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

30 August 2017

Honorable Benjamin J.F. Cruz, Speaker
I Mina 'trentai Kuattro Na Liheslaturan Guahan
Suite 107, 155 Hesler Place
Hagatna, Guam 96910
senator@senatorbjcruz.com

Subject: June & July 2017 Financial Statements

Dear Honorable Speaker Cruz:

Enclosed is Guam Power Authority's Monthly Financial Statement for the months of June & July 2017 which was approved at the Consolidated Commission on Utilities board meeting on Tuesday, August 29, 2017.

Should you require further information, please do not hesitate to call me at 648-3120 or E-Mail at jjekim@gpagwa.com.

Sincerely,

JOHN J.E. KIM
Chief Financial Officer

cc: CFO 155 17

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GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
July 2017

Attached are the financial statements and supporting schedules for the month and fiscal year ended July 31, 2017.

Summary

The increase in net assets for the month ended was $1.4 million as compared to the anticipated net increase of $0.3 million projected at the beginning of the year. The total kWh sales for the month were 5.85% more than projected and non-fuel revenues were $0.5 million more than the estimated amount. O & M expenses for the month were $5.3 million which was $0.7 million less than our projections for the month. Other expenses for the month such as interest expense, IPP costs, (net of interest income and other income) totaled to $3.9 million, which was right in line with the projected amount. There were no other significant departures from the budget during the period.

Analysis

Description	Previous Month	Current Month	Target
Quick Ratio	2.17	1.77	2
Days in Receivables	40	41	52
Days in Payables	28	45	30
LEAC (Over)/Under Recovery Balance -YTD	$11,786,411	$14,050,504	$6,767,710
T&D Losses	4.86%	4.92%	7.00%
Debt Service Coverage	2.12	2.10	1.75
Long-term equity ratio	13%	13%	30 – 40%
Days in Cash	183	200	60

The Quick Ratio has been a challenge for GPA historically. However, over the last two fiscal years, the influx of cash has continued to improve this ratio. GPA has current obligations of approximately $93 million and approximately $165 million in cash and current receivables. The increase in cash is attributable to the receipt of $34M in insurance proceeds during the fiscal year. Debt Service Coverage ratio is calculated using the methodology in use before the Fiscal Year 2002 change in accounting practice.

Financial Statement
July 2017
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
July 31, 2017 and September 30, 2016

	Unaudited July 2017	Unaudited September 2016	Change from Sept 30 2015
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and cash equivalents:			
Held by trustee for restricted purposes:			
Interest and principal funds	$ 12,771,869	$ 16,005,063	$ (3,233,194)
Bond indenture funds	61,627,094	69,821,815	(8,194,723)
Held by Guam Power Authority:			
Bond indenture funds	129,196,919	126,992,587	2,204,332
Self insurance fund-restricted	19,249,570	19,506,796	(257,226)
Energy sense fund	1,227,833	1,646,041	(418,208)
Total cash and cash equivalents	224,073,285	233,972,302	(9,899,017)
Accounts receivable, net	34,562,901	62,635,764	(28,072,863)
Total current receivables	34,562,901	62,635,764	(28,072,863)
Materials and supplies inventory	12,319,026	13,555,719	(1,236,693)
Fuel inventory	50,324,043	31,326,367	18,997,676
Prepaid expenses	2,573,252	754,024	1,819,228
Total current assets	323,852,507	342,244,176	(18,391,669)
Utility plant, at cost:			
Electric plant in service	1,020,954,119	990,594,593	30,359,526
Construction work in progress	28,108,480	17,206,429	10,902,051
Total	1,049,062,599	1,007,801,022	41,261,577
Less: Accumulated depreciation	(560,127,729)	(539,262,579)	(20,865,150)
Total utility plant	488,934,870	467,538,447	21,396,423
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,565,032	48,550,887	14,145
Unamortized debt issuance costs	4,330,521	4,646,601	(316,080)
Total other non-current assets	52,895,553	53,197,488	(301,935)
Total assets	865,682,930	862,980,111	2,702,819
Deferred outflow of resources:			
Deferred fuel revenue	14,050,504	1,492,325	12,558,179
Unamortized loss on debt refunding	11,284,120	12,324,400	(1,040,280)
Pension	8,168,718	8,168,718	0
Unamortized forward delivery contract costs	663,918	796,718	(132,800)
Total deferred outflows of resources	34,167,260	22,782,161	11,385,099
	$ 899,850,190	$ 885,762,272	$ 14,087,918

