

Exhibit to Agenda Item # 3

Provide the Board with the financial statement from the three-month period ended March 31, 2021, and financial results through April 30, 2021.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, May 18, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

March 2021– Change in Net Position (millions of dollars)

- MTD customer sales – over target \$2M
 - Customer sales are \$3M over target primarily due to higher residential usage
 - Offset by increase in bad debt expense of \$1M
- Variance of purchased power and production cost –net \$3M under budget
- Other Operating cost - \$13M under budget – primarily due to non-cash accounting entries
- Change in net position - \$19M over budget

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total customer sales	\$ 99	\$ 97	\$ 2
Other operating revenues	\$ 7	\$ 4	\$ 3
Net transfer to rate stabilization fund	\$ (4)	\$ -	\$ (4)
Total operating revenues	\$ 102	\$ 101	\$ 1
Net purchased power	\$ 19	\$ 19	\$ -
Net production	\$ 21	\$ 24	\$ (3)
Transmission and distribution	\$ 14	\$ 15	\$ (1)
Other operating costs	\$ 46	\$ 59	\$ (13)
Total operating expenses	\$ 100	\$ 117	\$ (17)
Net operating income	\$ 2	\$ (16)	\$ 18
Total non-operating revenues	\$ 3	\$ 2	\$ 1
Total non-operating expenses	\$ 10	\$ 10	\$ -
Change in Net Position	\$ (5)	\$ (24)	\$ 19

April 2021 – Change in Net Position

(millions of dollars)

- YTD customer sales – over target \$1M
 - Customer sales are \$3M over target primarily due to higher commercial usage
 - Offset by increase in bad debt expense of \$2M
- Net transfer to rate stabilization fund of \$19M due to annual hydro generation adjustment
- Variance of purchased power and production cost –net \$6M over budget
- Other Operating cost - \$6M under budget – primarily due to non-cash accounting entries
- Change in net position - \$20M over budget

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total customer sales	\$ 97	\$ 96	\$ 1
Other operating revenues	\$ 2	\$ 3	\$ (1)
Net transfer to rate stabilization fund	\$ 19		\$ 19
Total operating revenues	\$ 118	\$ 99	\$ 19
Net purchased power	\$ 29	\$ 21	\$ 8
Net production	\$ 23	\$ 25	\$ (2)
Transmission and distribution	\$ 14	\$ 15	\$ (1)
Other operating costs	\$ 43	\$ 49	\$ (6)
Total operating expenses	\$ 109	\$ 110	\$ (1)
Net operating income	\$ 9	\$ (11)	\$ 20
Total non-operating revenues	\$ 2	\$ 2	\$ -
Total non-operating expenses	\$ 9	\$ 9	\$ -
Change in Net Position	\$ 2	\$ (18)	\$ 20

April 2021 YTD – Change in Net Position (millions of dollars)

- YTD customer sales – over target \$7M
 - Customer sales are \$15M over target primarily due to higher usage commercial & residential customers
 - Offset by increase in bad debt expense of \$8M
- Variance of purchased power and production cost –net \$7M under budget
 - Primarily due to fuel market conditions in February
- Other Operating cost - \$27M under budget – primarily due to non-cash accounting entries
- Change in net position - \$62M over budget

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total customer sales	\$ 396	\$ 389	\$ 7
Other operating revenues	\$ 17	\$ 13	\$ 4
Net transfer to rate stabilization fund	\$ 13	\$ -	\$ 13
Total operating revenues	\$ 426	\$ 402	\$ 24
Net purchased power	\$ 83	\$ 73	\$ 10
Net production	\$ 77	\$ 94	\$ (17)
Transmission and distribution	\$ 58	\$ 59	\$ (1)
Other operating costs	\$ 176	\$ 203	\$ (27)
Total operating expenses	\$ 394	\$ 429	\$ (35)
Net operating income	\$ 32	\$ (27)	\$ 59
Total non-operating revenues	\$ 11	\$ 8	\$ 3
Total non-operating expenses	\$ 38	\$ 38	\$ -
Change in Net Position	\$ 5	\$ (57)	\$ 62

Cash Flows-March 2021 YTD

(millions of dollars)

- Cash from operations \$37M
 - Primary differences to operating income are depreciation (non-cash) and additional pension payment
- Cash from financing & investing (\$23M)
 - Items not on the income statement
 - Capital expenditures (\$54M)
 - Net sales/maturities of investments \$80M
 - Interest on debt (\$58M)

OPERATING ACTIVITIES:

Receipts - retail customers	\$ 324
Commodity expenses - net of sales	\$ (69)
Payments to vendors/employees/others	\$ (227)
Other receipts	\$ 9

Cash provided from operations **\$ 37**

FINANCING & INVESTING ACTIVITIES:

Capital expenditures	\$ (54)
Contributions in aid of construction	\$ 7
Interest on debt	\$ (58)
Net sales/maturities of investments	\$ 80
Interest and investment receipts	\$ 3

Cash used for financing & investing activities **(23)**

Net increase in cash **\$ 14**

April 2021 YTD - Energy Sources & Uses

Sources of energy

- Hydro – 72% under budget
- JPA and Other – 14% over budget
- Purchased Power (net of surplus power sales) – 10% over budget

YTD customer usage 1% over target

