Net Position is prepared in accordance with partial accrual basis of accounting based on data as of November 3, 2022.

1 Cash and investments with City Treasury included $9,000 cash collateral received for power purchase agreement.

2 Included $29,608 collateral payments made to CAISO scheduling coordinator, APX Inc. to satisfy CAISO's financial security requirements, and $14,300 was refunded to CleanPowerSF on November 1, 2022.
## Unaudited Q1 2023**

### OPERATING REVENUES
- Charges for services $69,673
  - Total operating revenues 69,673

### OPERATING EXPENSES
- Personnel services 1,251
- Contractual services 1,294
- Transmission/distribution and other power costs 70
- Purchased electricity 63,264
- Materials and supplies 1
- Services provided by other departments $(9)
  - General and administrative and other 1,981
  - Total operating expenses 67,852
- Operating income 1,821

### NON- OPERATING REVENUES (EXPENSES)
- Federal and state grants 3
- Interest and investment income 1,653
- Other non-operating revenues 1
- Other non-operating expenses $(6)
  - Net non-operating revenues 1,651
  - Change in net position 3,472

### Change in net position
- Net position at beginning of year 81,632
- Net position at end of period $85,104

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* FY 2023 Statements of Net Position is prepared in accordance with partial accrual basis of accounting based on data as of November 3, 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.

1 Abnormal balance in services provided by other departments due to printing and postage cost reimbursement received from PG&E.
## HETCH HETCHY WATER AND POWER ENTERPRISE

### CLEANPOWERSF

### STATEMENTS OF CASH FLOWS

For three months ended September 30, 2022

(In thousands)

<table>
<thead>
<tr>
<th>Unaudited Q1 2023*</th>
</tr>
</thead>
</table>

### CASH FLOWS FROM OPERATING ACTIVITIES

- Cash received from customers $90,258
- Cash paid to employees for services $(1,624)
- Cash paid to suppliers for goods and services $(93,829)
- Cash paid for judgments and claims $(1,479)

Net cash used in operating activities $(6,674)

### CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES

- Cash received from grants 574
- Cash received from miscellaneous revenues 1
- Cash paid for rebates, program incentives, and other $(6)

Net cash provided by non-capital financing activities 569

Decrease in cash and cash equivalents $(6,105)

### Cash and cash equivalents:

- Beginning of year 57,887
- End of period $51,782

### Reconciliation of cash and cash equivalents to the statements of net position:

- Cash and investments with City Treasury:
  - Unrestricted $51,782
  - Cash and cash equivalents at end of period $51,782

### RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

- Operating loss $1,821

### Adjustments to reconcile operating income to net cash provided by operating activities:

- Provision for uncollectible accounts 719
- Changes in operating assets and liabilities:
  - Charges for service receivables 20,028
  - Prepaid charges, advances, and other $(13,668)
  - Accounts payable $(15,449)
  - Accrued payroll $(373)
  - Unearned revenues, refunds, and other liabilities 248

Total adjustments $(8,495)

Net cash used in operating activities $(6,674)

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* FY 2023 Statements of Cash Flows is prepared in accordance with cash basis of accounting. Three months to September 30, 2022 is preliminary unaudited based on data as of November 3, 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
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