# GUAM POWER AUTHORITY

ATURIDÅT ILEKTRESEDÅT GUAHAN

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


35GL-19-0073

Speaker Tina Rose Muna Barnes

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Honorable Tina Muna Barnes, Office of the Speaker
35th Guam Legislature
163 Chalan Santo Papa
Hagatna, Guam 96910

2019 JAN 28 PM 2:15

**SUBJECT: Guam Power Authority**
**Ref: Monthly Financials –October & November 2018**

Dear Honorable Speaker Barnes:

Enclosed is the Guam Power Authority's Financial Statements for the months of October & November 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: Mr. Benjamin J. Cruz, Public Auditor, OPA
CFO 060-19

0073

# GUAM POWER AUTHORITY
ATURIDAT ILEKTRESEDAT GUAHAN
P O BOX 2977, AGANA, GUAM 96932-2977
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## GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
October 2018

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

**Summary**

The increase in net assets for the month ended was $1.2 million as compared to the anticipated net increase of $1.1 million projected at the beginning of the year. The total kWh sales for the month were 0.98% less than projected and non-fuel revenues were $0.2 million less than the estimated amount. O & M expenses for the month were $5.5 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 $3.7 million, which was $0.1 million more 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 | 1.92 | 2.06 | 2 |
| Days in Receivables | 38 | 41 | 52 |
| Days in Payables | 42 | 29 | 30 |
| **LEAC (Over)/Under Recovery Balance -YTD** | $8,370,542 | $11,411,298 | $9,896,193 |
| T&D Losses | 5.12% | 5.21% | <7.00% |
| Debt Service Coverage | 1.80 | 1.31 | 1.75 |
| Long-term equity ratio | 18% | 18% | 30 – 40% |
| Days in Cash | 216 | 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 $83 million and approximately $172 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.

## 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<br>Controller | John J.E. Kim<br>Chief Financial Officer | John M. Benavente, P.E.<br>General Manager |

**GUAM POWER AUTHORITY**
**(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**
**Statements of Net Position**
**October 31, 2018 and September 30, 2018**

| | Unaudited October 2018 | Unaudited September 2018 | Change from Sept 30 2018 |
|---|---|---|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Current assets: | | | |
| Cash and cash equivalents: | | | |
| Held by trustee for restricted purposes: | | | |
| Interest and principal funds | 5,996,701 | 17,997,927 | (12,001,226) |
| Bond indenture funds | 49,867,481 | 49,970,719 | (103,238) |
| Held by Guam Power Authority: | | | |
| Bond indenture funds | 128,534,733 | 142,583,470 | (14,048,737) |
| Self insurance fund-restricted | 19,258,353 | 19,258,353 | 0 |
| Energy sense fund | 916,765 | 1,085,472 | (168,707) |
| Total cash and cash equivalents | 204,574,033 | 230,895,941 | (26,321,908) |
| Accounts receivable, net | 42,824,997 | 37,746,060 | 5,078,937 |
| Total current receivables | 42,824,997 | 37,746,060 | 5,078,937 |
| Materials and supplies inventory | 12,980,850 | 12,695,441 | 285,409 |
| Fuel inventory | 57,147,782 | 67,993,103 | (10,845,321) |
| Prepaid expenses | 2,724,160 | 979,828 | 1,744,332 |
| Total current assets | 320,251,822 | 350,310,373 | (30,058,551) |
| Utility plant, at cost: | | | |
| Electric plant in service | 1,063,965,660 | 1,063,192,955 | 772,705 |
| Construction work in progress | 29,607,547 | 28,495,325 | 1,112,222 |
| Total | 1,093,573,207 | 1,091,688,280 | 1,884,927 |
| Less: Accumulated depreciation | (602,408,661) | (598,792,653) | (3,616,008) |
| Total utility plant | 491,164,546 | 492,895,627 | (1,731,081) |
| Other non-current assets: | | | |
| Investment - bond reserve funds held by trustee | 48,449,024 | 48,600,660 | (151,636) |
| Unamortized debt issuance costs | 2,479,924 | 2,503,448 | (23,524) |
| Total other non-current assets | 50,928,948 | 51,104,108 | (175,160) |
| Total assets | 862,345,316 | 894,310,108 | (31,964,792) |
| Deferred outflow of resources: | | | |
| Deferred fuel revenue | 11,411,298 | 8,370,542 | 3,040,756 |
| Unamortized loss on debt refunding | 26,896,925 | 27,093,636 | (196,711) |
| Pension | 8,698,853 | 8,698,853 | 0 |
| Unamortized forward delivery contract costs | 464,718 | 477,998 | (13,280) |
| Total deferred outflows of resources | 47,471,794 | 44,641,029 | 2,830,765 |
| | 909,817,110 | 938,951,137 | (29,134,027) |

