GUAM POWER AUTHORITY

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

31 August 2018

GCL# 34-18-2305
Speaker Benjamin J.F. Cruz

SEP 07 2018
Time: 231 [ ] AM [ ] PM File No.
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

2018 SEP 7 PM 2:59

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

Dear Honorable Speaker Cruz:

Enclosed is the Guam Power Authority's Financial Statements for the months of June & July 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

2305

GUAM POWER AUTHORITY
ATURIDÅT ILEKTRESEDÅT GUAHAN
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GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
June 2018

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

Summary
The increase in net assets for the month ended was $1.3 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 8.04% less than projected and non-fuel revenues were $1.2 million less than the estimated amount. O & M expenses for the month were $5.5 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 $3.3 million, which was $0.7 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	2.34	2
Days in Receivables	41	45	52
Days in Payables	21	35	30
LEAC (Over)/Under Recovery Balance -YTD	$10,642,841	$8,904,873	$11,118,784
T&D Losses	4.90%	4.99%	<7.00%
Debt Service Coverage	1.80	1.80	1.75
Long-term equity ratio	17%	17%	30 – 40%
Days in Cash	175	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 $84 million and approximately $196 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
June 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
June 30, 2018 and September 30, 2017

	Unaudited June 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	10,340,486	18,061,879	(7,721,393)
Bond indenture funds	51,436,151	56,907,535	(5,471,384)
Held by Guam Power Authority:			
Bond indenture funds	150,598,512	132,579,889	18,018,623
Self insurance fund-restricted	19,256,593	19,251,372	5,221
Energy sense fund	1,340,183	1,074,491	265,692
Total cash and cash equivalents	232,971,925	227,875,166	5,096,759
Accounts receivable, net	42,864,883	77,826,132	(34,961,249)
Total current receivables	42,864,883	77,826,132	(34,961,249)
Materials and supplies inventory	12,811,472	11,989,745	821,727
Fuel inventory	61,828,085	52,387,369	9,440,716
Prepaid expenses	3,867,719	629,586	3,238,133
Total current assets	354,344,084	370,707,998	(16,363,914)
Utility plant, at cost:			
Electric plant in service	1,044,891,310	1,038,121,362	6,769,948
Construction work in progress	23,624,081	18,480,173	5,143,908
Total	1,068,515,391	1,056,601,535	11,913,856
Less: Accumulated depreciation	(589,211,781)	(561,829,334)	(27,382,447)
Total utility plant	479,303,610	494,772,201	(15,468,591)
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,496,228	48,576,863	(80,635)
Unamortized debt issuance costs	2,574,449	4,267,305	(1,692,856)
Total other non-current assets	51,070,677	52,844,168	(1,773,491)
Total assets	884,718,371	918,324,367	(33,605,996)
Deferred outflow of resources:			
Deferred fuel revenue	8,904,873	16,751,048	(7,846,175)
Unamortized loss on debt refunding	27,781,134	11,076,064	16,705,070
Pension	8,698,853	8,698,853	0
Unamortized forward delivery contract costs	517,838	637,358	(119,520)
Total deferred outflows of resources	45,902,698	37,163,323	8,739,375
	930,621,069	955,487,690	(24,866,621)

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

	Unaudited June 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	41,712,913	56,723,139	(15,010,227)
Others	3,112,477	7,597,801	(4,485,323)
Accrued payroll and employees' benefits	846,809	1,546,860	(700,051)
Current portion of employees' annual leave	2,165,269	2,045,201	120,068
Interest payable	7,680,827	15,065,830	(7,385,003)
Customer deposits	8,390,422	8,209,228	181,194
Total current liabilities	83,665,261	116,298,252	(32,632,991)
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	605,711,112	590,568,862	15,142,250
Obligations under capital leases, net of current portion	12,415,584	24,428,832	(12,013,248)
Net Pension liability	82,566,159	85,875,217	(3,309,058)
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	385,293	369,180	16,113
Total liabilities	809,389,239	842,186,173	(32,796,934)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	1,898,058	2,336,071	(438,013)
Pension	788,894	788,894	0
Total deferred inflows of resources	2,686,952	3,124,965	(438,013)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(59,032,544)	(40,220,468)	(18,812,076)
Restricted	10,482,063	15,232,832	(4,750,769)
Unrestricted	167,095,359	135,164,187	31,931,172
Total net position	118,544,877	110,176,552	8,368,325
	930,621,069	955,487,690	(24,866,621)

