# Exhibit to Agenda Item #2

SMUD's Financial Results for the year 2021.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting Tuesday, March 15, 2022, scheduled to begin at 5:30 p.m. Virtual Meeting (online)



# Financial Highlights - YTD December 2021

\$340 Million

"Net income"
Net position YTD
Favorable compared
to budget

#### Customer Revenue

\$1,501 Million \$43M or 3.0% higher customer revenues than budgeted (favorable)

- Customer revenue \$97M over target due to higher usage from our residential customers
- Offset by increased bad debt expense of \$14M over target and receipt of \$41M of CAPP
- \$75M Accounts Receivable arrears balance with estimated uncollectible balance of \$69M

### Commodity

\$570 Million \$46M or 8.9% higher commodity expenditures than budgeted (unfavorable)

- Purchased power higher due to reduced hydro generation available
- Non-cash revenue transfer from Hydro Rate Stabilization fund of \$19 million will offset increased summer purchased power costs from lack of hydro

### Other Operating Expenses

\$507 Million \$65M or 11.3% lower expenditures than budgeted (favorable)

- Administrative and general expenditures \$20M lower due to various general expenses
- Customer expenses \$16M lower due to various impacts of COVID
- Public Good \$22M lower due to decreased research and development expenses

\$125 Million

### Non-cash Expenses

\$130M or 51.0% lower non-cash expenses than budgeted (favorable)

• Accounting Governmental Accounting Standards Board required journal entries

<sup>\*</sup> There are \$40M other net revenues and expenses not included in the highlights above



## December 2021 Energy Sources



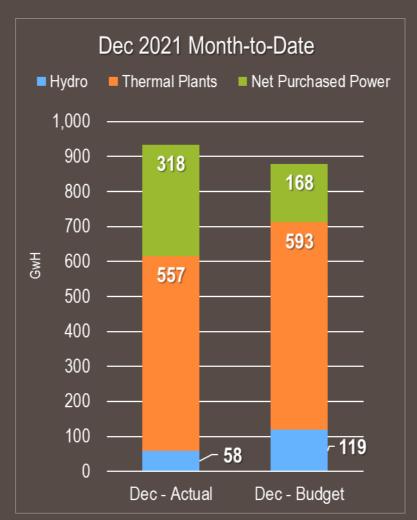
Hydro generation was 50% of the budget in December and 65% lower than budget year-to-date

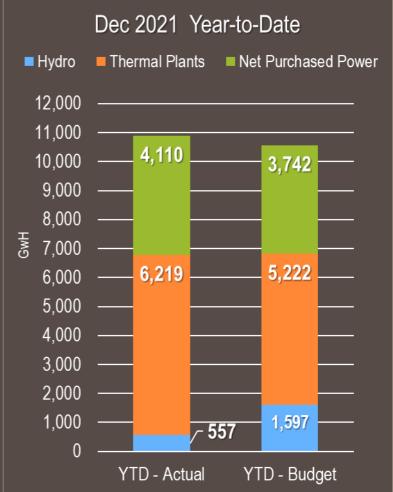


Thermal plants generated 6% less than budget in December and 19% more than budget year-to-date



Net purchased power was higher than budget, due to a shortfall of hydro and thermal generation for the month of December, and 10% higher than budget year-to-date







# Cash Flow Highlights - YTD December 2021





## Other 2021 Financial Highlights



\$41 million received from the California Arrearage Payment Program (CAPP)



- \$189 million
   Rate
   Stabilization
   Fund 2021
   ending balance
- \$35 million of 2021 operating revenue was deferred



 \$107 million refunding debt was issued, generating \$22.5 million net present value savings



- Approximately \$28 million net pension asset
- Increased investment earnings



- Approximately \$58 million net Other postemployment benefits (OPEB) asset
- Increased investment earnings

