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

#### 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

#### Non-cash Expenses
- **$125 Million**
- $130M or 51.0% lower non-cash expenses than budgeted (favorable)
  - Accounting Governmental Accounting Standards Board required journal entries

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*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

$50 Million
Net increase in cash flows

$417 Million
Operating Activities
• $1,777 million Receipts from customers, commodity sales & other
• ($1,360) million Payments for commodities, employee costs & other vendors

($493) Million
Capital & Noncapital Financing Activities
• ($274) million Principal & Interest payments on debt net of bond refunding
• ($297) million Capital expenditures

$126 Million
Investing Activities
• $215 million Sales and maturities of securities
• ($107) million Purchases of securities
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 post-employment benefits (OPEB) asset
- Increased investment earnings