GUAM POWER AUTHORITY

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

25 July 2018

GL# 34-18-2171
Speaker Benjamin J.F. Cruz

JUL 30 2018
Time: 3:10 [ ] AM [ ] PM File No. 34-2049
Received By:

Senator Benjamin J. F. Cruz
Office of the Speaker
I Mina' Trentai Kuattro Liheslaturan Guahan
34th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagatna, Guam 96910

SUBJECT: Guam Power Authority
Ref: Monthly Financial – April & May 2018

Dear Honorable Speaker Cruz:

Enclosed is the Guam Power Authority's Financial Statements for the months of April & May 2018, 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: Ms. Doris Flores Brooks, CPA, CGFM Public Auditor
File 137 18

2171

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ATURIDÅT ILEKTRESEDÅT GUAHAN
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GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
April 2018

Attached are the financial statements and supporting schedules for the month and fiscal year ended April 30, 2018.

Summary
The decrease in net assets for the month ended was $0.7 million as compared to the anticipated net increase of $1.0 million projected at the beginning of the year. The total kWh sales for the month were 1.48% less than projected and non-fuel revenues were $0.2 million less than the estimated amount. O & M expenses for the month were $6.2 million which was $1.0 million over 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 $4.5 million, which was $0.5 million over the projected amounts. There were no other significant departures from the budget during the period.

Analysis

Description	Previous Month	Current Month	Target
Quick Ratio	2.22	2.75	2
Days in Receivables	37	38	52
Days in Payables	31	22	30
LEAC (Over)/Under Recovery Balance -YTD	$14,428,269	$13,005,690	$13,535,634
T&D Losses	4.93%	4.91%	<7.00%
Debt Service Coverage	1.89	1.80	1.75
Long-term equity ratio	18%	16%	30 – 40%
Days in Cash	196	185	60

The Quick Ratio has been a challenge for GPA historically. However, over the last two fiscal years, the influx of cash from insurance proceeds continued to improve this ratio. GPA has current obligations of approximately $67 million and approximately $185 million in cash and current receivables. Debt Service Coverage ratio is calculated using the methodology in use before the Fiscal Year 2002 change in accounting practice.

Financial Statement
April 2018
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
April 30, 2018 and September 30, 2017

	Unaudited April 2018	Audited September 2017	Change from Sept 30 2017
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and cash equivalents:			
Held by trustee for restricted purposes:			
Interest and principal funds	5,372,250	18,061,879	(12,689,629)
Bond indenture funds	52,297,319	56,907,535	(4,610,216)
Held by Guam Power Authority:			
Bond indenture funds	146,926,387	132,579,889	14,346,498
Self insurance fund-restricted	19,255,426	19,251,372	4,054
Energy sense fund	419,866	1,074,491	(654,625)
Total cash and cash equivalents	224,271,248	227,875,166	(3,603,918)
Accounts receivable, net	37,344,377	77,826,132	(40,481,755)
Total current receivables	37,344,377	77,826,132	(40,481,755)
Materials and supplies inventory	12,779,553	11,989,745	789,808
Fuel inventory	46,837,852	52,387,369	(5,549,517)
Prepaid expenses	5,825,888	629,586	5,196,302
Total current assets	327,058,918	370,707,998	(43,649,080)
Utility plant, at cost:			
Electric plant in service	1,042,996,699	1,038,121,362	4,875,337
Construction work in progress	22,836,105	18,480,173	4,355,932
Total	1,065,832,804	1,056,601,535	9,231,269
Less: Accumulated depreciation	(583,222,306)	(561,829,334)	(21,392,972)
Total utility plant	482,610,498	494,772,201	(12,161,703)
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,418,050	48,576,863	(158,813)
Unamortized debt issuance costs	2,621,783	4,267,305	(1,645,522)
Total other non-current assets	51,039,833	52,844,168	(1,804,335)
Total assets	860,709,249	918,324,367	(57,615,118)
Deferred outflow of resources:			
Deferred fuel revenue	13,005,690	16,751,048	(3,745,358)
Unamortized loss on debt refunding	28,239,466	11,076,064	17,163,402
Pension	8,698,853	8,698,853	0
Unamortized forward delivery contract costs	544,398	637,358	(92,960)
Total deferred outflows of resources	50,488,407	37,163,323	13,325,084
	911,197,656	955,487,690	(44,290,034)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statement of Net Position, Continued
April 30, 2018 and September 30, 2017

