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From: Speaker's Office <speaker@guamlegislature.org>
Sent: Thursday, October 8, 2020 4:21 PM
To: Clerks Office
Cc: Rennae Meno
Subject: Messages and Communications
Attachments: GPA-July 2020-Monthly Financials.pdf; GPA-August 2020-Monthly Financials.pdf

10/08/20	11:31 AM	09/04/20	July 2020- Monthly Financials.	Guam Power Authority	35GL-20-2272
10/08/20	11:31 AM	09/23/20	August 2020-Monthly Financials.	Guam Power Authority	35GL-20-2273

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
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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'.

GUAM POWER AUTHORITY

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

04 September 2020

CFO 2020 111

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

35GL-20-2272
Speaker Tina Rose Muña Barnes

OCT 0 8 2020
Time 11:31 (AM) ( )PM
Received By:

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

Dear Honorable Speaker Barnes:

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

Should you require further information, please feel free to contact me at 648-3122 or E-Mail: lsanz@gpagwa.com.

Sincerely,

Lenora M. Sanz
Chief Financial Officer, Acting

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
July 2020

Attached are the financial statements and supporting schedules for the month and fiscal year ended July 31, 2020.

Summary

The increase in net assets for the month ended was $1.3 million as compared to the anticipated net increase of $1.6 million projected at the beginning of the year. The total kWh sales for the month was 6.51% less than projected and non-fuel revenues were $1.0 million less than the estimated amounts. O & M expenses for the month were $6.2 million which was $0.4 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 $3.2 million, which was $0.1 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	3.51	2.87	2
Days in Receivables	41	40	52
Days in Payables	13	27	30
LEAC (Over)/Under Recovery Balance -YTD	$2,981,020	$3,563,177	$3,592,541
T&D Losses	5.52%	5.63%	<7.00%
Debt Service Coverage	1.52	1.52	1.75
Long-term equity ratio	1.70%	1.96%	30 – 40%
Days in Cash	211	232	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 $72 million and approximately $207 million in cash and current receivables. The LEAC under-recovery for the month was $1.2 million. Debt Service Coverage ratio is calculated using the methodology in use before the Fiscal Year 2002 change in accounting practice.

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
July 31, 2020 and September 30, 2019

	Unaudited July 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	$ 29,480,644	$ 33,053,886	$ (3,573,242)
Bond indenture funds	22,828,647	29,168,116	(6,339,469)
Held by Guam Power Authority:			
Bond indenture funds	168,425,961	154,027,791	14,398,170
Self insurance fund-restricted	19,466,685	19,383,963	82,722
Energy sense fund	360,820	333,528	27,292
Total cash and cash equivalents	240,562,757	235,967,284	4,595,473
Accounts receivable, net	37,004,471	42,550,451	(5,545,980)
Total current receivables	37,004,471	42,550,451	(5,545,980)
Materials and supplies inventory	14,519,920	12,521,306	1,998,614
Fuel inventory	34,592,302	41,214,022	(6,621,720)
Prepaid expenses	6,527,488	2,115,084	4,412,404
Total current assets	333,206,938	334,368,147	(1,161,209)
Utility plant, at cost:			
Electric plant in service	1,091,692,567	1,084,434,067	7,258,500
Construction work in progress	45,990,653	37,648,145	8,342,508
Total	1,137,683,220	1,122,082,212	15,601,008
Less: Accumulated depreciation	(662,628,508)	(632,845,925)	(29,782,583)
Total utility plant	475,054,712	489,236,287	(14,181,575)
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,528,886	48,599,853	(70,967)
Unamortized debt issuance costs	1,997,540	2,221,160	(223,620)
Total other non-current assets	50,526,426	50,821,013	(294,587)
Total assets	858,788,076	874,425,447	(15,637,371)
Deferred outflow of resources:			
Deferred fuel revenue	3,563,177	9,943,732	(6,380,555)
Unamortized loss on debt refunding	22,832,804	24,733,104	(1,900,300)
Pension	12,264,214	12,264,214	0
Other post employment benefits	19,869,789	19,869,789	0
Unamortized forward delivery contract costs	185,838	318,638	(132,800)
Total deferred outflows of resources	58,715,822	67,129,477	(8,413,655)
	$ 917,503,898	$ 941,554,924	$ (24,051,026)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statement of Net Position, Continued
July 31, 2020 and September 30, 2019

	Unaudited July 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	3,701,061	8,582,729	(4,881,668)
Accounts payable			
Operations	24,233,541	27,385,428	(3,151,887)
Others	672,352	695,392	(23,040)
Accrued payroll and employees' benefits	1,618,341	1,844,658	(226,317)
Current portion of employees' annual leave	2,748,010	2,153,583	594,427
Interest payable	9,922,763	14,733,265	(4,810,502)
Customer deposits	8,694,553	8,918,087	(223,534)
Total current liabilities	72,105,621	80,443,142	(8,337,521)
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	561,228,990	584,892,990	(23,664,000)
Obligations under capital leases, net of current portion	0	2,226,222	(2,226,222)
Net Pension liability	78,962,305	81,801,102	(2,838,797)
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	854,863,891	891,917,205	(37,053,314)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	681,354	1,168,036	(486,682)
Pension	2,371,109	2,371,109	0
Other post employment benefits	49,240,169	49,240,169	0
Total deferred inflows of resources	52,292,632	52,779,314	(486,682)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(39,442,572)	(45,222,226)	5,779,654
Restricted	52,552,887	51,357,358	1,195,529
Unrestricted	(2,762,941)	(9,276,728)	6,513,787
Total net position	10,347,374	(3,141,595)	13,488,971
	$ 917,503,898	$ 941,554,924	$ (24,051,026)