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statement of Net Position, Continued
July 31, 2017 and September 30, 2016

	Unaudited July 2017	Unaudited September 2016	Change from Sept 30 2015
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current liabilities:			
Current maturities of long-term debt	$ 1,780,000	$ 115,000	$ 1,665,000
Current obligations under capital leases	16,737,242	16,737,242	0
Accounts payable			
Operations	40,394,252	24,622,615	15,771,637
Others	12,152,836	23,012,732	(10,859,896)
Accrued payroll and employees' benefits	1,013,924	1,533,906	(519,982)
Current portion of employees' annual leave	2,445,987	2,405,799	40,188
Interest payable	10,289,984	15,146,696	(4,856,712)
Customer deposits	8,267,715	8,381,571	(113,856)
Total current liabilities	93,081,940	91,955,561	1,126,379
Regulatory liabilities:			
Provision for self insurance	19,550,977	19,550,977	0
Total regulatory liabilities	19,550,977	19,550,977	0
Long term debt, net of current maturities	591,020,348	595,057,769	(4,037,421)
Obligations under capital leases, net of current portion	34,494,274	22,872,720	11,621,554
Net Pension liability	65,802,755	71,049,220	(5,246,465)
DCRS sick leave liability	3,436,738	3,436,738	0
Employees' annual leave net of current portion	806,762	806,762	0
Customer advances for construction	349,950	319,321	30,629
Total liabilities	808,543,744	805,049,068	3,494,676
Deferred inflows of resources:			
Unearned forward delivery contract revenue	2,433,407	2,920,088	(486,681)
Pension	732,788	732,788	0
Total deferred inflows of resources	3,166,195	3,652,876	(485,681)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(45,254,818)	(45,190,903)	3,936,086
Restricted	16,386,763	4,645,344	11,741,419
Unrestricted	117,008,305	121,605,887	(4,597,582)
Total net position	88,140,250	77,060,328	11,079,922
	$ 899,850,190	$ 885,762,272	$ 14,087,918