	Unaudited April 2018	Audited September 2017	Change from Sept 30 2017
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current liabilities:			
Current maturities of long-term debt	1,630,000	1,780,000	(150,000)
Current obligations under capital leases	23,330,193	23,330,193	0
Accounts payable			
Operations	23,525,952	56,723,139	(33,197,187)
Others	3,635,132	7,597,801	(3,962,669)
Accrued payroll and employees' benefits	1,798,171	1,546,860	251,311
Current portion of employees' annual leave	2,222,045	2,045,201	176,844
Interest payable	2,987,192	15,065,830	(12,078,638)
Customer deposits	7,963,139	8,209,228	(246,089)
Total current liabilities	67,091,824	116,298,252	(49,206,428)
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	606,378,266	590,568,862	15,809,404
Obligations under capital leases, net of current portion	11,032,477	24,428,832	(13,396,355)
Net Pension liability	83,156,359	85,875,217	(2,718,858)
DCRS sick leave liability	4,008,397	4,008,397	0
Employees' annual leave net of current portion	1,086,456	1,086,456	0
Customer advances for construction	385,500	369,180	16,320
Total liabilities	792,690,256	842,186,173	(49,495,917)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	1,995,394	2,336,071	(340,677)
Pension	788,894	788,894	0
Total deferred inflows of resources	2,784,288	3,124,965	(340,677)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(59,586,695)	(40,220,468)	(19,366,227)
Restricted	15,250,232	15,232,832	17,400
Unrestricted	160,059,574	135,164,187	24,895,387
Total net position	115,723,111	110,176,552	5,546,559
	911,197,656	955,487,690	(44,290,034)

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

	April 30			Seven Months Ended April 30		
	Unaudited 2018	Audited 2017	% of change Inc (dec)	Unaudited 2018	Audited 2017	% of change Inc (dec)
Revenues						
Sales of electricity	32,791,874	27,164,645	21	214,366,084	181,992,936	18
Miscellaneous	(8,250)	231,810	(104)	1,082,923	1,374,103	(21)
Total	32,783,624	27,396,455	20	215,449,007	183,367,039	17
Bad debt expense	(86,583)	(93,433)	(7)	(606,083)	(603,533)	0
Total revenues	32,697,041	27,303,022	20	214,842,924	182,763,506	18
Operating and maintenance expenses						
Production fuel	19,440,700	13,940,258	39	119,768,743	87,952,290	36
Other production	1,689,949	929,249	82	9,549,816	8,569,182	11
	21,130,649	14,869,507	42	129,318,559	96,521,472	34
Depreciation	3,381,114	3,672,773	(8)	22,632,716	24,940,846	(9)
Energy conversion cost	1,411,281	1,748,311	(19)	10,533,986	11,110,221	(5)
Transmission & distribution	1,067,864	674,302	58	7,549,186	6,788,967	11
Customer accounting	467,215	342,778	36	2,988,023	2,395,185	25
Administrative & general	2,957,616	1,851,854	60	17,543,935	14,246,946	23
Total operating and maintenance expenses	30,415,739	23,159,525	31	190,566,405	156,003,637	22
Operating income	2,281,302	4,143,497	(45)	24,276,519	26,759,869	(9)
Other income (expenses)						
Interest income	86,551	152,112	(43)	1,313,630	817,615	61
Interest expense and amortization	(2,706,805)	(2,848,085)	(5)	(18,853,758)	(19,866,907)	(5)
Bond issuance costs	67,464	76,827	(12)	(2,046,623)	537,789	(481)
Assets written off	0	0		0	0	
Allowance for funds used during construction	(427,176)	309,472	(238)	989,331	2,224,300	(56)
Other expense	(4,291)	(162,585)	0	(227,317)	(192,349)	18
Total other income (expenses)	(2,984,257)	(2,472,259)	21	(18,824,737)	(16,479,552)	14
Income (loss) before capital contributions	(702,955)	1,671,238	(142)	5,451,782	10,280,317	(47)
Capital contributions	16,086	0	0	94,766	36,561	159
Increase (decrease) in net assets	(686,869)	1,671,238	(141)	5,546,548	10,316,878	(46)
Total net assets at beginning of period (restated)	116,409,974	70,468,470	65	110,176,557	61,822,830	78
Total net assets at end of period	115,723,105	72,139,708	60	115,723,105	72,139,708	60

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows
Period Ended April 30, 2018

