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From: Speaker's Office <speaker@guamlegislature.org>
Sent: Friday, October 23, 2020 4:47 PM
To: Clerks Office
Cc: Rennae Meno
Subject: Messages and Communications
Attachments: GPD-Asset Forfeiture Fund Statement as of 09-30-20.pdf; GPA-September 2020 Monthly Financial.pdf; GPD-Overtime Report-4th Quarter ending 09-30-20.pdf

10/23/20	10:00 AM	10/19/20	Asset Forfeiture Fund Statement as of 09-30-20.	Guam Police Department	35GL-20-2323
10/23/20	10:00 AM	10/21/20	September 2020 Monthly Financial.	Guam Power Authority	35GL-20-2324
10/23/20	2:56 PM	10/22/20	Overtime Report-4th Quarter ending September 30, 2020.	Guam Police Department	35GL-20-2325

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'.

GUAM POWER AUTHORITY

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

21 October 2020

CFO 2021 006

35GL-20-2324
Speaker Tina Rose Muña Barnes

OCT 2 3 2020
Time 10:00 (X)AM ( )PM
Received By: alon

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

SUBJECT: Guam Power Authority
Ref: September 2020 Monthly Financial

Dear Honorable Speaker Barnes:

Enclosed is the Guam Power Authority's Financial Statement for the month of September 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 LEGISLATURE
CENTRAL FILES
ACKNOWLEDGEMENT RECEIPT
Received by:
Date: 10.21.2020

GUAM POWER AUTHORITY
ATURIDAT ILEKTRESEDAT GUAHAN
P O BOX 2977, AGANA, GUAM 96932-2977
Telephone: (671) 648-3066 Fax: (671) 648-3168

GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
September 2020

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

Summary

The increase in net assets for the year ended was $14.3 million as compared to the anticipated net increase of $6.2 million projected at the beginning of the year. The total kWh sales for the year were 4.24% less than projected and non-fuel revenues were $7.0 million less than the estimated amount. O & M expenses for the year were $68.4 million which was $8.6 million less than our projections for this year. Other expenses for the year such as interest expense, IPP costs, (net of interest income and other income) totaled to $37.9 million, which was $1.0 more than the projected amounts. There were no other significant departures from the budget during the period.

Analysis

Description	Previous Month	Current Month	Target
Quick Ratio	2.95	2.62	2
Days in Receivables	40	41	52
Days in Payables	28	33	30
LEAC (Over)/Under Recovery Balance -YTD	$4,336,892	$5,137,018	$6,086,649
T&D Losses	5.63%	5.79%	<7.00%
Debt Service Coverage	1.52	1.48	1.75
Long-term equity ratio	2.30%	2.16%	30 – 40%
Days in Cash	251	249	60

The Quick Ratio has been a challenge for GPA historically. However, the influx of cash from insurance proceeds continued to improve this ratio. GPA has current obligations of approximately $81 million and approximately $212 million in cash and current receivables. After a year of lower fuel prices, the net LEAC over-recovery for the year was $4.8 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:	Reviewed by:	Approved by:
Lenora M. Sanz	John J.E. Kim	John M. Benavente, P.E.
Controller	Chief Financial Officer	General Manager

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Net Position
September 30, 2020 and September 20,2019

