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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

23 September 2020

CFO 2020 119

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

35GL-20-2273
Speaker Tina Rose Muña Barnes

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

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

Dear Honorable Speaker Barnes:

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

Should you require further information, please feel free to contact Ms. Lenora M. Sanz at 648-3122 or E-Mail: lsanz@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
August 2020

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

Summary

The increase in net assets for the month ended was $1.7 million as compared to the anticipated net decrease of $1.0 million projected at the beginning of the year. The total kWh sales for the month was 0.84% less than projected and non-fuel revenues were $0.3 million less than the estimated amounts. O & M expenses for the month were $5.4 million which was $2.4 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 $3.1 million, which was in line with projected amounts. There were no other significant departures from the budget during the period.

Analysis

Description	Previous Month	Current Month	Target
Quick Ratio	2.87	2.95	2
Days in Receivables	40	40	52
Days in Payables	27	28	30
LEAC (Over)/Under Recovery Balance -YTD	$3,563,177	$4,336,892	$4,738,574
T&D Losses	5.63%	5.63%	<7.00%
Debt Service Coverage	1.52	1.52	1.75
Long-term equity ratio	1.96%	2.30%	30 – 40%
Days in Cash	232	251	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 $73 million and approximately $216 million in cash and current receivables. The LEAC under-recovery for the month was $0.8 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:

Lenora M. Sanz
Controller

Reviewed by:

John J.E. Kim
Chief Financial Officer

Approved by:

John M. Benavente, P.E.
General Manager

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

	Unaudited August 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	$ 33,458,711	$ 33,053,886	$ 404,825
Bond indenture funds	22,828,842	29,168,116	(6,339,274)
Held by Guam Power Authority:			
Bond indenture funds	178,307,954	154,027,791	24,280,163
Self insurance fund-restricted	19,466,685	19,383,963	82,722
Energy sense fund	361,241	333,528	27,713
Total cash and cash equivalents	254,423,433	235,967,284	18,456,149
Accounts receivable, net	36,366,580	42,550,451	(6,183,871)
Total current receivables	36,366,580	42,550,451	(6,183,871)
Materials and supplies inventory	14,343,742	12,521,306	1,822,436
Fuel inventory	26,082,809	41,214,022	(15,131,213)
Prepaid expenses	2,523,814	2,115,084	408,730
Total current assets	333,740,378	334,368,147	(627,769)
Utility plant, at cost:			
Electric plant in service	1,095,488,206	1,084,434,067	11,054,139
Construction work in progress	46,345,266	37,648,145	8,697,121
Total	1,141,833,472	1,122,082,212	19,751,260
Less: Accumulated depreciation	(665,723,163)	(632,845,925)	(32,877,238)
Total utility plant	476,110,309	489,236,287	(13,125,978)
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,531,109	48,599,853	(68,744)
Unamortized debt issuance costs	1,975,178	2,221,160	(245,982)
Total other non-current assets	50,506,287	50,821,013	(314,726)
Total assets	860,356,974	874,425,447	(14,068,473)
Deferred outflow of resources:			
Deferred fuel revenue	4,336,892	9,943,732	(5,606,840)
Unamortized loss on debt refunding	22,642,774	24,733,104	(2,090,330)
Pension	12,264,214	12,264,214	0
Other post employment benefits	19,869,789	19,869,789	0
Unamortized forward delivery contract costs	172,558	318,638	(146,080)
Total deferred outflows of resources	59,286,227	67,129,477	(7,843,250)
	$ 919,643,201	$ 941,554,924	$ (21,911,723)

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

	Unaudited August 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	2,962,146	8,582,729	(5,620,583)
Accounts payable			
Operations	23,318,963	27,385,428	(4,066,465)
Others	1,223,327	695,392	527,935
Accrued payroll and employees' benefits	1,583,607	1,844,658	(261,051)
Current portion of employees' annual leave	2,782,169	2,153,583	628,586
Interest payable	12,190,657	14,733,265	(2,542,608)
Customer deposits	8,678,358	8,918,087	(239,729)
Total current liabilities	73,254,227	80,443,142	(7,188,915)
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	560,914,090	584,892,990	(23,978,900)
Obligations under capital leases, net of current portion	0	2,226,222	(2,226,222)
Net Pension liability	78,570,205	81,801,102	(3,230,897)
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	855,305,497	891,917,205	(36,611,708)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	632,686	1,168,036	(535,350)
Pension	2,371,109	2,371,109	0
Other post employment benefits	49,240,169	49,240,169	0
Total deferred inflows of resources	52,243,964	52,779,314	(535,350)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(37,328,742)	(45,222,226)	7,893,484
Restricted	59,300,800	51,357,358	7,943,442
Unrestricted	(9,878,320)	(9,276,728)	(601,591)
Total net position	12,093,739	(3,141,595)	15,235,336
	$ 919,643,201	$ 941,554,924	$ (21,911,723)

