clerks@guamlegislature.org

From: Speaker's Office <speaker@guamlegislature.org>
Sent: Friday, September 4, 2020 11:14 AM
To: Clerks Office
Cc: Rennae Meno
Subject: M&C Fwd: June 2020 GPA Financials
Attachments: June 2020 FS Email 09042020.pdf

09-04-20	10:27 AM	08-24-20	June 2020-Monthly Financials.*	Guam Power Authority	35GL-20-2188

Sinseru yan Minagåhet,

Office of the Speaker • Tina Rose Muña Barnes
Committee on Public Accountability, Human Resources & the Guam Buildup

35th Guam Legislature
I Mina'trentai Singko na Liheslaturan Guåhan

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910
T: (671) 477-2520/1
speaker@guamlegislature.org

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Gumai pribilehu yan konfedensia este siha na mensåhi. Solo espesiåtmente para hågu ma entensioña pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespåtcha. Yanggen lachi rinisibu-mu nu este na mensåhi , put fabot ago' guatu gi I numa'huyong gi as speaker@guamlegislature.org yan despues destrosa todu siha I kopian mensåhi. Si Yu'os ma'åse'.

---------- Forwarded message ---------
From: **Anita C Fejarang** <afejarang@gpagwa.com>
Date: Fri, Sep 4, 2020 at 10:27 AM
Subject: June 2020 GPA Financials
To: speaker@guamlegislature.org <speaker@guamlegislature.org>, bjcruz@guamopa.com <bjcruz@guamopa.com>, Lenora M Sanz <lsanz@gpagwa.com>

Speaker Tina R.M. Barnes/ Mr. B.J. Cruz, Public Auditor:

Attached herewith is GPA's June 2020 Monthly Financials for your reference; hard copy to follow. Thank you.

Lenora M. Sanz, Acting Chief Financial Officer/af

GUAM POWER AUTHORITY

ATURIDÅT ILEKTRESEDÅT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

24 August 2020

CFO 2020 100
Honorable Tina Muna Barnes, Office of the Speaker
35th Guam Legislature
163 Chalan Santo Papa
Hagatna, Guam 96910

SUBJECT: Guam Power Authority
Ref: June 2020 - Monthly Financials

Dear Honorable Speaker Barnes:

Enclosed is the Guam Power Authority's Financial Statement for the month of June 2020, submitted in accordance with Public Law 30-55 Chapter XIII §4.

Should you require further information, please feel free to contact me at 648-3120 or E-Mail: jjekim@gpagwa.com.

Sincerely,

John J.E. Kim
Chief Financial Officer

cc: Mr. Benjamin J. Cruz, Public Auditor, OPA

GUAM POWER AUTHORITY
ATURIDÅT ILEKTRESEDÅT GUAHAN
P O BOX 2977, HAGÅTÑA, GUAM 96932-2977
Telephone: (671) 648-3066 Fax: (671) 648-3168

GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
June 2020

Attached are the financial statements and supporting schedules for the month and fiscal year ended June 30, 2020.

Summary

The increase in net assets for the month ended was $1.5 million as compared to the anticipated net increase of $2.0 million projected at the beginning of the year. The total kWh sales for the month was 7.82% less than projected and non-fuel revenues were $1.4 million less than the estimated amounts. O & M expenses for the month were $5.5 million which was $0.3 million less than our projections for this year. Other expenses for the month such as interest expense, IPP costs, (net of interest income and other income) totaled to $3.5 million, which was $0.4 million over than projected amounts. There were no other significant departures from the budget during the period.

Analysis

Description	Previous Month	Current Month	Target
Quick Ratio	3.14	3.51	2
Days in Receivables	42	41	52
Days in Payables	20	13	30
LEAC (Over)/Under Recovery Balance -YTD	$2,434,863	$2,981,020	$723,402
T&D Losses	5.42%	5.52%	<7.00%
Debt Service Coverage	1.51	1.52	1.75
Long-term equity ratio	1.43%	1.70%	30 – 40%
Days in Cash	201	211	60

The Quick Ratio has been a challenge for GPA historically. However, the influx of cash from insurance proceeds continued to keep this ratio steady. GPA has current obligations of approximately $57 million and approximately $198 million in cash and current receivables. The LEAC over-recovery for the month was $0.6 million. Debt Service Coverage ratio is calculated using the methodology in use before the Fiscal Year 2002 change in accounting practice.

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GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
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Significant Assumptions

The significant assumptions in the financial statements are as follows:

- Accrual cutoff procedures were performed at month end
- An inventory valuation is performed at year-end only
- Accounts Receivable includes accruals based on prior months' usage.

