

# Exhibit to Agenda Item #2

Financial Results for the twelve-month period ended December 31, 2019

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Tuesday, March 17, 2020 scheduled to begin at 5:30 p.m.  
Auditorium, SMUD Headquarters Building

# 2019 Financial Highlights

- Clean Audit – unmodified opinion
- Change in Net Position \$79 million (+\$18 million)
  - Total customer sales on target
  - Total operating expenses lower by 8%
  - Non operating expense: loss on divestment of gas reserves \$44 million
  - Net transfers to rate stabilization funds \$47 million
- Above Average Water Year
  - Hydro generation – over 39%
  - Cogens (JPAs) – under 19%
  - Purchased power – over 9%
- Balance in Rate Stabilization Funds – \$144 million
  - Hydro \$83 million
  - WAPA \$43 million
  - Future carbon reducing IRP projects (AB 32) \$16 million
  - Low carbon fuel standards (LCFS) \$ 2 million

# 2019 Financial Results – Statement of Net Position

(thousands of dollars)

<b>Assets</b>	
Capital assets - net	\$ 3,625,860
Rate stabilization fund - restricted	\$ 143,669
Other restricted assets	\$ 29,408
Current assets	\$ 977,260
Regulatory asset - pension	\$ 391,626
Regulatory asset – OPEB (other post employment benefits)	\$ 319,329
Regulatory assets - other	\$ 55,853
Long-term assets & deferred outflows	\$ 1,033,254
<b>Total assets</b>	<b>\$ 6,576,259</b>
<b>Liabilities</b>	
Long-term debt	\$ 2,943,795
Current liabilities	\$ 491,238
Net pension liability	\$ 467,647
Net OPEB liability	\$ 32,211
Regulatory credits	\$ 489,486
Other long-term liabilities & deferred inflows	\$ 347,605
<b>Total liabilities</b>	<b>\$ 4,771,982</b>
<b>Total net position (equity)</b>	<b>\$ 1,804,277</b>
<b>Total Liabilities</b>	<b>\$ 6,576,259</b>

# 2019 Financial Results

## Statement of Revenues & Expenses

(thousands of dollars)

	Actual	Budget	Variance
Total customer sales	\$ 1,388,085	\$ 1,368,557	\$ 19,528
Other operating revenues	\$ 41,438	\$ 39,043	\$ 2,395
Transfer to rate stabilization fund	\$ (46,975)	\$ -	\$ (46,975)
<b>Total operating revenues</b>	<b>\$ 1,382,548</b>	<b>\$ 1,407,600</b>	<b>\$ (25,052)</b>
Purchased power	\$ 259,048	\$ 227,287	\$ 31,761
Production	\$ 214,421	\$ 304,698	\$ (90,277)
Transmission and distribution	\$ 171,686	\$ 156,819	\$ 14,867
Other operating costs	\$ 540,994	\$ 599,747	\$ (58,753)
<b>Total operating expenses</b>	<b>\$ 1,186,149</b>	<b>\$ 1,288,551</b>	<b>\$ (102,402)</b>
Net operating income	\$ 196,399	\$ 119,049	\$ 77,350
Net non-operating revenue and expenses	\$ 117,484	\$ 58,529	\$ 58,955
<b>Change in Net Position</b>	<b>\$ 78,915</b>	<b>\$ 60,520</b>	<b>\$ 18,395</b>

# 2019 Financial Results

## Sources and Uses of Cash

(thousands of dollars)

Where the cash came from	
Receipts - retail customers	\$ 1,423,897
Interest and investment income	\$ 703,299
Proceeds from bonds/commercial paper	\$ 636,873
Other receipts	\$ 36,086
<b>Total inflows</b>	<b>\$ 2,800,155</b>
How the cash was used	
Payments to vendors/others	\$ 717,280
Commodity expenses - net of sales	\$ 325,605
Construction expenses	\$ 313,575
Interest and investment expense	\$ 827,845
Repayments and refunding of debt	\$ 563,245
<b>Total outflows</b>	<b>\$ 2,747,550</b>
<b>Net increase in cash</b>	<b>\$ 52,605</b>

# Questions?