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Sent: Friday, December 4, 2020 2:07 PM
To: Clerks Office
Cc: Rennae Meno
Subject: Messages and Communications
Attachments: GPA-October 2020 Monthly Financial.pdf

12/04/20	1:56 PM	11/27/20	October 2020 Monthly Financial.*	Guam Power Authority	35GL-20-2481

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

27 November 2020

CFO 2021 018

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

35GL-20-2481
Speaker Tina Rose Muña Barnes

DEC 04 2020
Time 1:56 (AM) PM
Received By: Matt

SUBJECT: Guam Power Authority
Ref: October 2020 Monthly Financial

Dear Honorable Speaker Barnes:

Enclosed is the Guam Power Authority's Financial Statement for the month of October 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
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
October 2020

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

Summary

The increase in net assets for the month ended was $1.8 million as compared to the anticipated net increase of $0.7 million projected at the beginning of the year. The total kWh sales for the year were 0.26% less than projected and non-fuel revenues were in line with 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 $2.9 million, which was $0.3 million less 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	3.56	2
Days in Receivables	40	43	52
Days in Payables	28	18	30
LEAC (Over)/Under Recovery Balance -YTD	$5,137,018	$6,296,650	$8,434,849
T&D Losses	5.79%	5.77%	<7.00%
Debt Service Coverage	1.48	1.50	1.75
Long-term equity ratio	2.16%	2.54%	30 – 40%
Days in Cash	300	330	60

The Quick Ratio has been a challenge for GPA historically. However, the influx of cash from insurance proceeds continues to improve this ratio. GPA has current obligations of approximately $53 million and approximately $190 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
October 31, 2020 and September 30, 2020

	Unaudited October 2020	Unaudited September 2020	Change from Sept 30 2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and cash equivalents:			
Held by trustee for restricted purposes:			
Interest and principal funds	$ 7,911,789	$ 38,059,527	$ (30,147,738)
Bond indenture funds	22,030,192	22,590,787	(560,595)
Held by Guam Power Authority:			
Bond indenture funds	151,653,230	175,309,549	(23,656,319)
Self insurance fund-restricted	19,469,799	19,469,799	0
Energy sense fund	348,384	261,171	87,213
Total cash and cash equivalents	201,413,394	255,690,833	(54,277,439)
Accounts receivable, net	36,738,232	35,364,783	1,373,449
Total current receivables	36,738,232	35,364,783	1,373,449
Materials and supplies inventory	14,429,845	14,501,590	(71,745)
Fuel inventory	36,783,794	32,346,582	4,437,212
Prepaid expenses	3,849,271	1,876,268	1,973,003
Total current assets	293,214,536	339,780,056	(46,565,520)
Utility plant, at cost:			
Electric plant in service	1,097,972,703	1,097,908,313	64,390
Construction work in progress	47,465,593	46,936,698	528,895
Total	1,145,438,296	1,144,845,011	593,285
Less: Accumulated depreciation	(671,931,027)	(669,124,765)	(2,806,262)
Total utility plant	473,507,269	475,720,246	(2,212,977)
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,490,036	48,532,630	(42,594)
Unamortized debt issuance costs	1,930,454	1,952,816	(22,362)
Total other non-current assets	50,420,490	50,485,446	(64,956)
Total assets	817,142,295	865,985,748	(48,843,453)
Deferred outflow of resources:			
Deferred fuel revenue	6,296,650	5,137,018	1,159,632
Unamortized loss on debt refunding	22,262,714	22,452,744	(190,030)
Pension	12,264,214	12,264,214	0
Other post employment benefits	19,869,789	19,869,789	0
Unamortized forward delivery contract costs	145,998	159,278	(13,280)
Total deferred outflows of resources	60,839,365	59,883,043	956,322
	$ 877,981,660	$ 925,868,791	$ (47,887,131)

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

	Unaudited October 2020	Unaudited September 2020	Change from Sept 30 2020
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current liabilities:			
Current maturities of long-term debt	$ 21,540,000	$ 20,515,000	$ 1,025,000
Current obligations under capital leases	1,490,298	2,226,222	(735,924)
Accounts payable			
Operations	13,822,747	28,907,900	(15,085,153)
Others	1,002,121	830,203	171,918
Accrued payroll and employees' benefits	728,972	2,464,369	(1,735,397)
Current portion of employees' annual leave	3,014,656	2,828,972	185,684
Interest payable	2,999,584	14,417,948	(11,418,364)
Customer deposits	8,793,852	8,729,186	64,666
Total current liabilities	53,392,230	80,919,800	(27,527,570)
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	538,744,290	560,599,190	(21,854,900)
Obligations under capital leases, net of current portion	0	0	0
Net Pension liability	78,005,882	78,277,138	(271,256)
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	425,814	0
Total liabilities	812,727,425	862,381,151	(49,653,726)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	535,350	584,018	(48,668)
Pension	2,371,109	2,371,109	0
Other post employment benefits	49,240,169	49,240,169	0
Total deferred inflows of resources	52,146,628	52,195,296	(48,668)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(18,172,905)	(36,922,563)	18,749,658
Restricted	11,069,649	57,080,028	(46,010,379)
Unrestricted	20,210,862	(8,865,122)	29,075,984
Total net position	13,107,606	11,292,344	1,815,264
	$ 877,981,660	$ 925,868,791	$ (47,887,131)