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

| | Unaudited October 2018 | Unaudited September 2018 | Change from Sept 30 2018 |
|---|---|---|---|
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | |
| Current liabilities: | | | |
| Current maturities of long-term debt | 16,130,000 | 1,630,000 | 14,500,000 |
| Current obligations under capital leases | 18,126,544 | 18,126,544 | 0 |
| Accounts payable | | | |
| Operations | 32,361,669 | 47,870,908 | (15,509,238) |
| Others | 1,386,212 | 259,708 | 1,126,503 |
| Accrued payroll and employees' benefits | 2,267,593 | 1,949,080 | 318,513 |
| Current portion of employees' annual leave | 2,149,173 | 2,101,168 | 48,005 |
| Interest payable | 2,936,395 | 14,660,598 | (11,724,203) |
| Customer deposits | 7,902,316 | 8,142,519 | (240,203) |
| Total current liabilities | 83,259,902 | 94,740,525 | (11,480,623) |
| Regulatory liabilities: | | | |
| Provision for self insurance | 19,345,291 | 19,345,291 | 0 |
| Total regulatory liabilities | 19,345,291 | 19,345,291 | 0 |
| Long term debt, net of current maturities | 588,429,897 | 604,881,434 | (16,451,537) |
| Obligations under capital leases, net of current portion | 4,491,384 | 6,571,815 | (2,080,431) |
| Net Pension liability | 81,182,662 | 81,468,099 | (285,437) |
| 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 | 388,419 | 385,293 | 3,126 |
| Total liabilities | 782,192,408 | 812,487,310 | (30,294,902) |
| Deferred inflows of resources: | | | |
| Unearned forward delivery contract revenue | 1,703,385 | 1,752,053 | (48,668) |
| Pension | 788,894 | 788,894 | 0 |
| Total deferred inflows of resources | 2,492,279 | 2,540,947 | (48,668) |
| Commitments and contigencies | | | |
| Net Position: | | | |
| Net investment in capital assets | (38,085,193) | (40,128,079) | 2,042,886 |
| Restricted | 17,480,875 | 47,856,103 | (30,375,228) |
| Unrestricted | 145,736,740 | 116,194,856 | 29,541,885 |
| Total net position | 125,132,422 | 123,922,880 | 1,209,542 |
| | 909,817,110 | 938,951,137 | (29,134,027) |