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 2018	Audited 2017	% of change Inc (dec)	Unaudited 2018	Audited 2017	% of change Inc (dec)
Revenues						
Sales of electricity	32,452,830	28,580,567	14	281,683,917	240,786,723	17
Miscellaneous	243,628	5,490	4,338	1,500,393	1,635,996	(8)
Total	32,696,458	28,586,057	14	283,184,310	242,422,719	17
Bad debt expense	(86,583)	(93,433)	(7)	(779,250)	(790,399)	(1)
Total revenues	32,609,875	28,492,624	14	282,405,060	241,632,320	17
Operating and maintenance expenses						
Production fuel	19,251,793	14,858,907	30	159,874,077	118,407,037	35
Other production	1,554,727	1,280,382	21	12,598,786	10,948,162	15
	20,806,520	16,139,289	29	172,472,863	129,355,199	33
Depreciation	3,114,859	3,898,543	(20)	28,695,086	36,215,070	(21)
Energy conversion cost	1,464,271	1,802,896	(19)	13,434,660	14,623,880	(8)
Transmission & distribution	1,042,628	1,038,116	0	9,677,179	8,779,160	10
Customer accounting	460,397	280,233	64	3,939,427	2,949,799	34
Administrative & general	2,413,973	2,010,273	20	22,805,498	18,610,572	23
Total operating and maintenance expenses	29,302,648	25,169,350	16	251,024,713	210,533,680	19
Operating income	3,307,227	3,323,274	(0)	31,380,347	31,098,640	1
Other income (expenses)						
Interest income	358,125	127,030	182	2,045,633	1,061,773	93
Interest expense and amortization	(2,568,549)	(2,819,348)	(9)	(24,028,642)	(25,520,046)	(6)
Bond issuance costs	67,464	76,827	(12)	(1,911,665)	691,443	(376)
Assets written off	0	0		0	0	
Allowance for funds used during construction	130,360	305,095	(57)	1,310,450	2,834,490	(54)
Other expense	(4,291)	(137,032)	0	(530,474)	(531,072)	(0)
Total other income (expenses)	(2,016,891)	(2,447,428)	(18)	(23,114,698)	(21,463,412)	8
Income (loss) before capital contributions	1,290,336	875,846	47	8,265,649	9,635,228	(14)
Capital contributions	0	0	0	102,672	38,422	167
Increase (decrease) in net assets	1,290,336	875,846	47	8,368,321	9,673,650	(13)
Total net assets at beginning of period (restated)	117,254,542	70,620,634	66	110,176,557	61,822,830	78
Total net assets at end of period	118,544,878	71,496,480	66	118,544,878	71,496,480	66

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

	Month Ended 6/30/2018	YTD Ended 6/30/2018
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$28,835,762	$ 317,240,149
Cash payments to suppliers and employees for goods and services	14,495,132	269,083,690
Net cash provided by operating activities	$14,340,630	48,156,459
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	358,125	2,045,633
Net cash provided by investing activities	358,125	2,045,633
Cash flows from non-capital financing activities		
Interest paid on short term debt	(7,245)	(58,180)
Provision for self insurance funds	(1,167)	(5,221)
Net cash provided by noncapital financing activities	(8,412)	(63,401)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(1,381,241)	(13,226,490)
Principal paid on bonds and other long-term debt	-	(3,550,000)
Interest paid on bonds(net of capitalized interest)	130,360	(27,466,836)
Interest paid on capital lease obligations	(226,403)	(2,578,178)
Interest & principal funds held by trustee	(2,484,245)	7,721,393
Reserve funds held by trustee	(34,879)	80,635
Bond funds held by trustee	917,386	5,471,384
Principal payment on capital lease obligations	(1,917,694)	(17,216,897)
Grant from DOI/FEMA	-	102,672
Debt issuance costs/loss on defeasance	(333,577)	18,542,250
Net cash provided by (used in) capital and related financing activities	(5,330,293)	(32,120,068)
Net (decrease) increase in cash and cash equivalents	9,360,050.43	18,018,623
Cash and cash equivalents, beginning	141,238,461	132,579,889
Cash and cash equivalents-Funds held by GPA, June 30, 2018	**$ 150,598,512**	**$ 150,598,512**

