Exhibit to Agenda Item # 2
SMUD’s Financial Results for the year 2020.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, March 16, 2021, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
Change in Net Position – YTD December 2020
(millions of dollars)

- YTD customer sales – over target
  - Customer sales $41M over budget
  - Offset by increase in bad debt expense of $38M
  - Resulting in net $3M over budget
- Net transfer to the rate stabilization fund for $25M
- Variance of purchased power and production cost – net $15M under budget
- Transmission & Distribution - $13M over budget
- Other Operating cost - $91M under budget
- Change in net position - $105M over budget

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total customer sales</td>
<td>$1,431</td>
<td>$1,428</td>
<td>$3</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>$46</td>
<td>$46</td>
<td>(0)</td>
</tr>
<tr>
<td>Transfer to rate stabilization fund</td>
<td>$(25)</td>
<td>-</td>
<td>$(25)</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>$1,452</td>
<td>$1,474</td>
<td>$(22)</td>
</tr>
<tr>
<td>Purchased power</td>
<td>$281</td>
<td>$234</td>
<td>$47</td>
</tr>
<tr>
<td>Production</td>
<td>$245</td>
<td>$307</td>
<td>$(62)</td>
</tr>
<tr>
<td>Transmission and distribution</td>
<td>$187</td>
<td>$174</td>
<td>$13</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>$540</td>
<td>$631</td>
<td>$(91)</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$1,253</td>
<td>$1,346</td>
<td>$(93)</td>
</tr>
<tr>
<td>Net operating income</td>
<td>$199</td>
<td>$128</td>
<td>$71</td>
</tr>
<tr>
<td>Total non-operating revenue</td>
<td>$63</td>
<td>$31</td>
<td>$32</td>
</tr>
<tr>
<td>Total non-operating expense</td>
<td>$(109)</td>
<td>$(111)</td>
<td>$2</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>$153</td>
<td>$48</td>
<td>$105</td>
</tr>
</tbody>
</table>
## Cash Flows—December 2020

(millions of dollars)

### Operating Activities:
- Receipts - retail customers: $1,426
- Commodity expenses - net of sales: $(352)
- Payments to vendors/employees/others: $(723)
- Other receipts: $19

**Cash provided from operations:** $370

### Financing Activities:
- Proceeds from bonds/commercial paper: $483
- Other receipts: $16
- Capital expenditures: $(338)
- Repayments and refunding of debt: $(168)
- Interest payments: $(144)

**Cash used for financing activities:** $(151)

### Investing Activities:
- Net sales/maturities of investments: $189
- Interest and investment receipts: $12
- Other receipts: $11

**Cash provided from investing activities:** $212

**Net increase in cash:** $431

- Cash flow from operations: $370M
- Difference in operating income – depreciation and non-cash items
- Cash flow from financing: $(151M)
- Most items not on income statement:
  - Bond issuance: $483M
  - Capital expenditures: $(338M)
  - Repayments of debt: $(168M)
- Cash from investing: $212M
  - Net sales/maturities of investments: $189M
2020 - Other Financial Highlights

• Balance in Rate Stabilization fund - $166M
  - $35M deferral of operating revenues
• Issuance of new debt of $400M
  - Paydown of Commercial Paper
  - Flexibility
• Balance in Net Pension liability - $469M
  - Before the additional $99M payment
• Net OPEB liability - $0
  - Net OPEB asset at year-end