	Unaudited September 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	$ 38,059,527	$ 33,053,886	$ 5,005,641
Bond indenture funds	22,590,787	29,168,116	(6,577,329)
Held by Guam Power Authority:			
Bond indenture funds	175,309,549	154,027,791	21,281,758
Self insurance fund-restricted	19,469,799	19,383,963	85,836
Energy sense fund	261,171	333,528	(72,357)
Total cash and cash equivalents	255,690,833	235,967,284	19,723,549
Accounts receivable, net	35,364,783	42,550,451	(7,185,668)
Total current receivables	35,364,783	42,550,451	(7,185,668)
Materials and supplies inventory	14,501,590	12,521,306	1,980,284
Fuel inventory	32,346,582	41,214,022	(8,867,440)
Prepaid expenses	1,876,268	2,115,084	(238,816)
Total current assets	339,780,056	334,368,147	5,411,909
Utility plant, at cost:			
Electric plant in service	1,097,908,313	1,084,434,067	13,474,246
Construction work in progress	46,936,698	37,648,145	9,288,553
Total	1,144,845,011	1,122,082,212	22,762,799
Less: Accumulated depreciation	(669,124,765)	(632,845,925)	(36,278,840)
Total utility plant	475,720,246	489,236,287	(13,516,041)
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,532,630	48,599,853	(67,223)
Unamortized debt issuance costs	1,952,816	2,221,160	(268,344)
Total other non-current assets	50,485,446	50,821,013	(335,567)
Total assets	865,985,748	874,425,447	(8,439,699)
Deferred outflow of resources:			
Deferred fuel revenue	5,137,018	9,943,732	(4,806,714)
Unamortized loss on debt refunding	22,452,744	24,733,104	(2,280,360)
Pension	12,264,214	12,264,214	0
Other post employment benefits	19,869,789	19,869,789	0
Unamortized forward delivery contract costs	159,278	318,638	(159,360)
Total deferred outflows of resources	59,883,043	67,129,477	(7,246,434)
	$ 925,868,791	$ 941,554,924	$ (15,686,133)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statement of Net Position, Continued
September 30, 2020 and September 20, 2019

	Unaudited September 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	2,226,222	8,582,729	(6,356,507)
Accounts payable			
Operations	28,907,900	27,385,428	1,522,472
Others	830,203	695,392	134,811
Accrued payroll and employees' benefits	2,464,369	1,844,658	619,711
Current portion of employees' annual leave	2,828,972	2,153,583	675,389
Interest payable	14,417,948	14,733,265	(315,317)
Customer deposits	8,729,186	8,918,087	(188,901)
Total current liabilities	80,919,800	80,443,142	476,658
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	560,599,190	584,892,990	(24,293,800)
Obligations under capital leases, net of current portion	0	2,226,222	(2,226,222)
Net Pension liability	78,277,138	81,801,102	(3,523,964)
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	425,814	394,540	31,274
Total liabilities	862,381,151	891,917,205	(29,536,054)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	584,018	1,168,036	(584,018)
Pension	2,371,109	2,371,109	0
Other post employment benefits	49,240,169	49,240,169	0
Total deferred inflows of resources	52,195,296	52,779,314	(584,018)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(36,922,563)	(45,222,226)	8,299,663
Restricted	57,080,028	51,357,358	5,722,670
Unrestricted	(8,865,122)	(9,276,728)	411,606
Total net position	11,292,343	(3,141,595)	14,433,940
	$ 925,868,791	$ 941,554,924	$ (15,686,133)

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

	September 30			Twelve Months Ended September 30		
	Unaudited 2020	Audited 2019	% of change Inc (dec)	Unaudited 2020	Audited 2019	% of change Inc (dec)
Revenues						
Sales of electricity	$ 23,004,417	$ 32,007,594	(28)	333,567,123	$ 399,732,814	(17)
DSM-Rebates	312,156	0	0	1,296,398	0	0
Miscellaneous	136,868	312,821	(56)	1,723,450	3,219,002	(46)
Total	23,453,441	32,320,415	(27)	336,586,971	402,951,816	(16)
Bad debt expense	(90,917)	(91,500)	(1)	(1,091,004)	(1,098,000)	(1)
Total revenues	23,362,524	32,228,915	(28)	335,495,967	401,853,816	(17)
Operating and maintenance expenses						
Production fuel	10,437,596	18,935,869	(45)	176,859,553	238,869,518	(26)
Other production	2,155,978	2,064,263	4	18,114,384	16,814,088	8
	12,593,574	21,000,132	(40)	194,973,937	255,683,606	(24)
Depreciation	3,459,004	2,796,130	24	37,958,392	36,999,402	3
Energy conversion cost	1,072,818	1,003,343	7	12,868,049	13,966,499	(8)
Transmission & distribution	1,173,666	680,307	73	12,964,985	12,745,882	2
Customer accounting	1,005,788	56,630	1,676	6,055,384	5,125,534	18
Administrative & general	3,273,575	10,012,741	(67)	31,235,345	38,280,350	(18)
Total operating and maintenance expenses	22,578,425	35,549,283	(36)	296,056,092	362,801,273	(18)
Operating income	784,099	(3,320,368)	(124)	39,439,875	39,052,543	1
Other income (expenses)						
Interest income	678,484	899,406	(25)	3,141,651	5,002,987	(37)
Interest expense and amortization	(2,240,255)	(2,363,902)	(5)	(27,705,772)	(29,010,778)	(4)
Bond issuance costs	89,228	89,022	0	1,070,736	1,056,264	1
Pandemic-COVID19	(108,660)	0	0	(1,292,965)	0	0
Losses due to typhoon	0	(1,169,934)	0	(248,167)	(1,861,935)	0
Other expense	(4,291)	(404,291)	(99)	(51,484)	(451,492)	(89)
Total other income (expenses)	(1,585,494)	(2,949,699)	(46)	(25,086,001)	(25,264,954)	(1)
Income (loss) before capital contributions	(801,395)	(6,270,067)	(87)	14,353,874	13,787,589	4
Capital contributions	0	(215,538)	0	80,066	(1)	
Increase (decrease) in net assets	(801,395)	(6,485,605)	(88)	14,433,940	13,787,588	5
Total net assets at beginning of period (restated)	12,093,740	1,964,543	516	(3,141,595)	(18,308,650)	(83)
Total net assets at end of period	$ 11,292,345	$ (4,521,062)	(350)	$ 11,292,345	$ (4,521,062)	(350)