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

	Month Ended 6/30/2018	YTD Ended 6/30/2018
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$ 3,307,227	$ 31,380,347
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	3,114,859	28,695,086
Other expense	63,173	(2,442,139)
(Increase) decrease in assets:		
Accounts receivable	(3,715,758)	34,961,249
Materials and inventory	(64,651)	(821,727)
Fuel inventory	(10,651,542)	(9,440,716)
Prepaid expenses	969,661	(3,238,133)
Unamortized debt issuance cost	23,667	1,692,856
Deferred fuel revenue	1,737,968	7,846,175
Unamortized loss on debt refunding	229,166	(16,705,070)
Unamortized forward delivery contract costs	13,280	119,520
Increase (decrease) in liabilities:		
Accounts payable-operations	20,292,935	(15,010,227)
Accounts payable-others	(765,475)	(4,751,015)
Accrued payroll and employees' benefits	144,545	(700,051)
Net pension liability	(297,367)	(3,309,058)
Employees' annual leave	(119,190)	120,068
Customers deposits	107,007	181,194
Customer advances for construction	(207)	16,113
Unearned forward delivery contract revenue	(48,668)	(438,013)
Net cash provided by operating activities	**$ 14,340,630**	**$ 48,156,459**

GUAM POWER AUTHORITY
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Telephone: (671) 648-3066 Fax: (671) 648-3168

GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
July 2018

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

Summary

The increase in net assets for the month ended was $0.8 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 10.89% less than projected and non-fuel revenues were $1.3 million less than the estimated amount. O & M expenses for the month were $5.7 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 $3.4 million, which was $0.5 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	2.34	2.48	2
Days in Receivables	45	39	52
Days in Payables	35	29	30
LEAC (Over)/Under Recovery Balance -YTD	$8,904,873	$8,422,674	$9,142,210
T&D Losses	4.99%	5.03%	<7.00%
Debt Service Coverage	1.80	1.80	1.75
Long-term equity ratio	17%	17%	30 – 40%
Days in Cash	185	172	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 $73 million and approximately $181 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 Statements
July 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
July 31, 2018 and September 30, 2017

	Unaudited July 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	12,824,898	18,061,879	(5,236,981)
Bond indenture funds	50,976,310	56,907,535	(5,931,225)
Held by Guam Power Authority:			
Bond indenture funds	140,713,203	132,579,889	8,133,314
Self insurance fund-restricted	19,257,186	19,251,372	5,814
Energy sense fund	1,279,123	1,074,491	204,632
Total cash and cash equivalents	225,050,720	227,875,166	(2,824,446)
Accounts receivable, net	37,457,520	77,826,132	(40,368,612)
Total current receivables	37,457,520	77,826,132	(40,368,612)
Materials and supplies inventory	12,920,837	11,989,745	931,092
Fuel inventory	55,977,110	52,387,369	3,589,741
Prepaid expenses	2,908,264	629,586	2,278,678
Total current assets	334,314,451	370,707,998	(36,393,547)
Utility plant, at cost:			
Electric plant in service	1,047,252,881	1,038,121,362	9,131,519
Construction work in progress	35,549,932	18,480,173	17,069,759
Total	1,082,802,813	1,056,601,535	26,201,278
Less: Accumulated depreciation	(592,655,919)	(561,829,334)	(30,826,585)
Total utility plant	490,146,894	494,772,201	(4,625,307)
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,530,594	48,576,863	(46,269)
Unamortized debt issuance costs	2,550,782	4,267,305	(1,716,523)
Total other non-current assets	51,081,376	52,844,168	(1,762,792)
Total assets	875,542,721	918,324,367	(42,781,646)
Deferred outflow of resources:			
Deferred fuel revenue	8,422,674	16,751,048	(8,328,374)
Unamortized loss on debt refunding	27,551,968	11,076,064	16,475,904
Pension	8,698,853	8,698,853	0
Unamortized forward delivery contract costs	504,558	637,358	(132,800)
Total deferred outflows of resources	45,178,053	37,163,323	8,014,730
	920,720,774	955,487,690	(34,766,916)