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

	July 31			Ten Months Ended July 31		
	Unaudited 2020	Audited 2019	% of change Inc (dec)	Unaudited 2020	Audited 2019	% of change Inc (dec)
Revenues						
Sales of electricity	$ 23,448,444	$ 35,032,429	(33)	$ 286,418,026	$ 333,799,469	(14)
DSM-Rebates	334,228	0	0	660,407	0	0
Miscellaneous	(13,046)	223,323	(106)	1,462,497	2,685,899	(46)
Total	23,769,626	35,255,752	(33)	288,540,930	336,485,368	(14)
Bad debt expense	(90,917)	(91,500)	(1)	(909,170)	(915,000)	(1)
Total revenues	23,678,709	35,164,252	(33)	287,631,760	335,570,368	(14)
Operating and maintenance expenses						
Production fuel	9,934,629	21,081,903	(53)	155,496,889	199,602,797	(22)
Other production	1,366,868	1,441,363	(5)	14,416,815	12,977,304	11
	11,301,497	22,523,266	(50)	169,913,704	212,580,101	(20)
Depreciation	3,181,023	3,068,948	4	31,379,647	31,141,845	1
Energy conversion cost	1,093,137	1,013,318	8	10,727,949	11,894,586	(10)
Transmission & distribution	1,335,279	1,549,107	(14)	10,845,846	10,632,739	2
Customer accounting	474,085	560,650	(15)	4,383,856	4,511,289	(3)
Administrative & general	2,689,527	2,633,524	2	25,666,463	25,701,489	(0)
Total operating and maintenance expenses	20,074,548	31,348,813	(36)	252,917,465	296,462,049	(15)
Operating income	3,604,161	3,815,439	(6)	34,714,295	39,108,319	(11)
Other income (expenses)						
Interest income	57,060	347,050	(84)	2,399,407	3,753,171	(36)
Interest expense and amortization	(2,389,275)	(2,422,219)	(1)	(23,187,706)	(24,208,467)	(4)
Bond issuance costs	89,228	88,022	1	892,280	879,220	1
Bid bond forfeiture	0	0	0	0	(1,245,000)	0
Pandemic-COVID19	(22,095)	0	0	(1,118,302)	0	0
Losses due to typhoon	0	0	0	(248,167)	(688,612)	0
Bid bond forfeiture	0	1,245,000	0	0	1,245,000	0
Other expense	(4,291)	(4,291)	0	(42,904)	(42,910)	(0)
Total other income (expenses)	(2,269,373)	(746,438)	204	(21,305,392)	(20,307,598)	5
Income (loss) before capital contributions	1,334,788	3,069,001	(57)	13,408,903	18,800,721	(29)
Capital contributions	0	0	0	80,066	215,537	(63)
Increase (decrease) in net assets	1,334,788	3,069,001	(57)	13,488,969	19,016,258	(29)
Total net assets at beginning of period (restated)	9,012,586	(2,361,393)	(482)	(3,141,595)	(18,308,650)	(83)
Total net assets at end of period	$ 10,347,374	$ 707,608	1,362	$ 10,347,374	$ 707,608	1,362

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows
Period Ended July 31, 2020

	Month Ended 7/31/2020	YTD Ended 7/31/2020
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$ 26,216,691	$ 293,130,853
Cash payments to suppliers and employees for goods and services	9,127,724	218,411,641
Net cash provided by operating activities	$ 17,088,967	$ 74,719,212
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	57,060	2,399,407
Net cash provided by investing activities	57,060	2,399,407
Cash flows from non-capital financing activities		
Interest paid on short term debt	(5,275)	(28,901)
Provision for self insurance funds	-	(82,722)
Net cash provided by noncapital financing activities	(5,275)	(111,623)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(1,758,951)	(17,198,071)
Principal paid on bonds and other long-term debt	-	(16,130,000)
Interest paid on bonds(net of capitalized interest)	(22,095)	(28,743,052)
Interest paid on capital lease obligations	(24,481)	(344,557)
Interest & principal funds held by trustee	(3,978,062)	3,573,242
Reserve funds held by trustee	(4,843)	70,967
Bond funds held by trustee	335,913	6,339,469
Principal payment on capital lease obligations	(723,786)	(7,107,890)
Grant from DOI/FEMA	-	80,066
Debt issuance costs/loss on defeasance	(314,900)	(3,149,000)
Net cash provided by (used in) capital and related financing activities	(6,491,205)	(62,608,826)
Net (decrease) increase in cash and cash equivalents	10,649,547	14,398,170
Cash and cash equivalents, beginning	157,776,414	154,027,791
Cash and cash equivalents-Funds held by GPA, July 31, 2020	**$ 168,425,961**	**$ 168,425,961**