



Statement of Financial Condition (Unaudited) March 31, 2021

Executive Summary

Net income for YTD March 2021 was \$612.7 thousand. This was \$246.7 thousand higher than budget. SunStream operates under a break-even strategy and we anticipate managing full year net income to zero by December 31, 2021.

Total income of \$8,405.5 thousand was \$(365.2) thousand less than budget due to less than planned ad hoc consulting and project work. Total operating expense of \$7,792.8 thousand was \$(611.8) less than budget. Total operating expenses were favorable primarily due to slower than anticipated on-boarding of planned contactors related to FSS Improvement projects. This favorable variance was partially offset by a one-time bonus paid to all employees.

In January 2021, SunStream collected the outstanding \$7.5 million of stock receivable from its owners. There is no remaining stock receivable as SunStream has now collected the entire \$22.0 million in stock issued at inception on April 1, 2020. Since collecting the stock receivable in January, month-end cash and receivables was a minimum of \$16.1 million during first quarter of 2021. We anticipate the draw-down of cash throughout 2021 to fund the Premiere Loan Accounting & Next-generation Technology program (PLANT). In addition, we expect to begin to draw on our line of credit with AgriBank to fund this initiative by the end of 2021.

The following pages display our unaudited financial statements and analysis for YTD March 2021.

Income Statement (whole dollars)	YTD March 2021		
	Actual	Budget	Actual vs Budget
	Vendor Services Income	\$ 8,404,214	\$ 8,770,706
Interest Income	1,317	-	1,317
Total Income	\$ 8,405,531	\$ 8,770,706	\$ (365,175)
Salaries & Benefits	\$ 4,203,928	\$ 3,989,704	\$ 214,224
Purchased Services	734,132	1,455,374	(721,242)
Depreciation and Maintenance	1,733,898	1,762,373	(28,475)
Cost of Space	233,521	270,163	(36,642)
Other Operating Expenses	887,351	927,056	(39,705)
Total Operating Expenses	\$ 7,792,830	\$ 8,404,670	\$ (611,840)
Pretax Income	\$ 612,701	\$ 366,036	\$ 246,665
Provision for Income Taxes	-	-	-
Net Income	\$ 612,701	\$ 366,036	\$ 246,665

Income Statement - YTD March 2021

- **Net income** of \$612.7 thousand was \$246.7 thousand higher than budget. The positive variance is primarily due to the timing of operating expenses noted below.
- **Total Income** of \$8,405.5 thousand was \$(365.2) thousand less than budget primarily due to less ad hoc consulting and project work.
- **Total Operating Expenses** of \$7,792.8 thousand was \$(611.8) thousand less than budget due to the following:
 - o **Salaries and Benefits expense** was \$214.2 thousand higher than budget due to a one-time bonus paid to all employees.
 - o **Purchased Services expense** was \$(721.2) thousand lower than budget due to slower than anticipated on-boarding of planned contractors.

Statement of Condition				
(whole Dollars)				
	2020	2021		
	December	January	February	March
Assets				
Cash and Receivables	\$ 8,827,582	\$ 16,842,859	\$ 17,391,597	\$ 16,060,482
Prepaid Assets	3,447,237	3,590,125	3,504,218	3,669,775
Fixed Assets, net	5,176,838	4,953,390	4,838,554	4,668,205
Right of Use Assets, Net	4,574,972	4,510,858	4,446,630	4,382,286
Other Assets	84,472	(8,768)	(102,008)	(175,950)
Total Assets	\$ 22,111,101	\$ 29,888,464	\$ 30,078,991	\$ 28,604,798
Liabilities				
Accrued Employee benefits	1,853,878	1,983,087	2,116,483	975,518
Lease Liabilities, Net	4,614,529	4,554,201	4,493,757	4,433,197
Other Liabilities	636,186	219,363	174,897	76,874
Total Liabilities	\$ 7,104,593	\$ 6,756,651	\$ 6,785,137	\$ 5,485,589
Shareholders' Equity				
Common Stock	\$ 22,500,000	\$ 22,500,000	\$ 22,500,000	\$ 22,500,000
Common Stock Receivable	(7,500,000)	-	-	-
Unallocated Earnings	6,508	631,813	793,854	619,209
Total Shareholders' Equity	\$ 15,006,508	\$ 23,131,813	\$ 23,293,854	\$ 23,119,209
Total Liabilities and Equity	\$ 22,111,101	\$ 29,888,464	\$ 30,078,991	\$ 28,604,798