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

	Unaudited July 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	15,319,211	23,330,193	(8,010,982)
Accounts payable			
Operations	31,895,486	56,723,139	(24,827,653)
Others	3,364,031	7,597,801	(4,233,770)
Accrued payroll and employees' benefits	1,196,816	1,546,860	(350,044)
Current portion of employees' annual leave	2,083,469	2,045,201	38,268
Interest payable	10,014,069	15,065,830	(5,051,761)
Customer deposits	7,273,181	8,209,228	(936,047)
Total current liabilities	72,776,263	116,298,252	(43,521,989)
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	605,377,535	590,568,862	14,808,673
Obligations under capital leases, net of current portion	13,290,216	24,428,832	(11,138,616)
Net Pension liability	82,249,297	85,875,217	(3,625,920)
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	385,293	369,180	16,113
Total liabilities	798,724,435	842,186,173	(43,461,738)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	1,849,389	2,336,071	(486,682)
Pension	788,894	788,894	0
Total deferred inflows of resources	2,638,283	3,124,965	(486,682)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(46,348,458)	(40,220,468)	(6,127,990)
Restricted	29,346,314	15,232,832	14,113,482
Unrestricted	136,360,199	135,164,187	1,196,012
Total net position	119,358,055	110,176,552	9,181,503
	920,720,774	955,487,690	(34,766,916)

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

	July 31			Ten Months Ended July 31		
	Unaudited 2018	Audited 2017	% of change Inc (dec)	Unaudited 2018	Audited 2017	% of change Inc (dec)
Revenues						
Sales of electricity	32,903,643	29,326,087	12	314,587,560	270,112,810	16
Miscellaneous	308,251	211,937	45	1,808,644	1,847,933	(2)
Total	33,211,894	29,538,024	12	316,396,204	271,960,743	16
Bad debt expense	(86,583)	(103,532)	(16)	(865,833)	(893,930)	(3)
Total revenues	33,125,311	29,434,492	13	315,530,371	271,066,813	16
Operating and maintenance expenses						
Production fuel	19,457,438	15,175,139	28	179,331,515	133,582,176	34
Other production	1,425,830	1,539,270	(7)	14,024,616	12,487,432	12
	20,883,268	16,714,409	25	193,356,131	146,069,608	32
Depreciation	3,479,274	3,526,137	(1)	32,174,360	39,741,207	(19)
Energy conversion cost	1,325,326	1,751,588	(24)	14,759,986	16,375,468	(10)
Transmission & distribution	1,128,694	925,682	22	10,805,873	9,704,842	11
Customer accounting	442,536	459,293	(4)	4,381,963	3,409,093	29
Administrative & general	2,713,341	2,356,791	15	25,518,839	20,967,363	22
Total operating and maintenance expenses	29,972,439	25,733,900	16	280,997,152	236,267,581	19
Operating income	3,152,872	3,700,592	(15)	34,533,219	34,799,232	(1)
Other income (expenses)						
Interest income	317,765	147,271	116	2,363,398	1,209,044	95
Interest expense and amortization	(2,553,542)	(2,796,910)	(9)	(26,582,184)	(28,316,956)	(6)
Bond issuance costs	67,464	76,827	(12)	(1,844,201)	768,270	(340)
Assets written off	0	0		0	0	
Allowance for funds used during construction	128,957	294,990	(56)	1,439,407	3,129,480	(54)
Other expense	(300,336)	(4,291)	0	(830,810)	(535,363)	55
Total other income (expenses)	(2,339,692)	(2,282,113)	3	(25,454,390)	(23,745,525)	7
Income (loss) before capital contributions	813,180	1,418,479	(43)	9,078,829	11,053,707	(18)
Capital contributions	0	4,884	0	102,672	43,306	137
Increase (decrease) in net assets	813,180	1,423,363	(43)	9,181,501	11,097,013	(17)
Total net assets at beginning of period (restated)	118,544,878	71,496,480	66	110,176,557	61,822,830	78
Total net assets at end of period	119,358,058	72,919,843	64	119,358,058	72,919,843	64