Prepared by:	Reviewed by:	Approved by:
Lenora M. Sanz Controller	John J.E. Kim Chief Financial Officer	John M. Benavente, P.E. General Manager

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Net Position
June 30, 2020 and September 30, 2019

	Unaudited June 2020	Audited September 2019	Change from Sept 30 2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and cash equivalents:			
Held by trustee for restricted purposes:			
Interest and principal funds	$ 25,502,582	$ 33,053,886	$ (7,551,304)
Bond indenture funds	23,164,560	29,168,116	(6,003,556)
Held by Guam Power Authority:			
Bond indenture funds	157,776,414	154,027,791	3,748,623
Self insurance fund-restricted	19,466,685	19,383,963	82,722
Energy sense fund	275,468	333,528	(58,060)
Total cash and cash equivalents	226,185,709	235,967,284	(9,781,575)
Accounts receivable, net	39,541,349	42,550,451	(3,009,102)
Total current receivables	39,541,349	42,550,451	(3,009,102)
Materials and supplies inventory	14,549,256	12,521,306	2,027,950
Fuel inventory	29,880,610	41,214,022	(11,333,412)
Prepaid expenses	6,421,988	2,115,084	4,306,904
Total current assets	316,578,912	334,368,147	(17,789,235)
Utility plant, at cost:			
Electric plant in service	1,092,077,730	1,084,434,067	7,643,663
Construction work in progress	44,649,154	37,648,145	7,001,009
Total	1,136,726,884	1,122,082,212	14,644,672
Less: Accumulated depreciation	(660,250,100)	(632,845,925)	(27,404,175)
Total utility plant	476,476,784	489,236,287	(12,759,503)
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,524,043	48,599,853	(75,810)
Unamortized debt issuance costs	2,019,902	2,221,160	(201,258)
Total other non-current assets	50,543,945	50,821,013	(277,068)
Total assets	843,599,641	874,425,447	(30,825,806)
Deferred outflow of resources:			
Deferred fuel revenue	2,346,346	9,943,732	(7,597,386)
Unamortized loss on debt refunding	23,022,834	24,733,104	(1,710,270)
Pension	12,264,214	12,264,214	0
Other post employment benefits	19,869,789	19,869,789	0
Unamortized forward delivery contract costs	199,118	318,638	(119,520)
Total deferred outflows of resources	57,702,301	67,129,477	(9,427,176)
	$ 901,301,942	$ 941,554,924	$ (40,252,982)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statement of Net Position, Continued
June 30, 2020 and September 30, 2019

	Unaudited June 2020	Audited September 2019	Change from Sept 30 2019
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current liabilities:			
Current maturities of long-term debt	$ 20,515,000	$ 16,130,000	$ 4,385,000
Current obligations under capital leases	4,424,847	8,582,729	(4,157,882)
Accounts payable			
Operations	11,115,227	27,385,428	(16,270,201)
Others	655,218	695,392	(40,174)
Accrued payroll and employees' benefits	1,167,929	1,844,658	(676,729)
Current portion of employees' annual leave	2,728,617	2,153,583	575,034
Interest payable	7,563,244	14,733,265	(7,170,021)
Customer deposits	8,438,674	8,918,087	(479,413)
Total current liabilities	56,608,756	80,443,142	(23,834,386)
Regulatory liabilities:			
Provision for self insurance	19,345,291	19,345,291	0
Total regulatory liabilities	19,345,291	19,345,291	0
Long term debt, net of current maturities	561,543,890	584,892,990	(23,349,100)
Obligations under capital leases, net of current portion	0	2,226,222	(2,226,222)
Net Pension liability	79,228,434	81,801,102	(2,572,668)
Other post employment benefits liability	120,278,682	120,278,682	0
DCRS sick leave liability	1,331,151	1,331,151	0
Employees' annual leave net of current portion	1,204,085	1,204,085	0
Customer advances for construction	407,766	394,540	13,226
Total liabilities	839,948,055	891,917,205	(51,969,150)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	730,022	1,168,036	(438,014)
Pension	2,371,109	2,371,109	0
Other post employment benefits	49,240,169	49,240,169	0
Total deferred inflows of resources	52,341,300	52,779,314	(438,014)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(38,726,116)	(45,222,226)	6,496,110
Restricted	41,062,525	51,357,358	(10,294,834)
Unrestricted	6,676,178	(9,276,728)	15,952,906
Total net position	9,012,586	(3,141,595)	12,154,183
	$ 901,301,942	$ 941,554,924	$ (40,252,982)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM
Statement of Revenues, Expenses and Changes in Net Assets