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

| | October 31 | | | One Month Ended October 31 | | |
|---|---|---|---|---|---|---|
| | Unaudited 2018 | Audited 2017 | % of change Inc (dec) | Unaudited 2018 | Audited 2017 | % of change Inc (dec) |
| Revenues | | | | | | |
| Sales of electricity | 34,114,966 | 29,561,020 | 15 | 34,114,966 | 29,561,020 | 15 |
| Miscellaneous | 356,194 | 135,948 | 162 | 356,194 | 135,948 | 162 |
| Total | 34,471,160 | 29,696,968 | 16 | 34,471,160 | 29,696,968 | 16 |
| Bad debt expense | (91,500) | (83,583) | 9 | (91,500) | (83,583) | 9 |
| Total revenues | 34,379,660 | 29,613,385 | 16 | 34,379,660 | 29,613,385 | 16 |
| Operating and maintenance expenses | | | | | | |
| Production fuel | 20,550,486 | 15,935,767 | 29 | 20,550,486 | 15,935,767 | 29 |
| Other production | 1,277,422 | 1,390,516 | (8) | 1,277,422 | 1,390,516 | (8) |
| | 21,827,908 | 17,326,283 | 26 | 21,827,908 | 17,326,283 | 26 |
| Depreciation | 3,626,186 | 3,617,856 | 0 | 3,626,186 | 3,617,856 | 0 |
| Energy conversion cost | 1,344,747 | 1,746,704 | (23) | 1,344,747 | 1,746,704 | (23) |
| Transmission & distribution | 949,857 | 878,512 | 8 | 949,857 | 878,512 | 8 |
| Customer accounting | 416,981 | 453,594 | (8) | 416,981 | 453,594 | (8) |
| Administrative & general | 2,815,501 | 2,432,579 | 16 | 2,815,501 | 2,432,579 | 16 |
| Total operating and maintenance expenses | 30,981,180 | 26,455,528 | 17 | 30,981,180 | 26,455,528 | 17 |
| Operating income | 3,398,480 | 3,157,857 | 8 | 3,398,480 | 3,157,857 | 8 |
| Other income (expenses) | | | | | | |
| Interest income | 126,664 | 161,620 | (22) | 126,664 | 161,620 | (22) |
| Interest expense and amortization | (2,399,333) | (2,753,427) | (13) | (2,399,333) | (2,753,427) | (13) |
| Bond issuance costs | 88,022 | 76,827 | 15 | 88,022 | 76,827 | 15 |
| Allowance for funds used during construction | 0 | 265,647 | (100) | 0 | 265,647 | (100) |
| Other expense | (4,291) | (4,291) | 0 | (4,291) | (4,291) | 0 |
| Total other income (expenses) | (2,188,938) | (2,253,624) | (3) | (2,188,938) | (2,253,624) | (3) |
| Income (loss) before capital contributions | 1,209,542 | 904,233 | 34 | 1,209,542 | 904,233 | 34 |
| Capital contributions | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in net assets | 1,209,542 | 904,233 | 34 | 1,209,542 | 904,233 | 34 |
| Total net assets at beginning of period (restated) | 123,922,880 | 110,176,557 | 0 | 123,922,880 | 110,176,557 | 12 |
| Total net assets at end of period | 125,132,422 | 111,080,790 | 13 | 125,132,422 | 111,080,790 | 13 |

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

| | Month Ended 10/31/2018 | YTD Ended 10/31/2018 |
|---|---|---|
| **Increase(decrease) in cash and cash equivalents** | | |
| Cash flows from operating activities: | | |
| Cash received from customers | $29,491,847 | $ 29,491,847 |
| Cash payments to suppliers and employees for goods and services | 35,872,740 | 35,872,740 |
| Net cash provided by operating activities | ($6,380,893) | (6,380,893) |
| Cash flows from investing activities: | | |
| Interest and dividends on investments and bank accounts | 126,664 | 126,664 |
| Net cash provided by investing activities | 126,664 | 126,664 |
| Cash flows from non-capital financing activities | | |
| Interest paid on short term debt | (6,995) | (6,995) |
| Net cash provided by noncapital financing activities | (6,995) | (6,995) |
| Cash flows from capital and related financing activities | | |
| Acquisition of utility plant | (1,895,104) | (1,895,104) |
| Principal paid on bonds and other long-term debt | (1,630,000) | (1,630,000) |
| Interest paid on bonds(net of capitalized interest) | (14,052,875) | (14,052,875) |
| Interest paid on capital lease obligations | (63,666) | (63,666) |
| Interest & principal funds held by trustee | 12,001,226 | 12,001,226 |
| Reserve funds held by trustee | 151,636 | 151,636 |
| Bond funds held by trustee | 103,238 | 103,238 |
| Principal payment on capital lease obligations | (2,080,431) | (2,080,431) |
| Debt issuance costs/loss on defeasance | (321,537) | (321,537) |
| Net cash provided by (used in) capital and related financing activities | (7,787,513) | (7,787,513) |
| Net (decrease) increase in cash and cash equivalents | (14,048,736.70) | (14,048,737) |
| Cash and cash equivalents, beginning | 142,583,470 | 142,583,470 |
| **Cash and cash equivalents-Funds held by GPA, October 31,2018** | **$ 128,534,733** | **$ 128,534,733** |