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

	Month Ending 7/31/2018	YTD Ending 7/31/2018
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	($3,304,810)	$ 313,935,339
Cash payments to suppliers and employees for goods and services	30,002,896	299,086,586
Net cash provided by operating activities	$8,536,636	14,848,753
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	317,765	2,363,398
Net cash provided by investing activities	317,765	2,363,398
Cash flows from non-capital financing activities		
Proceeds from Cabras 3&4 insurance claims	-	41,844,342
Interest paid on short term debt	(8,904)	(67,084)
Provision for self insurance funds	(593)	(5,814)
Net cash provided by noncapital financing activities	(9,497)	41,771,444
Cash flows from capital and related financing activities		
Acquisition of utility plant	(14,322,559)	(27,549,050)
Principal paid on bonds and other long-term debt	-	(3,550,000)
Interest paid on bonds(net of capitalized interest)	128,957	(27,337,879)
Interest paid on capital lease obligations	(211,396)	(2,789,575)
Interest & principal funds held by trustee	(2,484,412)	5,236,981
Reserve funds held by trustee	(34,366)	46,269
Bond funds held by trustee	459,841	5,931,225
Principal payment on capital lease obligations	(1,932,700)	(19,149,597)
Grant from DOI/FEMA	-	102,672
Debt issuance costs/loss on defeasance	(333,577)	18,208,673
Net cash provided by (used in) capital and related financing activities	(18,730,212)	(50,850,281)
Net (decrease) increase in cash and cash equivalents	(9,885,308.45)	8,133,314
Cash and cash equivalents, beginning	150,598,511	132,579,889
Cash and cash equivalents-Funds held by GPA, July 31, 2018	**$ 140,713,203**	**$ 140,713,203**

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

	Month Ending 7/31/2018	YTD Ending 7/31/2018
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$3,152,872	$34,533,219
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	3,479,274	32,174,360
Other expense	(232,872)	(2,675,011)
(Increase) decrease in assets:		
Accounts receivable	5,407,363	(1,475,730)
Materials and inventory	(109,365)	(931,092)
Fuel inventory	5,850,975	(3,589,741)
Prepaid expenses	959,455	(2,278,678)
Unamortized debt issuance cost	23,667	1,716,523
Deferred fuel revenue	482,199	8,328,374
Unamortized loss on debt refunding	229,166	(16,475,904)
Unamortized forward delivery contract costs	13,280	132,800
Increase (decrease) in liabilities:		
Accounts payable-operations	(9,817,426)	(24,827,653)
Accounts payable-others	312,613	(4,438,402)
Accrued payroll and employees' benefits	350,007	(350,044)
Net pension liability	(316,862)	(3,625,920)
Employees' annual leave	(81,800)	38,268
Customers deposits	(1,117,241)	(936,047)
Customer advances for construction	-	16,113
Unearned forward delivery contract revenue	(48,669)	(486,682)
Net cash provided by operating activities	**$8,536,636**	**$ 14,848,753**