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

	July 31			Ten Months Ending July 31		
	Unaudited 2017	Unaudited 2016	% of change Inc (dec)	Unaudited 2017	Unaudited 2016	% of change Inc (dec)
Revenues						
Sales of electricity	$ 29,326,087	$ 25,919,076	13	$ 270,112,810	$ 256,212,252	5
Miscellaneous	211,937	186,830	13	1,847,933	2,019,378	(8)
Total	29,538,024	26,105,906	13	271,960,743	258,231,630	5
Bad debt expense	(103,532)	(193,735)	(47)	(894,928)	(1,120,803)	(20)
Total revenues	29,434,492	25,912,171	14	271,066,815	257,110,827	5
Operating and maintenance expenses						
Production fuel	15,175,139	11,966,397	27	133,582,176	122,819,428	9
Other production	1,539,271	2,073,287	(26)	12,487,432	13,801,660	(10)
	16,714,410	14,039,684	19	146,069,608	136,621,088	7
Depreciation	3,526,137	4,219,695	(16)	39,741,207	34,515,607	15
Energy conversion cost	1,751,588	1,201,449	46	16,375,468	13,837,907	18
Transmission & distribution	925,682	1,071,349	(14)	9,704,842	9,119,072	6
Customer accounting	459,293	351,518	31	3,409,095	4,379,188	(22)
Administrative & general	2,356,791	2,247,156	5	20,984,443	23,813,324	(12)
Total operating and maintenance expenses	25,733,901	23,130,851	11	236,284,662	222,286,186	6
Operating income	3,700,591	2,781,320	33	34,782,152	34,824,641	(0)
Other income (expenses)						
Interest income	147,271	73,112	101	1,209,044	791,910	53
Interest expense and amortization	(2,386,950)	(2,950,010)	(19)	(28,316,659)	(29,077,305)	(3)
Bond issuance costs	76,827	68,617	12	768,270	686,170	12
Allowance for funds used during construction	294,990	323,532	(9)	3,129,483	3,490,144	(10)
Other expense	(1,293)	(356,279)	(99)	(1,068,274)	(1,885,463)	(43)
Total other income (expenses)	(2,252,113)	(2,841,028)	(21)	(23,745,536)	(25,795,384)	(8)
Income (loss) before capital contributions	1,418,478	40,292	3,420	11,036,616	9,032,257	22
Capital contributions	4,884	300	0	43,306	1,734,815	(98)
Increase (decrease) in net assets	1,423,362	40,592	3,407	11,079,922	10,767,072	3
Total net assets at beginning of period (restated)	86,716,889	92,354,255	(6)	77,060,329	81,627,775	(6)
Total net assets at end of period	$ 88,140,251	$ 92,394,847	(5)	$ 88,140,251	$ 92,394,847	(5)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows
Period Ended July 31, 2017

	Month Ended 7/31/2017	YTD Ended 7/31/2017
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$28,712,717	$ 299,184,074
Cash payments to suppliers and employees for goods and services	7,100,878	227,970,407
Net cash provided by operating activities	$21,611,839	71,213,667
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	147,271	1,209,044
Net cash provided by investing activities	147,271	1,209,044
Cash flows from non-capital financing activities		
Interest paid on short term debt	(6,567)	(62,920)
Provision for self insurance funds	-	257,226
Net cash provided by noncapital financing activities	(6,567)	194,306
Cash flows from capital and related financing activities		
Acquisition of utility plant	(7,098,023)	(61,137,621)
Principal paid on bonds and other long-term debt	-	(115,000)
Interest paid on bonds(net of capitalized interest)	294,990	(25,624,642)
Interest paid on capital lease obligations	(400,877)	(4,356,622)
Interest & principal funds held by trustee	(2,545,015)	3,233,194
Reserve funds held by trustee	(5,723)	(14,145)
Bond funds held by trustee	2,501,129	8,194,721
Principal payment on capital lease obligations	(1,947,002)	11,621,554
Grant from DOI/FEMA	4,884	43,306
Debt issuance costs/loss on defeasance	(225,743)	(2,257,430)
Net cash provided by (used in) capital and related financing activities	(9,421,380)	(70,412,685)
Net (decrease) increase in cash and cash equivalents	12,331,163.59	2,204,332
Cash and cash equivalents, beginning	116,865,755	126,992,587
Cash and cash equivalents-Funds held by GPA, July 31, 2017	**$ 129,196,919**	**$ 129,196,919**

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows, continued
Period Ended July 31, 2017

	Month Ended 7/31/2017	YTD Ended 7/31/2017
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$3,700,591	$34,782,152
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	3,526,137	39,741,207
Other expense	72,536	232,893
(Increase) decrease in assets:		
Accounts receivable	(600,477)	28,072,863
Materials and inventory	167,435	1,236,693
Fuel inventory	(4,460,709)	(18,997,676)
Prepaid expenses	954,616	(1,819,228)
Unamortized debt issuance cost	31,608	316,080
Deferred fuel revenue	(2,264,093)	(12,558,179)
Unamortized loss on debt refunding	104,028	1,040,280
Unamortized forward delivery contract costs	13,280	132,800
Increase (decrease) in liabilities:		
Accounts payable-operations	19,724,315	15,771,637
Accounts payable-others	1,069,741	(10,441,688)
Accrued payroll and employees' benefits	220,968	(519,982)
Net pension liability	(479,829)	(5,246,465)
Employees' annual leave	(72,188)	40,188
Customers deposits	(47,452)	(113,856)
Customer advances for construction	-	30,629
Unearned forward delivery contract revenue	(48,668)	(486,681)
Net cash provided by operating activities	**$21,611,839**	**$71,213,667**

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GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
June 2017

Attached are the financial statements and supporting schedules for the month and fiscal year ended June 30, 2017.