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

	Month Ended 9/30/2020	YTD Ended 9/30/2020
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$24,335,452	$ 342,646,696
Cash payments to suppliers and employees for goods and services	19,403,555	243,891,795
Net cash provided by operating activities	$4,931,897	98,754,901
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	678,484	3,141,651
Net cash provided by investing activities	678,484	3,141,651
Cash flows from non-capital financing activities		
Interest paid on short term debt	(3,465)	(32,930)
Provision for self insurance funds	(3,114)	(85,836)
Net cash provided by noncapital financing activities	(6,579)	(118,766)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(3,068,942)	(24,442,352)
Principal paid on bonds and other long-term debt	-	(16,130,000)
Interest paid on bonds(net of capitalized interest)	(108,660)	(28,917,715)
Interest paid on capital lease obligations	(9,500)	(363,409)
Interest & principal funds held by trustee	(4,600,816)	(5,005,641)
Reserve funds held by trustee	(1,521)	67,223
Bond funds held by trustee	238,055	6,577,329
Principal payment on capital lease obligations	(735,924)	(8,582,729)
Grant from DOI/FEMA	-	80,066
Debt issuance costs/loss on defeasance	(314,900)	(3,778,800)
Net cash provided by (used in) capital and related financing activities	(8,602,208)	(80,496,028)
Net (decrease) increase in cash and cash equivalents	(2,998,406)	21,281,758
Cash and cash equivalents, beginning	178,307,955	154,027,791
Cash and cash equivalents-Funds held by GPA, September 30, 2020	**$ 175,309,549**	**$ 175,309,549**

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

	Month Ended 9/30/2020	YTD Ended 9/30/2020
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$784,099	$39,439,875
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	3,459,004	37,958,392
Other expense	84,937	771,085
(Increase) decrease in assets:		
Accounts receivable	1,001,797	7,185,668
Materials and inventory	(157,848)	(1,980,284)
Fuel inventory	(6,263,773)	8,867,440
Prepaid expenses	647,546	238,816
Unamortized debt issuance cost	22,362	268,344
Deferred fuel revenue	(800,126)	4,806,714
Unamortized loss on debt refunding	190,030	2,280,360
Unamortized forward delivery contract costs	13,280	159,360
Increase (decrease) in liabilities:		
Accounts payable-operations	5,588,936	1,522,472
Accounts payable-others	(293,053)	207,168
Accrued payroll and employees' benefits	880,762	619,711
Net pension liability	(293,067)	(3,523,964)
Employees' annual leave	46,803	675,389
Customers deposits	50,828	(188,901)
Customer advances for construction	18,048	31,274
Unearned forward delivery contract revenue	(48,668)	(584,018)
Net cash provided by operating activities	**$4,931,897**	**$ 98,754,901**