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

	August 31			Eleven Months Ended August 31		
	Unaudited 2020	Audited 2019	% of change Inc (dec)	Unaudited 2020	Audited 2019	% of change Inc (dec)
Revenues						
Sales of electricity	$ 24,144,680	$ 33,925,751	(29)	$ 310,562,706	$ 367,725,220	(16)
DSM-Rebates	323,835	-	0	984,242	-	0
Miscellaneous	124,085	220,282	(44)	1,586,582	2,906,181	(45)
Total	24,592,600	34,146,033	(28)	313,133,530	370,631,401	(16)
Bad debt expense	(90,917)	(91,500)	(1)	(1,000,087)	(1,006,500)	(1)
Total revenues	24,501,683	34,054,533	(28)	312,133,443	369,624,901	(16)
Operating and maintenance expenses						
Production fuel	10,925,068	20,330,852	(46)	166,421,957	219,933,649	(24)
Other production	1,541,591	1,772,521	(13)	15,958,406	14,749,825	8
	12,466,659	22,103,373	(44)	182,380,363	234,683,474	(22)
Depreciation	3,119,741	3,061,427	2	34,499,388	34,203,272	1
Energy conversion cost	1,067,282	1,068,570	(0)	11,795,231	12,963,156	(9)
Transmission & distribution	945,473	1,432,836	(34)	11,791,319	12,065,575	(2)
Customer accounting	665,740	557,615	19	5,049,596	5,068,904	(0)
Administrative & general	2,295,307	2,566,120	(11)	27,961,770	28,267,609	(1)
Total operating and maintenance expenses	20,560,202	30,789,941	(33)	273,477,667	327,251,990	(16)
Operating income	3,941,481	3,264,592	21	38,655,776	42,372,911	(9)
Other income (expenses)						
Interest income	63,760	350,410	(82)	2,463,167	4,103,581	(40)
Interest expense and amortization	(2,277,811)	(2,438,409)	(7)	(25,465,517)	(26,646,876)	(4)
Bond issuance costs	89,228	88,022	1	981,508	967,242	1
Bid bond forfeiture	-	-	0	-	(1,245,000)	0
Pandemic-COVID19	(66,003)	-	0	(1,184,305)	-	0
Losses due to typhoon	-	(3,389)	0	(248,167)	(692,001)	0
Bid bond forfeiture	-	-	0	-	1,245,000	0
Other expense	(4,289)	(4,291)	(0)	(47,193)	(47,201)	(0)
Total other income (expenses)	(2,195,115)	(2,007,657)	9	(23,500,507)	(22,315,255)	5
Income (loss) before capital contributions	1,746,366	1,256,935	39	15,155,269	20,057,656	(24)
Capital contributions	-	-	0	80,066	215,537	(63)
Increase (decrease) in net assets	1,746,366	1,256,935	39	15,235,335	20,273,193	(25)
Total net assets at beginning of period (restated)	10,347,374	707,608	1,362	(3,141,595)	(18,308,650)	(83)
Total net assets at end of period	$ 12,093,740	$ 1,964,543	516	$ 12,093,740	$ 1,964,543	516

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

	Month Ended 8/31/2020	YTD Ended 8/31/2020
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$ 25,180,389	$ 318,311,244
Cash payments to suppliers and employees for goods and services	6,076,598	224,488,240
Net cash provided by operating activities	19,103,791	93,823,004
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	63,760	2,463,167
Net cash provided by investing activities	63,760	2,463,167
Cash flows from non-capital financing activities		
Interest paid on short term debt	(564)	(29,465)
Provision for self insurance funds	-	(82,722)
Net cash provided by noncapital financing activities	(564)	(112,187)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(4,175,340)	(21,373,410)
Principal paid on bonds and other long-term debt	-	(16,130,000)
Interest paid on bonds(net of capitalized interest)	(66,003)	(28,809,055)
Interest paid on capital lease obligations	(9,352)	(353,909)
Interest & principal funds held by trustee	(3,978,067)	(404,825)
Reserve funds held by trustee	(2,223)	68,744
Bond funds held by trustee	(195)	6,339,274
Principal payment on capital lease obligations	(738,915)	(7,846,805)
Grant from DOI/FEMA	-	80,066
Debt issuance costs/loss on defeasance	(314,900)	(3,463,900)
Net cash provided by (used in) capital and related financing activities	(9,284,995)	(71,893,820)
Net (decrease) increase in cash and cash equivalents	9,881,991	24,280,163
Cash and cash equivalents, beginning	168,425,963	154,027,791
Cash and cash equivalents-Funds held by GPA, August 31, 2020	**$ 178,307,954**	**$ 178,307,954**

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

	Month Ended 8/31/2020	YTD Ended 8/31/2020
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$ 3,941,480	$ 38,655,776
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	3,119,741	34,499,388
Other expense	84,939	686,148
(Increase) decrease in assets:		
Accounts receivable	637,891	6,183,871
Materials and inventory	176,178	(1,822,436)
Fuel inventory	8,509,493	15,131,213
Prepaid expenses	4,003,674	(408,730)
Unamortized debt issuance cost	22,362	245,982
Deferred fuel revenue	(773,715)	5,606,840
Unamortized loss on debt refunding	190,030	2,090,330
Unamortized forward delivery contract costs	13,280	146,080
Increase (decrease) in liabilities:		
Accounts payable-operations	(914,577)	(4,066,465)
Accounts payable-others	550,553	500,222
Accrued payroll and employees' benefits	(34,734)	(261,051)
Net pension liability	(392,100)	(3,230,897)
Employees' annual leave	34,159	628,586
Customers deposits	(16,195)	(239,729)
Customer advances for construction	-	13,226
Unearned forward delivery contract revenue	(48,668)	(535,350)
Net cash provided by operating activities	$ 19,103,791	$ 93,823,004