Summary

The increase in net assets for the month ended was $0.9 million as compared to the anticipated net increase of $0.4 million projected at the beginning of the year. The total kWh sales for the month were 5.11% more than projected and non-fuel revenues were $0.5 million more than the estimated amount. O & M expenses for the month were $4.6 million which was $1.3 million less than our projections for the month. Other expenses for the month such as interest expense, IPP costs, (net of interest income and other income) totaled to $4.3 million, which was $0.4 million more than the projected amount. There were no other significant departures from the budget during the period.

Analysis

Description	Previous Month	Current Month	Target
Quick Ratio	2.29	2.17	2
Days in Receivables	43	40	52
Days in Payables	30	28	30
LEAC (Over)/Under Recovery Balance -YTD	$9,086,643	$11,786,411	$6,711,679
T&D Losses	4.83%	4.86%	7.00%
Debt Service Coverage	2.14	2.12	1.75
Long-term equity ratio	13%	13%	30 – 40%
Days in Cash	200	183	60

The Quick Ratio has been a challenge for GPA historically. However, over the last two fiscal years, the influx of cash has continued to improve this ratio. GPA has current obligations of approximately $70 million and approximately $152 million in cash and current receivables. The increase in cash is attributable to the receipt of $34M in insurance proceeds during the fiscal year. Debt Service Coverage ratio is calculated using the methodology in use before the Fiscal Year 2002 change in accounting practice.

Financial Statement
June 2017
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
June 30, 2017 and September 30, 2016

	Unaudited June 2017	Unaudited September 2016	Change from Sept 30 2016
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and cash equivalents:			
Held by trustee for restricted purposes:			
Interest and principal funds	$ 10,226,854	$ 16,005,063	$ (5,778,209)
Bond indenture funds	64,128,223	69,821,815	(5,693,592)
Held by Guam Power Authority:			
Bond indenture funds	116,865,755	126,992,587	(10,126,832)
Self insurance fund-restricted	19,249,570	19,506,796	(257,226)
Energy sense fund	1,258,697	1,646,041	(387,344)
Total cash and cash equivalents	211,729,099	233,972,302	(22,243,203)
Accounts receivable, net	33,962,424	62,635,764	(28,673,340)
Total current receivables	33,962,424	62,635,764	(28,673,340)
Materials and supplies inventory	12,486,461	13,555,719	(1,069,258)
Fuel inventory	45,863,334	31,326,367	14,536,967
Prepaid expenses	3,527,868	754,024	2,773,844
Total current assets	307,569,186	342,244,176	(34,674,990)
Utility plant, at cost:			
Electric plant in service	1,020,753,730	990,594,593	30,159,137
Construction work in progress	21,311,478	17,206,429	4,105,049
Total	1,042,065,208	1,007,801,022	34,264,186
Less: Accumulated depreciation	(556,702,222)	(540,262,575)	(16,439,647)
Total utility plant	485,362,986	467,538,447	17,824,539
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,559,309	48,550,887	8,422
Unamortized debt issuance costs	4,362,129	4,646,601	(284,472)
Total other non-current assets	52,921,438	53,197,488	(276,050)
Total assets	845,853,610	862,980,111	(17,126,501)
Deferred outflow of resources:			
Deferred fuel revenue	11,786,411	1,492,325	10,294,086
Unamortized loss on debt refunding	11,388,148	12,324,400	(936,252)
Pension	8,168,718	8,168,718	0
Unamortized forward delivery contract costs	677,198	796,718	(119,520)
Total deferred outflows of resources	32,020,475	22,782,161	9,238,314
	$ 877,874,085	$ 885,762,272	$ (7,888,187)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statement of Net Position, Continued
June 30, 2017 and September 30, 2016