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

| | Month Ended 10/31/2018 | YTD Ended 10/31/2018 |
|---|---|---|
| **Reconciliation of operating earnings to net cash provided by operating activities:** | | |
| Operating earnings net of depreciation expense and excluding interest income | $3,398,480 | $3,398,480 |
| Adjustments to reconcile operating earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 3,626,186 | 3,626,186 |
| Other expense | 83,731 | 83,731 |
| (Increase) decrease in assets: | | |
| Accounts receivable | (5,078,937) | (5,078,937) |
| Materials and inventory | (285,409) | (285,409) |
| Fuel inventory | 10,845,321 | 10,845,321 |
| Prepaid expenses | (1,744,332) | (1,744,332) |
| Unamortized debt issuance cost | 23,524 | 23,524 |
| Deferred fuel revenue | (3,040,756) | (3,040,756) |
| Unamortized loss on debt refunding | 196,711 | 196,711 |
| Unamortized forward delivery contract costs | 13,280 | 13,280 |
| Increase (decrease) in liabilities: | | |
| Accounts payable-operations | (15,509,238) | (15,509,238) |
| Accounts payable-others | 1,295,210 | 1,295,210 |
| Accrued payroll and employees' benefits | 318,513 | 318,513 |
| Net pension liability | (285,437) | (285,437) |
| Employees' annual leave | 48,005 | 48,005 |
| Customers deposits | (240,203) | (240,203) |
| Customer advances for construction | 3,126 | 3,126 |
| Unearned forward delivery contract revenue | (48,668) | (48,668) |
| **Net cash provided by operating activities** | **($6,380,893)** | **$ (6,380,893)** |

# GUAM POWER AUTHORITY
ATURIDAT ILEKTRESEDAT GUAHAN
P O BOX 2977, AGANA, GUAM 96932-2977
Telephone: (671) 648-3066 Fax: (671) 648-3168


## GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
November 2018

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

**Summary**

The increase in net assets for the month ended was $1.4 million as compared to the anticipated net increase of $0.6 million projected at the beginning of the year. The total kWh sales for the month were 2.86% less than projected and non-fuel revenues were $0.5 million less than the estimated amount. O & M expenses for the month were $4.8 million which was $1.6 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 in line with the projected amounts. There were no other significant departures from the budget during the period.

**Analysis**

| Description | Previous Month | Current Month | Target |
|---|---|---|---|
| Quick Ratio | 2.06 | 1.60 | 2 |
| Days in Receivables | 41 | 43 | 52 |
| Days in Payables | 29 | 49 | 30 |
| **LEAC (Over)/Under Recovery Balance -YTD** | $11,411,298 | $11,367,941 | $10,163,123 |
| T&D Losses | 5.21% | 5.25% | <7.00% |
| Debt Service Coverage | 1.31 | 1.34 | 1.75 |
| Long-term equity ratio | 18% | 18% | 30 – 40% |
| Days in Cash | 185 | 187 | 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 $110 million and approximately $177 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.

**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<br>Controller | John J.E. Kim<br>Chief Financial Officer | John M. Benavente, P.E.<br>General Manager |

**GUAM POWER AUTHORITY**
**(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**
**Statements of Net Position**
**November 30, 2018 and September 30, 2018**