	Month Ended 4/30/2018	YTD Ended 4/30/2018
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$ 31,641,953	$ 255,296,073
Cash payments to suppliers and employees for goods and services	31,874,698	221,661,558
Net cash provided by operating activities	(232,745)	33,634,515
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	86,551	1,313,630
Net cash provided by investing activities	86,551	1,313,630
Cash flows from non-capital financing activities		
Interest paid on short term debt	(6,609)	(44,584)
Provision for self insurance funds	(574)	(4,054)
Net cash provided by noncapital financing activities	(7,183)	(48,638)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(895,656)	(10,471,001)
Principal paid on bonds and other long-term debt	-	(3,550,000)
Interest paid on bonds(net of capitalized interest)	(12,828,462)	(27,787,955)
Interest paid on capital lease obligations	(255,939)	(2,110,526)
Interest & principal funds held by trustee	9,916,845	12,689,629
Reserve funds held by trustee	137,141	158,813
Bond funds held by trustee	711,146	4,610,216
Principal payment on capital lease obligations	(1,888,158)	(13,396,355)
Grant from DOI/FEMA	16,086	94,766
Debt issuance costs/loss on defeasance	(333,577)	19,209,404
Net cash provided by (used in) capital and related financing activities	(5,420,574)	(20,553,009)
Net (decrease) increase in cash and cash equivalents	(5,573,951)	14,346,498
Cash and cash equivalents, beginning	152,500,338	132,579,889
Cash and cash equivalents-Funds held by GPA, April 30, 2018	**$ 146,926,387**	**$ 146,926,387**

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows, continued
Period Ended April 30, 2018

	Month Ended 4/30/2018	YTD Ended 4/30/2018
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$ 2,281,302	$ 24,276,519
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	3,381,114	22,632,716
Other expense	63,173	(2,273,940)
(Increase) decrease in assets:		
Accounts receivable	(1,059,069)	40,481,755
Materials and inventory	72,776	(789,808)
Fuel inventory	10,394,123	5,549,517
Prepaid expenses	(516,676)	(5,196,302)
Unamortized debt issuance cost	23,667	1,645,522
Deferred fuel revenue	1,422,579	3,745,358
Unamortized loss on debt refunding	229,166	(17,163,402)
Unamortized forward delivery contract costs	13,280	92,960
Increase (decrease) in liabilities:		
Accounts payable-operations	(16,438,193)	(33,197,187)
Accounts payable-others	270,118	(3,308,044)
Accrued payroll and employees' benefits	118,435	251,311
Net pension liability	(294,128)	(2,718,858)
Employees' annual leave	35,261	176,844
Customers deposits	(185,779)	(246,089)
Customer advances for construction	4,774	16,320
Unearned forward delivery contract revenue	(48,668)	(340,677)
Net cash provided by operating activities	$ (232,745)	$ 33,634,515

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GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
May 2018

Attached are the financial statements and supporting schedules for the month and fiscal year ended May 31, 2018.

Summary
The increase in net assets for the month ended was $1.5 million as compared to the anticipated net increase of $0.9 million projected at the beginning of the year. The total kWh sales for the month were 3.41% less than projected and non-fuel revenues were $0.6 million less than the estimated amount. O & M expenses for the month were $5.9 million which was $0.5 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 $3.6 million, which was $0.4 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	2.75	2.95	2
Days in Receivables	38	41	52
Days in Payables	22	21	30
LEAC (Over)/Under Recovery Balance -YTD	$13,005,690	$10,642,841	$12,413,898
T&D Losses	4.91%	4.90%	<7.00%
Debt Service Coverage	1.80	1.80	1.75
Long-term equity ratio	16%	17%	30 – 40%
Days in Cash	185	175	60

The Quick Ratio has been a challenge for GPA historically. However, over the last two fiscal years, the influx of cash from insurance proceeds continued to improve this ratio. GPA has current obligations of approximately $62 million and approximately $182 million in cash and current receivables. Debt Service Coverage ratio is calculated using the methodology in use before the Fiscal Year 2002 change in accounting practice.