	Unaudited June 2017	Unaudited September 2016	Change from Sept 30 2016
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current liabilities:			
Current maturities of long-term debt	$ 1,780,000	$ 115,000	$ 1,665,000
Current obligations under capital leases	16,737,242	16,737,242	0
Accounts payable			
Operations	20,669,937	24,622,615	(3,952,678)
Others	11,113,959	23,012,732	(11,898,773)
Accrued payroll and employees' benefits	792,956	1,533,906	(740,950)
Current portion of employees' annual leave	2,518,175	2,405,799	112,376
Interest payable	7,900,518	15,146,696	(7,246,178)
Customer deposits	8,315,167	8,381,571	(66,404)
Total current liabilities	69,827,954	91,955,561	(22,127,607)
Regulatory liabilities:			
Provision for self insurance	19,550,977	19,550,977	0
Total regulatory liabilities	19,550,977	19,550,977	0
Long term debt, net of current maturities	591,246,091	595,057,769	(3,811,678)
Obligations under capital leases, net of current portion	36,441,276	22,872,720	13,568,556
Net Pension liability	66,282,584	71,049,220	(4,766,636)
OCRS sick leave liability	3,436,738	3,436,738	0
Employees' annual leave net of current portion	806,762	806,762	0
Customer advances for construction	349,950	319,321	30,629
Total liabilities	787,942,332	805,049,068	(17,106,736)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	2,482,075	2,920,088	(438,013)
Pension	732,788	732,788	0
Total deferred inflows of resources	3,214,863	3,652,876	(438,013)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(48,504,042)	(49,190,903)	686,861
Restricted	13,595,696	4,645,344	8,950,352
Unrestricted	121,625,234	121,605,887	19,347
Total net position	86,716,889	77,060,328	9,656,561
	$ 877,874,085	$ 885,762,272	$ (7,888,187)

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

	June 30			Nine Months Ending June 30		
	Unaudited 2017	Unaudited 2016	% of change Inc (dec)	Unaudited 2017	Unaudited 2016	% of change Inc (dec)
Revenues						
Sales of electricity	$ 28,580,567	$ 25,634,683	11	$ 240,786,723	$ 230,293,176	5
Miscellaneous	5,490	154,630	(96)	1,635,996	1,832,548	(11)
Total	28,586,057	25,789,313	11	242,422,719	232,125,724	4
Bad debt expense	(93,433)	(91,667)	2	(800,496)	(825,003)	(3)
Total revenues	28,492,624	25,697,646	11	241,622,223	231,300,721	4
Operating and maintenance expenses						
Production fuel	14,858,907	11,536,262	29	118,407,037	110,853,031	7
Other production	1,280,382	1,142,968	12	10,948,161	11,728,373	(7)
	16,139,289	12,679,230	27	129,355,198	122,581,404	6
Depreciation	3,898,543	3,445,681	13	36,215,070	30,295,912	20
Energy conversion cost	1,802,896	1,443,939	25	14,623,880	12,636,458	16
Transmission & distribution	1,038,116	908,616	14	8,779,160	8,047,723	9
Customer accounting	280,233	399,620	(30)	2,939,702	4,129,735	(29)
Administrative & general	2,010,273	2,065,576	(3)	18,627,652	21,566,168	(14)
Total operating and maintenance expenses	25,169,350	20,942,662	20	210,540,662	199,257,400	6
Operating income	3,323,274	4,754,984	(30)	31,081,561	32,043,321	(3)
Other income (expenses)						
Interest income	127,030	57,409	121	1,061,773	718,798	48
Interest expense and amortization	(2,819,348)	(2,862,904)	(2)	(25,520,046)	(26,222,195)	(3)
Bond issuance costs	76,827	68,617	12	691,443	617,553	12
Assets written off	0	0		0	0	
Allowance for funds used during construction	305,095	325,056	(6)	2,834,493	3,166,612	(10)
Other expense	(137,032)	(4,291)	3,093	(531,086)	(1,332,124)	(60)
Total other income (expenses)	(2,447,428)	(2,416,113)	1	(21,463,423)	(23,051,356)	(7)
Income (loss) before capital contributions	875,846	2,338,871	(63)	9,618,138	8,991,965	7
Capital contributions	0	0	0	38,422	1,734,515	(98)
Increase (decrease) in net assets	875,846	2,338,871	(63)	9,656,560	10,726,480	(10)
Total net assets at beginning of period (restated)	85,841,043	90,015,384	(5)	77,060,329	81,627,775	(6)
Total net assets at end of period	$ 86,716,889	$ 92,354,255	(6)	$ 86,716,889	$ 92,354,255	(6)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows
Period Ended June 30, 2017

