



# Guam Memorial Hospital Authority Aturidåt Espetåt Mimuriåt Guåhan



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**July 23, 2019**

**AMENDMENT #1**

**FOR**

**GMHA IFB 016-2019**

## **COMPREHENSIVE INSURANCE COVERAGE**

This amendment is being issued to rescind page 32 of 80 which was sent in error with the correct attachment. Also, please add the following PDF attachments that were not included in the package.

1. Correct attachment of page 32 of 80
2. Pages of PDF attachments as specified on pages 35, 39, 40, 41, and 42

Please confirm receipt of this amendment below.

Sincerely yours,

Dolores Pangelinan  
Hospital Materials Management Administrator,

Acknowledgment of Receipt: Return acknowledgment to fax number 649-3640

\_\_\_\_\_  
Company

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature                      Date

## **SECTION VII: OTHER INFORMATION**

The Authority works hard to reduce the chance of accidental loss. Information supporting this is:

- A.** The Authority has had only three property losses in the last five years:
  - 1. December 1992, Typhoon Omar, Total loss of US\$727,000.
  - 2. August 1993, earthquake, total loss US\$960,000.
  - 3. December 16, 1997, Typhoon Paka, total loss US \$392,462.00
  - 4. December 2002, Typhoon Pongsona, total loss \$2,618,744.00
  - 5. February 23, 2019, The Authority had filed a claim on Earthquake and Typhoon (Mangkut & Wutip) damages at \$5 million and is pending.
- B.** The Authority has had no general liability, automobile liability, directors & officers liability, crime of boiler & machinery losses in the last five years. There has been one automobile physical damage loss in the amount of \$2,300 in the last five years.
- C.** The Authority attempts to protect itself from liability claims arising out of construction activities through the use of insurance and indemnity clauses in contracts. The Authority uses standard American Institute of Architects contracts. Samples of the insurance and indemnity clauses in these contracts are in the Appendix.
- D.** The Authority back up its data processing records daily to minimize the possibility of a data processing loss.
- E.** The Authority obtains an annual audit by an independent auditor.
- F.** All Authority buildings have sprinkler systems, except the Business Office.

## 1. VALUATION SUMMARY

Acting on instructions from Guam Memorial Hospital Authority (GMHA), we have valued for insurance purposes the buildings, site improvements, plant, equipment and contents at the two locations in Guam, USA. We inspected the property in May 2004.

Based on our inspection and our estimates of the current cost of replacement, we recommend the adoption of the following insurance values as at 31 May 2004:

Element of Value	Buildings & Site Improvements	Plant & Equipment	Total
Replacement Cost Estimate			
- Memorial Hospital	79,600,000	29,055,700	108,655,700
- Skilled Nursing Unit	12,500,000	1,875,700	14,375,700
Demolition & Removal of Debris	92,100,000	30,931,400	123,031,400
Estimated Declared Value	4,110,000	-	4,110,000
Allowance for Cost Inflation	96,210,000	30,931,400	127,141,400
Estimated Property Damage Limit of Liability	9,530,000	-	9,530,000
	<b>\$105,740,000</b>	<b>\$30,931,400</b>	<b>\$136,671,400</b>

For supporting asset values please refer to the appendices of this report.

All currency in this report is expressed in US dollars.

This valuation is subject to the qualifications and assumptions set out in this report and the whole of the report should be read before any reliance is placed on that valuation. Only a signed original of this valuation report should be relied upon and no responsibility will be accepted for photocopied or reprinted versions of it.

This valuation was undertaken by Roger Horton FRICS, FAPI and David Crick B.Sc.

For and on behalf of  
Aon Valuation Services




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John T Rae B.Com, CA(NZ), AAPI  
Divisional Director

**GUAM MEMORIAL HOSPITAL AUTHORITY**  
(A Component Unit of the Government of Guam)

Statements of Net Position  
September 30, 2018 and 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u> <u>As Restated</u>
Current assets:		
Cash	\$ 1,220,606	\$ 2,665,141
Patient accounts receivable, net of estimated uncollectibles of \$106,307,367 in 2018 and \$84,119,386 in 2017	33,650,324	26,652,988
Due from the Government of Guam	8,974,860	2,252,382
Other receivables	93,728	74,169
Inventory, net	2,592,409	2,700,287
Prepaid expenses	148,020	14,690
Total current assets	<u>46,679,947</u>	<u>34,359,657</u>
Note receivable	-	18,037
Capital assets:		
Depreciable assets, net	28,581,403	31,535,141
Construction in progress	1,050,143	1,034,982
Total noncurrent assets	<u>29,631,546</u>	<u>32,570,123</u>
Total assets	<u>29,631,546</u>	<u>32,588,160</u>
Deferred outflows of resources:		
Pension	12,981,760	14,108,364
OPEB	18,913,125	20,791,629
Total deferred outflows of resources	<u>31,894,885</u>	<u>34,899,993</u>
Total assets and deferred outflows of resources	<u>\$ 108,206,378</u>	<u>\$ 101,847,810</u>
 <u>LIABILITIES AND NET POSITION</u> 		
Current liabilities:		
Accounts payable - trade	\$ 15,978,016	\$ 5,223,547
Accounts payable - Government of Guam Retirement Fund	1,234,753	715,559
Accrued taxes and related liabilities	-	270,289
Accrued payroll and benefits	1,730,449	1,645,186
Current portion of accrued annual leave	1,827,469	986,810
Other current liabilities	2,195,921	2,197,890
Total current liabilities	<u>22,966,608</u>	<u>11,039,281</u>
Accrued annual leave, net of current portion	2,391,688	3,135,647
Accrued sick leave	3,242,941	4,706,659
Net pension liability	127,077,065	140,412,624
OPEB liability	178,049,315	183,586,849
Total liabilities	<u>333,727,617</u>	<u>342,881,060</u>
Deferred inflows of resources:		
Pension	5,406,690	1,848,141
OPEB	15,257,429	-
Total deferred inflows of resources	<u>20,664,119</u>	<u>1,848,141</u>
Commitments and contingencies		
Net position:		
Net investment in capital assets	29,631,546	32,570,123
Unrestricted	<u>(275,816,904)</u>	<u>(275,451,514)</u>
Total net position	<u>(246,185,358)</u>	<u>(242,881,391)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 108,206,378</u>	<u>\$ 101,847,810</u>

See accompanying notes to financial statements.