Financial Statement
May 2018
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
May 31, 2018 and September 30, 2017

	Unaudited May 2018	Audited September 2017	Change from Sept 30 2017
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and cash equivalents:			
Held by trustee for restricted purposes:			
Interest and principal funds	7,856,241	18,061,879	(10,205,638)
Bond indenture funds	52,353,537	56,907,535	(4,553,998)
Held by Guam Power Authority:			
Bond indenture funds	141,238,461	132,579,889	8,658,572
Self insurance fund-restricted	19,255,426	19,251,372	4,054
Energy sense fund	1,422,419	1,074,491	347,928
Total cash and cash equivalents	222,126,084	227,875,166	(5,749,082)
Accounts receivable, net	39,149,125	77,826,132	(38,677,007)
Total current receivables	39,149,125	77,826,132	(38,677,007)
Materials and supplies inventory	12,746,821	11,989,745	757,076
Fuel inventory	51,176,543	52,387,369	(1,210,826)
Prepaid expenses	4,837,380	629,586	4,207,794
Total current assets	330,035,953	370,707,998	(40,672,045)
Utility plant, at cost:			
Electric plant in service	1,043,421,617	1,038,121,362	5,300,255
Construction work in progress	23,761,974	18,480,173	5,281,801
Total	1,067,183,591	1,056,601,535	10,582,056
Less: Accumulated depreciation	(586,146,363)	(561,829,334)	(24,317,029)
Total utility plant	481,037,228	494,772,201	(13,734,973)
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,461,349	48,576,863	(115,514)
Unamortized debt issuance costs	2,598,116	4,267,305	(1,669,189)
Total other non-current assets	51,059,465	52,844,168	(1,784,703)
Total assets	862,132,646	918,324,367	(56,191,721)
Deferred outflow of resources:			
Deferred fuel revenue	10,642,841	16,751,048	(6,108,207)
Unamortized loss on debt refunding	28,010,300	11,076,064	16,934,236
Pension	8,698,853	8,698,853	0
Unamortized forward delivery contract costs	531,118	637,358	(106,240)
Total deferred outflows of resources	47,883,112	37,163,323	10,719,789
	910,015,758	955,487,690	(45,471,932)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statement of Net Position, Continued
May 31, 2018 and September 30, 2017

	Unaudited May 2018	Audited September 2017	Change from Sept 30 2017
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current liabilities:			
Current maturities of long-term debt	1,630,000	1,780,000	(150,000)
Current obligations under capital leases	18,126,544	23,330,193	(5,203,649)
Accounts payable			
Operations	21,419,977	56,723,139	(35,303,162)
Others	3,960,189	7,597,801	(3,637,612)
Accrued payroll and employees' benefits	702,264	1,546,860	(844,596)
Current portion of employees' annual leave	2,284,459	2,045,201	239,258
Interest payable	5,345,925	15,065,830	(9,719,905)
Customer deposits	8,283,415	8,209,228	74,187
Total current liabilities	61,752,773	116,298,252	(54,545,479)
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	606,044,689	590,568,862	15,475,827
Obligations under capital leases, net of current portion	14,333,278	24,428,832	(10,095,554)
Net Pension liability	82,863,526	85,875,217	(3,011,691)
DCRS sick leave liability	4,008,397	4,008,397	0
Employees' annual leave net of current portion	1,086,456	1,086,456	0
Customer advances for construction	385,500	369,180	16,320
Total liabilities	790,025,596	842,186,173	(52,160,577)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	1,946,726	2,336,071	(389,345)
Pension	788,894	788,894	0
Total deferred inflows of resources	2,735,620	3,124,965	(389,345)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(58,824,189)	(40,220,468)	(18,603,721)
Restricted	10,422,199	15,232,832	(4,810,633)
Unrestricted	165,656,531	135,164,187	30,492,344
Total net position	117,254,541	110,176,552	7,077,989
	910,015,758	955,487,690	(45,471,932)

