Appendix B

The following calculations and comments are based on GSU financial statements for the year ending December 31, 2018.

1. **Net Income**

   The consolidated GSU financial statements include a statement of income and comprehensive income. This includes "income for the year after net movements in regulatory balances – net of tax" Below are the results for the last three years.

| GSU (consolidated) | **2018** | **2017** | **2016** | **2015** |
|---|---|---|---|---|
| Income for the year after net movements in regulatory balances - net of tax | **3,706,741** | **2,739,732** | **5,030,158** | **1,306,282** |

   Note the total comprehensive income was not utilized as this includes fluctuations for future benefit obligations and should be excluded as they are actuarial adjustments and not reflective of the operational income/losses.

2. **Debt to Equity**

   The debt to equity ratio measures a company's financial leverage; it indicates how much debt a company is using to finance its assets relative to the value of shareholders' equity. A high debt to equity ratio generally means that a company has been aggressive in financing its growth with debt. Aggressive leveraging practices are often associated with high levels of risk. In GSU's case, a majority of its debt is owed to CGS, which reduces the normal risk for shareholders with a debt to equity ratio above 2:1.

   The debt to equity ratio is calculated by taking total liabilities and dividing it by the shareholders' equity.

| GSU (consolidated) | **2018** | **%** | **2017** | **%** | **2016** | **%** | **2015** | **%** |
|---|---|---|---|---|---|---|---|---|
| Total Debt | 94,666,179 | *67%* | 96,998,772 | 70% | 99,078,978 | 71% | 106,171,624 | 78% |
| Total Equity | 47,043,069 | *33%* | 42,143,739 | 30% | 40,494,888 | 29% | 30,371,787 | 22% |
| **Debt to equity ratio** | **2.01** | | **2.30** | | **2.45** | | **3.50** | |

## 3. Cash and Cash Equivalents

Cash and cash equivalents measure a company's liquid assets on hand at the end of a given period and indicate to what extent they have free cash available for operating, investing or financing activities. This number fluctuates greatly at least in part due to financing choices to spend available cash on investments in long term assets.

| GSU (consolidated) | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| Cash and cash equivalents | -1,697,005 | 2,952,672 | 459,863 | 3,875,796 |

## 4. Current Ratio

The Current Ratio is calculated to provide an idea of a company's ability to pay back its liabilities. A healthy Current Ratio is greater than one, the higher the ratio the more capable the company is to repay their debt.

| GSU (consolidated) | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| Current Assets | 24,420,202 | 26,439,074 | 31,886,750 | 34,139,810 |
| Current Liabilities | 13,173,559 | 15,254,438 | 19,695,178 | 21,393,035 |
| **Current Ratio** | **1.85** | **1.73** | **1.62** | **1.60** |