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

	October 31			One Month Ending October 31		
	Unaudited 2020	Unaudited 2019	% of change Inc (dec)	Unaudited 2020	Unaudited 2019	% of change Inc (dec)
Revenues						
Sales of electricity	$ 23,963,653	$ 33,604,862	(29)	$ 23,963,653	$ 33,604,862	(29)
DSM-Rebates	302,860	0	0	302,860	0	0
Miscellaneous	63,201	124,419	(49)	63,201	124,419	(49)
Total	24,329,714	33,729,281	(28)	24,329,714	33,729,281	(28)
Bad debt expense	(87,083)	(90,917)	(4)	(87,083)	(90,917)	(4)
Total revenues	24,242,631	33,638,364	(28)	24,242,631	33,638,364	(28)
Operating and maintenance expenses						
Production fuel	10,910,322	20,165,209	(46)	10,910,322	20,165,209	(46)
Other production	948,600	1,278,753	(26)	948,600	1,278,753	(26)
	11,858,922	21,443,962	(45)	11,858,922	21,443,962	(45)
Depreciation	2,827,531	3,098,667	(9)	2,827,531	3,098,667	(9)
Energy conversion cost	1,101,626	1,007,092	9	1,101,626	1,007,092	9
Transmission & distribution	1,280,895	1,055,590	21	1,280,895	1,055,590	21
Customer accounting	395,342	501,349	(21)	395,342	501,349	(21)
Administrative & general	2,890,048	2,484,782	16	2,890,048	2,484,782	16
Total operating and maintenance expenses	20,354,364	29,591,442	(31)	20,354,364	29,591,442	(31)
Operating income	3,888,267	4,046,922	(4)	3,888,267	4,046,922	(4)
Other income (expenses)						
Interest income	40,402	215,425	(81)	40,402	215,425	(81)
Interest expense and amortization	(2,195,323)	(2,309,038)	(5)	(2,195,323)	(2,309,038)	(5)
Bond issuance costs	89,228	89,228	0	89,228	89,228	0
Pandemic-COVID19	(3,017)	0	0	(3,017)	0	0
Other expense	(4,294)	(4,291)	0	(4,294)	(4,291)	0
Total other income (expenses)	(2,073,004)	(2,008,676)	3	(2,073,004)	(2,008,676)	3
Income (loss) before capital contributions	1,815,263	2,038,246	(11)	1,815,263	2,038,246	(11)
Capital contributions	0	0	0	0	0	0
Increase (decrease) in net assets	1,815,263	2,038,246	(11)	1,815,263	2,038,246	(11)
Total net assets at beginning of period (restated)	11,292,344	3,141,595	259	11,292,344	3,141,595	259
Total net assets at end of period	$ 13,107,607	$ 5,179,841	153	$ 13,107,607	$ 5,179,841	153

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

	Month Ended 10/31/2020	YTD Ended 10/31/2020
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$22,873,795	$ 22,873,795
Cash payments to suppliers and employees for goods and services	41,524,361	41,524,361
Net cash provided by operating activities	($18,650,566)	(18,650,566)
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	40,402	40,402
Net cash provided by investing activities	40,402	40,402
Cash flows from non-capital financing activities		
Interest paid on short term debt	9,406	9,406
Net cash provided by noncapital financing activities	9,406	9,406
Cash flows from capital and related financing activities		
Acquisition of utility plant	(614,554)	(614,554)
Principal paid on bonds and other long-term debt	(20,515,000)	(20,515,000)
Interest paid on bonds(net of capitalized interest)	(13,613,767)	(13,613,767)
Interest paid on capital lease obligations	(12,343)	(12,343)
Interest & principal funds held by trustee	30,147,738	30,147,738
Reserve funds held by trustee	42,594	42,594
Bond funds held by trustee	560,595	560,595
Principal payment on capital lease obligations	(735,924)	(735,924)
Debt issuance costs/loss on defeasance	(314,900)	(314,900)
Net cash provided by (used in) capital and related financing activities	(5,055,561)	(5,055,561)
Net (decrease) increase in cash and cash equivalents	(23,656,319)	(23,656,319)
Cash and cash equivalents, beginning	175,309,549	175,309,549
Cash and cash equivalents-Funds held by GPA, October 31, 2020	**$ 151,653,230**	**$ 151,653,230**

GUAM POWER AUTHORITY (A COMPONENT UNIT OF THE GOVERNMENT OF GUAM) Statements of Cash Flows, continued Period Ended October 31, 2020		
	Month Ended 10/31/2020	YTD Ended 10/31/2020
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$ 3,888,267	$ 3,888,267
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,827,531	2,827,531
Other expense	84,934	84,934
(Increase) decrease in assets:		
Accounts receivable	(1,373,449)	(1,373,449)
Materials and inventory	71,745	71,745
Fuel inventory	(4,437,212)	(4,437,212)
Prepaid expenses	(1,973,003)	(1,973,003)
Unamortized debt issuance cost	22,362	22,362
Deferred fuel revenue	(1,159,632)	(1,159,632)
Unamortized loss on debt refunding	190,030	190,030
Unamortized forward delivery contract costs	13,280	13,280
Increase (decrease) in liabilities:		
Accounts payable-operations	(15,085,153)	(15,085,153)
Accounts payable-others	84,705	84,705
Accrued payroll and employees' benefits	(1,735,397)	(1,735,397)
Net pension liability	(271,256)	(271,256)
Employees' annual leave	185,684	185,684
Customers deposits	64,666	64,666
Customer advances for construction	-	-
Unearned forward delivery contract revenue	(48,668)	(48,668)
Net cash provided by operating activities	**$ (18,650,566)**	**$ (18,650,566)**