	Month Ended 6/30/2017	YTD Ended 6/30/2017
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$ 30,193,387	$ 270,471,357
Cash payments to suppliers and employees for goods and services	32,241,589	220,869,529
Net cash provided by operating activities	(2,048,202)	49,601,828
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	127,030	1,061,773
Net cash provided by investing activities	127,030	1,061,773
Cash flows from non-capital financing activities		
Interest paid on short term debt	(7,188)	(56,353)
Provision for self insurance funds	1,204,157	257,226
Net cash provided by noncapital financing activities	1,196,969	200,873
Cash flows from capital and related financing activities		
Acquisition of utility plant	(2,861,923)	(54,039,598)
Principal paid on bonds and other long-term debt	-	(115,000)
Interest paid on bonds(net of capitalized interest)	305,095	(25,919,632)
Interest paid on capital lease obligations	(423,314)	(3,955,745)
Interest & principal funds held by trustee	(2,545,046)	5,778,209
Reserve funds held by trustee	(6,735)	(8,422)
Bond funds held by trustee	281,261	5,693,592
Principal payment on capital lease obligations	(1,932,410)	13,568,556
Grant from DOI/FEMA	-	38,422
Debt issuance costs/loss on defeasance	(225,743)	(2,031,687)
Net cash provided by (used in) capital and related financing activities	(7,408,815)	(60,991,305)
Net (decrease) increase in cash and cash equivalents	(8,133,018)	(10,126,832)
Cash and cash equivalents, beginning	124,998,773	126,992,587
Cash and cash equivalents-Funds held by GPA, June 30, 2017	**$ 116,865,755**	**$ 116,865,755**

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows, continued
Period Ended June 30, 2017

	Month Ended 6/30/2017	YTD Ended 6/30/2017
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$ 3,323,274	$ 31,081,561
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	3,898,543	36,215,070
Other expense	(60,205)	160,357
(Increase) decrease in assets:		
Accounts receivable	1,658,009	28,673,340
Materials and inventory	227,832	1,069,258
Fuel inventory	(5,589,916)	(14,536,967)
Prepaid expenses	948,252	(2,773,844)
Unamortized debt issuance cost	31,608	284,472
Deferred fuel revenue	(2,699,768)	(10,294,086)
Unamortized loss on debt refunding	104,028	936,252
Unamortized forward delivery contract costs	13,280	119,520
Increase (decrease) in liabilities:		
Accounts payable-operations	(4,441,269)	(3,952,678)
Accounts payable-others	2,407,816	(11,511,429)
Accrued payroll and employees' benefits	(1,213,871)	(740,950)
Net pension liability	(479,002)	(4,766,636)
Employees' annual leave	865	112,376
Customers deposits	(129,010)	(66,404)
Customer advances for construction	-	30,629
Unearned forward delivery contract revenue	(48,668)	(438,013)
Net cash provided by operating activities	$ (2,048,202)	$ 49,601,828