Statement of Condition - December 31, 2020 through March 31, 2021

- **Cash and receivables** increased \$8.0 million from 8.8 million in December 2020 to \$16.8 million January 2021. The increase was primarily due to the collection of \$7.5 million of stock receivable in January 2021.
- **Accrued Employee Benefits** decreased \$(1.1) million from \$2.1 million in February 2021 to \$1.0 million in March 2021 due to the annual short-term incentive (STI) payout.
- **Other Liabilities** decreased \$(0.5) million from \$0.6 million in December 2020 to \$0.1 million in March 2021 primarily due to expense accrued at yearend and paid during the first quarter of 2021.
- **Common stock receivable of \$7.5 million** was collected in January and paid in cash. There is no remaining stock receivable.



Cash Flow Statement - YTD March 2021 (whole dollars)				
	2021			
	January	February	March	YTD
Operating Activities:				
Net Income	\$ 625,305	\$ 162,042	\$ (174,646)	\$ 612,701
Depreciation of Furniture and Equipment	240,900	200,710	200,975	642,585
(Increase)/Decrease in Accounts Receivable	(142,797)	1,074	155,419	13,696
(Increase)/Decrease in Right of Use Assets	64,114	64,229	64,344	192,687
Increase/(Decrease) in Lease Liabilities	(60,329)	(60,444)	(60,559)	(181,332)
Increase/(Decrease) in Other Liabilities	(287,584)	88,958	(1,238,959)	(1,437,585)
Net Cash Provided by Operating Activities	\$ 439,609	\$ 456,569	\$ (1,053,426)	\$ (157,248)
Investing Activities				
(Increase)/Decrease in CIP	\$ (10,554)	\$ (23,792)	\$ (19,825)	\$ (54,171)
(Increase)/Decrease in Furniture and Equipment	(6,898)	(62,083)	(10,802)	(79,783)
(Increase)/Decrease in Prepaid Assets	(142,888)	85,907	(165,557)	(222,538)
(Increase)/Decrease in Prepaid Pension	93,240	93,240	73,943	260,423
Net Cash used for Investing Activities	\$ (67,100)	\$ 93,272	\$ (122,241)	\$ (96,069)
Financing Activities				
Increase/(Decrease) in Capital Stock	\$ 7,500,000	\$ -	\$ -	\$ 7,500,000
Increase/(Decrease) in Other Capital	(29)	(29)	(29)	(87)
Net Cash provided by Financing Activities	\$ 7,499,971	\$ (29)	\$ (29)	\$ 7,499,913
Total Change in Cash	\$ 7,872,480	\$ 549,812	\$ (1,175,696)	\$ 7,246,596
Cash, Beginning of Period	8,813,886	16,686,366	17,236,178	8,813,886
Cash, End of Period	\$ 16,686,366	\$ 17,236,178	\$ 16,060,482	\$ 16,060,482

Statement of Cash Flows - December 2020 through March 2021

SunStream maintained and ending balance of over \$16.1 million in cash during the first quarter of 2021. This was primarily due to the collection of \$7.5 million of outstanding stock receivable. We anticipate cash to decrease throughout 2021 to fund our Premiere Loan Accounting & Next-generation Technology program (PLANT). In addition, we expect to draw on our line of credit with AgriBank to fund this initiative by the end of 2021.

- **Net income** of \$612.7 thousand was recognized during the first quarter of 2021. SunStream operates under a break-even strategy and we anticipate managing full year net income to zero by December 31, 2021.
- **Other liabilities** reduced cash by \$(1.4) million during the first quarter primarily due to the annual short-term incentive (STI) payout in March 2021.
- **Capital Stock** provided \$7.5 million of cash due to the collection of all outstanding stock receivable as mentioned above.