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

	May 31			Eight Months Ended May 31		
	Unaudited 2018	Audited 2017	% of change Inc (dec)	Unaudited 2018	Audited 2017	% of change Inc (dec)
Revenues						
Sales of electricity	34,865,003	30,213,220	15	249,231,087	212,206,156	17
Miscellaneous	173,842	256,403	(32)	1,256,765	1,630,506	(23)
Total	35,038,845	30,469,623	15	250,487,852	213,836,662	17
Bad debt expense	(86,583)	(93,433)	(7)	(692,667)	(696,966)	(1)
Total revenues	34,952,262	30,376,190	15	249,795,185	213,139,696	17
Operating and maintenance expenses						
Production fuel	20,853,541	15,595,840	34	140,622,284	103,548,130	36
Other production	1,494,243	1,098,598	36	11,044,059	9,667,780	14
	22,347,784	16,694,438	34	151,666,343	113,215,910	34
Depreciation	2,947,511	7,375,681	(60)	25,580,227	32,316,527	(21)
Energy conversion cost	1,436,403	1,710,763	(16)	11,970,389	12,820,984	(7)
Transmission & distribution	1,085,365	952,077	14	8,634,551	7,741,044	12
Customer accounting	491,008	274,381	79	3,479,030	2,669,566	30
Administrative & general	2,847,590	2,353,353	21	20,391,525	16,600,299	23
Total operating and maintenance expenses	31,155,661	29,360,693	6	221,722,065	185,364,330	20
Operating income	3,796,601	1,015,497	274	28,073,120	27,775,366	1
Other income (expenses)						
Interest income	373,878	117,128	219	1,687,508	934,743	81
Interest expense and amortization	(2,606,335)	(2,833,791)	(8)	(21,460,093)	(22,700,698)	(5)
Bond issuance costs	67,464	76,827	(12)	(1,979,129)	614,616	(422)
Assets written off	0	0		0	0	
Allowance for funds used during construction	190,759	305,095	(37)	1,180,090	2,529,395	(53)
Other expense	(298,846)	(201,691)	0	(526,183)	(394,040)	34
Total other income (expenses)	(2,273,080)	(2,536,432)	(10)	(21,097,807)	(19,015,984)	11
Income (loss) before capital contributions	1,523,521	(1,520,935)	(200)	6,975,313	8,759,382	(20)
Capital contributions	7,906	1,861	0	102,672	38,422	167
Increase (decrease) in net assets	1,531,427	(1,519,074)	(201)	7,077,985	8,797,804	(20)
Total net assets at beginning of period (restated)	115,723,115	72,139,708	60	110,176,557	61,822,830	78
Total net assets at end of period	117,254,542	70,620,634	66	117,254,542	70,620,634	66

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows
Period Ended May 31, 2018

	Month Ended 5/31/2018	YTD Ended 5/31/2018
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$33,108,313	$ 288,404,387
Cash payments to suppliers and employees for goods and services	32,926,999	254,588,558
Net cash provided by operating activities	$181,314	33,815,829
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	373,878	1,687,508
Net cash provided by investing activities	373,878	1,687,508
Cash flows from non-capital financing activities		
Interest paid on short term debt	(6,352)	(50,935)
Provision for self insurance funds	-	(4,054)
Net cash provided by noncapital financing activities	(6,352)	(54,989)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(1,374,249)	(11,845,250)
Principal paid on bonds and other long-term debt	-	(3,550,000)
Interest paid on bonds(net of capitalized interest)	190,759	(27,597,196)
Interest paid on capital lease obligations	(241,250)	(2,351,775)
Interest & principal funds held by trustee	(2,483,991)	10,205,638
Reserve funds held by trustee	(43,299)	115,514
Bond funds held by trustee	(56,218)	4,553,998
Principal payment on capital lease obligations	(1,902,848)	(15,299,203)
Grant from DOI/FEMA	7,906	102,672
Debt issuance costs/loss on defeasance	(333,577)	18,875,827
Net cash provided by (used in) capital and related financing activities	(6,236,767)	(26,789,776)
Net (decrease) increase in cash and cash equivalents	(5,687,926.39)	8,658,572
Cash and cash equivalents, beginning	146,926,387	132,579,889
Cash and cash equivalents-Funds held by GPA, May 31, 2018	**$ 141,238,461**	**$ 141,238,461**

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows, continued
Period Ended May 31, 2018

	Month Ended 5/31/2018	YTD Ended 5/31/2018
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$3,796,601	$28,073,120
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,947,511	25,580,227
Other expense	(231,372)	(2,505,312)
(Increase) decrease in assets:		
Accounts receivable	(1,804,748)	38,677,007
Materials and inventory	32,732	(757,076)
Fuel inventory	(4,338,691)	1,210,826
Prepaid expenses	988,508	(4,207,794)
Unamortized debt issuance cost	23,667	1,669,189
Deferred fuel revenue	2,362,849	6,108,207
Unamortized loss on debt refunding	229,166	(16,934,236)
Unamortized forward delivery contract costs	13,280	106,240
Increase (decrease) in liabilities:		
Accounts payable-operations	(2,105,974)	(35,303,162)
Accounts payable-others	(677,497)	(3,985,540)
Accrued payroll and employees' benefits	(1,095,907)	(844,596)
Net pension liability	(292,833)	(3,011,691)
Employees' annual leave	62,414	239,258
Customers deposits	320,276	74,187
Customer advances for construction	-	16,320
Unearned forward delivery contract revenue	(48,668)	(389,345)
Net cash provided by operating activities	**$181,314**	**$ 33,815,829**