

# Exhibit to Agenda Item #2c

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

Board of Directors Meeting

Thursday, May 20, 2021, scheduled to begin at 5:00 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)
<b>Total operating revenues</b>	<b>\$ 102</b>	<b>\$ 101</b>	<b>\$ 1</b>
Net purchased power	\$ 19	\$ 19	\$ -
Net production	\$ 21	\$ 24	\$ (3)
Transmission and distribution	\$ 14	\$ 15	\$ (1)
Other operating costs	\$ 46	\$ 59	\$ (13)
<b>Total operating expenses</b>	<b>\$ 100</b>	<b>\$ 117</b>	<b>\$ (17)</b>
<b>Net operating income</b>	<b>\$ 2</b>	<b>\$ (16)</b>	<b>\$ 18</b>
Total non-operating revenues	\$ 3	\$ 2	\$ 1
Total non-operating expenses	\$ 10	\$ 10	\$ -
<b>Change in Net Position</b>	<b>\$ (5)</b>	<b>\$ (24)</b>	<b>\$ 19</b>

# 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
<b>Total operating revenues</b>	<b>\$ 118</b>	<b>\$ 99</b>	<b>\$ 19</b>
Net purchased power	\$ 29	\$ 21	\$ 8
Net production	\$ 23	\$ 25	\$ (2)
Transmission and distribution	\$ 14	\$ 15	\$ (1)
Other operating costs	\$ 43	\$ 49	\$ (6)
<b>Total operating expenses</b>	<b>\$ 109</b>	<b>\$ 110</b>	<b>\$ (1)</b>
<b>Net operating income</b>	<b>\$ 9</b>	<b>\$ (11)</b>	<b>\$ 20</b>
Total non-operating revenues	\$ 2	\$ 2	\$ -
Total non-operating expenses	\$ 9	\$ 9	\$ -
<b>Change in Net Position</b>	<b>\$ 2</b>	<b>\$ (18)</b>	<b>\$ 20</b>

# 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
<b>Total operating revenues</b>	<b>\$ 426</b>	<b>\$ 402</b>	<b>\$ 24</b>
Net purchased power	\$ 83	\$ 73	\$ 10
Net production	\$ 77	\$ 94	\$ (17)
Transmission and distribution	\$ 58	\$ 59	\$ (1)
Other operating costs	\$ 176	\$ 203	\$ (27)
<b>Total operating expenses</b>	<b>\$ 394</b>	<b>\$ 429</b>	<b>\$ (35)</b>
<b>Net operating income</b>	<b>\$ 32</b>	<b>\$ (27)</b>	<b>\$ 59</b>
Total non-operating revenues	\$ 11	\$ 8	\$ 3
Total non-operating expenses	\$ 38	\$ 38	\$ -
<b>Change in Net Position</b>	<b>\$ 5</b>	<b>\$ (57)</b>	<b>\$ 62</b>

# 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

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**Cash provided from operations** **\$ 37**

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## 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

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

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**Net increase in cash** **\$ 14**

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# 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