	June 30			Nine Months Ending June 30		
	Unaudited 2020	Audited 2019	% of change Inc (dec)	Unaudited 2020	Audited 2019	% of change Inc (dec)
Revenues						
Sales of electricity	$ 24,043,491	$ 35,909,269	(33)	$ 262,969,582	$ 298,767,040	(12)
DSM-Rebates	326,179	0		326,179	0	0
Miscellaneous	176,752	184,650	(4)	1,475,543	2,462,576	(40)
Total	24,546,422	36,093,919	(32)	264,771,304	301,229,616	(12)
Bad debt expense	(90,917)	(91,500)	(1)	(818,253)	(823,500)	(1)
Total revenues	24,455,505	36,002,419	(32)	263,953,051	300,406,116	(12)
Operating and maintenance expenses						
Production fuel	10,867,399	21,931,788	(50)	145,562,260	178,520,894	(18)
Other production	1,223,000	1,475,936	(17)	13,049,947	11,535,941	13
	12,090,399	23,407,724	(48)	158,612,207	190,056,835	(17)
Depreciation	3,140,679	3,154,763	(0)	28,198,624	28,072,897	0
Energy conversion cost	1,070,021	1,014,878	5	9,634,812	10,881,268	(11)
Transmission & distribution	1,090,456	1,294,227	(16)	9,510,567	9,083,632	5
Customer accounting	586,845	464,330	26	3,909,771	3,950,639	(1)
Administrative & general	2,586,837	2,376,864	9	22,976,936	23,067,965	(0)
Total operating and maintenance expenses	20,565,237	31,712,786	(35)	232,842,917	265,113,236	(12)
Operating income	3,890,268	4,289,633	(9)	31,110,134	35,292,880	(12)
Other income (expenses)						
Interest income	67,694	484,131	(86)	2,342,347	3,406,121	(31)
Interest expense and amortization	(2,298,057)	(2,417,791)	(5)	(20,798,431)	(21,786,248)	(5)
Bond issuance costs	89,228	88,022	1	803,052	791,198	1
Bid bond forfeiture	0	0	0	0	(1,245,000)	0
Pandemic-COVID19	(290,805)	0	0	(1,096,207)	0	0
Expenses due to typhoon/grant projects	(80,066)	16,584	0	(248,167)	(688,612)	0
Other expense	(4,289)	(4,291)	(0)	(38,613)	(38,619)	(0)
		0				
Total other income (expenses)	(2,516,295)	(1,833,345)	37	(19,036,019)	(19,561,160)	(3)
Income (loss) before capital contributions	1,373,973	2,456,288	(44)	12,074,115	15,731,720	(23)
Capital contributions	80,066	0	0	80,066	215,537	(63)
Increase (decrease) in net assets	1,454,039	2,456,288	(41)	12,154,181	15,947,257	(24)
Total net assets at beginning of period (restated)	7,558,547	(4,817,681)	(257)	(3,141,595)	(18,308,650)	(83)
Total net assets at end of period	$ 9,012,586	$ (2,361,393)	(482)	$ 9,012,586	$ (2,361,393)	(482)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows
Period Ended June 30, 2020

	Month Ending 6/30/2020	YTD Ending 6/30/2020
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$26,774,805	$ 266,914,162
Cash payments to suppliers and employees for goods and services	16,783,527	209,283,917
Net cash provided by operating activities	$9,991,278	57,630,245
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	67,694	2,342,347
Net cash provided by investing activities	67,694	2,342,347
Cash flows from non-capital financing activities		
Interest paid on short term debt	5,512	(23,626)
Provision for self insurance funds	(4,898)	(82,722)
Net cash provided by noncapital financing activities	614	(106,348)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(1,785,650)	(15,439,120)
Principal paid on bonds and other long-term debt	-	(16,130,000)
Interest paid on bonds(net of capitalized interest)	(290,805)	(28,720,957)
Interest paid on capital lease obligations	(21,466)	(320,076)
Interest & principal funds held by trustee	(3,978,067)	7,551,304
Reserve funds held by trustee	(5,655)	75,810
Bond funds held by trustee	201,770	6,003,556
Principal payment on capital lease obligations	(726,801)	(6,384,104)
Grant from DOI/FEMA	80,066	80,066
Debt issuance costs/loss on defeasance	(314,900)	(2,834,100)
Net cash provided by (used in) capital and related financing activities	(6,841,508)	(56,117,621)
Net (decrease) increase in cash and cash equivalents	3,218,078	3,748,623
Cash and cash equivalents, beginning	154,558,336	154,027,791
Cash and cash equivalents-Funds held by GPA, June 30, 2020	**$ 157,776,414**	**$ 157,776,414**

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows, continued
Period Ended June 30, 2020

	Month Ending 6/30/2020	YTD Ending 6/30/2020
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$3,890,268	$31,110,134
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	3,140,679	28,198,624
Other expense	4,873	516,272
(Increase) decrease in assets:		
Accounts receivable	2,348,016	3,009,102
Materials and inventory	80,959	(2,027,950)
Fuel inventory	7,217,786	11,333,412
Prepaid expenses	565,109	(4,306,904)
Unamortized debt issuance cost	22,362	201,258
Deferred fuel revenue	634,674	7,597,386
Unamortized loss on debt refunding	190,030	1,710,270
Unamortized forward delivery contract costs	13,280	119,520
Increase (decrease) in liabilities:		
Accounts payable-operations	(8,407,614)	(16,270,201)
Accounts payable-others	272,057	17,886
Accrued payroll and employees' benefits	285,113	(676,729)
Net pension liability	(259,871)	(2,572,668)
Employees' annual leave	29,935	575,034
Customers deposits	(13)	(479,413)
Customer advances for construction	12,304	13,226
Unearned forward delivery contract revenue	(48,669)	(438,014)
Net cash provided by operating activities	**$9,991,278**	**$ 57,630,245**