GUAM MEMORIAL HOSPITAL AUTHORITY  
(A Component Unit of the Government of Guam)

Statements of Revenues, Expenses and Changes in Net Position  
Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u> As Restated
Operating revenues:		
Net patient service revenue (net of contractual adjustments and provision for bad debts of \$62,835,996 in 2018 and \$62,874,694 in 2017)	\$ 87,055,163	\$ 88,224,299
Other operating revenues:		
Cafeteria food sales	378,455	407,276
Other revenue	<u>2,959,644</u>	<u>3,573,953</u>
Total operating revenues	<u>90,393,262</u>	<u>92,205,528</u>
Operating expenses:		
Nursing	55,227,957	54,287,913
Professional support	25,979,672	28,888,475
Retiree healthcare costs and other pension benefits	16,305,333	17,363,890
Administrative support	12,265,490	12,957,803
Fiscal services	6,208,608	9,052,228
Depreciation	4,006,169	5,373,279
Administration	2,896,812	3,435,276
Medical staff	<u>812,427</u>	<u>991,093</u>
Total operating expenses	<u>123,702,468</u>	<u>132,349,957</u>
Operating loss	<u>(33,309,206)</u>	<u>(40,144,429)</u>
Nonoperating revenues (expenses):		
Transfers from GovGuam	23,872,794	24,679,853
Federal grants	702,655	394,590
Contributions	317,917	333,023
Federal program expenditures	(205,357)	(157,837)
Interest and penalties	(140,319)	(367,826)
Loss from disposal of fixed asset	<u>(13,332)</u>	<u>(73,578)</u>
Total nonoperating revenues	<u>24,534,358</u>	<u>24,808,225</u>
Loss before capital grants and contributions	<u>(8,774,848)</u>	<u>(15,336,204)</u>
Capital grants and contributions:		
Government of Guam	3,096,940	93,364
Federal grants	<u>2,373,941</u>	<u>887,531</u>
Total capital grants and contributions	<u>5,470,881</u>	<u>980,895</u>
Change in net position	(3,303,967)	(14,355,309)
Net position at the beginning of the year	<u>(242,881,391)</u>	<u>(228,526,082)</u>
Net position at the end of the year	<u>\$ (246,185,358)</u>	<u>\$ (242,881,391)</u>

See accompanying notes to financial statements.

GUAM MEMORIAL HOSPITAL AUTHORITY  
(A Component Unit of the Government of Guam)

Statements of Cash Flows  
Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u> As Restated
Cash flows from operating activities:		
Receipts from and on behalf of patients	\$ 80,075,864	\$ 83,876,376
Receipts from sales and other services	3,318,539	3,907,060
Payments to suppliers and contractors	(22,061,902)	(26,306,632)
Payments to employees	(80,285,271)	(83,786,567)
Net cash used for operating activities	<u>(18,952,770)</u>	<u>(22,309,763)</u>
Cash flows from noncapital financing activities:		
Contributions from the Government of Guam	12,443,382	24,467,820
Federal grants received	702,655	394,590
Contributions	317,917	333,023
Payments made under federal programs	(205,357)	(157,837)
Interest and penalties paid	(140,319)	(367,826)
Net cash provided by noncapital financing activities	<u>13,118,278</u>	<u>24,669,770</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,080,924)	(2,559,721)
Contributions from the Government of Guam	3,096,940	93,364
Federal grants received	2,373,941	887,531
Net cash provided by (used for) capital and related financing activities	<u>4,389,957</u>	<u>(1,578,826)</u>
Net change in cash	(1,444,535)	781,181
Cash at beginning of year	2,665,141	1,883,960
Cash at end of year	<u>\$ 1,220,606</u>	<u>\$ 2,665,141</u>

See accompanying notes to financial statements.

GUAM MEMORIAL HOSPITAL AUTHORITY  
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Statements of Cash Flows, Continued  
Years Ended September 30, 2018 and 2017

	2018	2017 As Restated
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (33,309,206)	\$ (40,144,429)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Contractual adjustments and provisions for uncollectible accounts	62,835,996	62,874,694
Depreciation	4,006,169	5,373,279
Retiree healthcare costs and other pension benefits	16,305,333	17,363,890
Noncash pension cost	(8,650,406)	(1,209,317)
(Increase) decrease in assets:		
Patient accounts receivable	(69,833,331)	(67,261,816)
Note receivable	18,037	39,199
Other receivables	(19,560)	(74,169)
Inventory	107,878	786,341
Prepaid expenses	(133,330)	121,343
Increase (decrease) in liabilities:		
Accounts payable - trade	10,754,469	1,643,996
Accounts payable - Government of Guam Retirement Fund	519,194	(1,262,150)
Accrued taxes and related liabilities	(270,289)	255,884
Accrued payroll and benefits	85,263	(1,012,398)
Accrued annual leave and sick leave	(1,367,018)	633,000
Other current liabilities	(1,969)	(437,110)
Net cash used in operating activities	\$ (18,952,770)	\$ (22,309,763)

See accompanying notes to financial statements.