| | Unaudited November 2018 | Unaudited September 2018 | Change from Sept 30 2018 |
|---|---|---|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Current assets: | | | |
| Cash and cash equivalents: | | | |
| Held by trustee for restricted purposes: | | | |
| Interest and principal funds | 9,676,903 | 17,997,927 | (8,321,024) |
| Bond indenture funds | 45,583,087 | 49,970,719 | (4,387,632) |
| Held by Guam Power Authority: | | | |
| Bond indenture funds | 131,563,593 | 142,583,470 | (11,019,877) |
| Self insurance fund-restricted | 19,258,353 | 19,258,353 | 0 |
| Energy sense fund | 809,190 | 1,085,472 | (276,282) |
| Total cash and cash equivalents | 206,891,126 | 230,895,941 | (24,004,815) |
| Accounts receivable, net | 45,696,454 | 37,746,060 | 7,950,394 |
| Total current receivables | 45,696,454 | 37,746,060 | 7,950,394 |
| Materials and supplies inventory | 13,027,486 | 12,695,441 | 332,045 |
| Fuel inventory | 68,967,714 | 67,993,103 | 974,611 |
| Prepaid expenses | 6,869,255 | 979,828 | 5,889,427 |
| Total current assets | 341,452,035 | 350,310,373 | (8,858,338) |
| Utility plant, at cost: | | | |
| Electric plant in service | 1,064,204,008 | 1,063,192,955 | 1,011,053 |
| Construction work in progress | 37,571,796 | 28,495,325 | 9,076,471 |
| Total | 1,101,775,804 | 1,091,688,280 | 10,087,524 |
| Less: Accumulated depreciation | (605,824,686) | (598,792,653) | (7,032,033) |
| Total utility plant | 495,951,118 | 492,895,627 | 3,055,491 |
| Other non-current assets: | | | |
| Investment - bond reserve funds held by trustee | 48,494,089 | 48,600,660 | (106,571) |
| Unamortized debt issuance costs | 2,456,400 | 2,503,448 | (47,048) |
| Total other non-current assets | 50,950,489 | 51,104,108 | (153,619) |
| Total assets | 888,353,642 | 894,310,108 | (5,956,466) |
| Deferred outflow of resources: | | | |
| Deferred fuel revenue | 11,367,941 | 8,370,542 | 2,997,399 |
| Unamortized loss on debt refunding | 26,700,214 | 27,093,636 | (393,422) |
| Pension | 8,698,853 | 8,698,853 | 0 |
| Unamortized forward delivery contract costs | 451,438 | 477,998 | (26,560) |
| Total deferred outflows of resources | 47,218,446 | 44,641,029 | 2,577,417 |
| | 935,572,088 | 938,951,137 | (3,379,049) |

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

| | Unaudited November 2018 | Unaudited September 2018 | Change from Sept 30 2018 |
|---|---|---|---|
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | |
| Current liabilities: | | | |
| Current maturities of long-term debt | 16,130,000 | 1,630,000 | 14,500,000 |
| Current obligations under capital leases | 18,126,544 | 18,126,544 | 0 |
| Accounts payable | | | |
| Operations | 53,017,404 | 47,870,908 | 5,146,496 |
| Others | 6,756,689 | 259,708 | 6,496,981 |
| Accrued payroll and employees' benefits | 884,227 | 1,949,080 | (1,064,853) |
| Current portion of employees' annual leave | 2,280,848 | 2,101,168 | 179,680 |
| Interest payable | 5,266,070 | 14,660,598 | (9,394,528) |
| Customer deposits | 7,948,618 | 8,142,519 | (193,901) |
| Total current liabilities | 110,410,400 | 94,740,525 | 15,669,875 |
| Regulatory liabilities: | | | |
| Provision for self insurance | 19,345,291 | 19,345,291 | 0 |
| Total regulatory liabilities | 19,345,291 | 19,345,291 | 0 |
| Long term debt, net of current maturities | 588,109,360 | 604,881,434 | (16,772,074) |
| Obligations under capital leases, net of current portion | 2,395,291 | 6,571,815 | (4,176,524) |
| Net Pension liability | 80,880,060 | 81,468,099 | (588,039) |
| 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 | 388,419 | 385,293 | 3,126 |
| Total liabilities | 806,623,674 | 812,487,310 | (5,863,636) |
| Deferred inflows of resources: | | | |
| Unearned forward delivery contract revenue | 1,654,717 | 1,752,053 | (97,336) |
| Pension | 788,894 | 788,894 | 0 |
| Total deferred inflows of resources | 2,443,611 | 2,540,947 | (97,336) |
| Commitments and contigencies | | | |
| Net Position: | | | |
| Net investment in capital assets | (35,121,319) | (40,128,079) | 5,006,760 |
| Restricted | 25,565,528 | 47,856,103 | (22,290,575) |
| Unrestricted | 136,060,593 | 116,194,856 | 19,865,738 |
| Total net position | 126,504,802 | 123,922,880 | 2,581,922 |
| | 935,572,088 | 938,951,137 | (3,379,049) |

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

| | Month Ended 11/30/2018 | YTD Ended 11/30/2018 |
|---|---|---|
| **Increase(decrease) in cash and cash equivalents** | | |
| Cash flows from operating activities: | | |
| Cash received from customers | $31,240,458 | $ 60,549,305 |
| Cash payments to suppliers and employees for goods and services | 18,194,689 | 53,884,429 |
| Net cash provided by operating activities | $13,045,769 | 6,664,876 |
| Cash flows from investing activities: | | |
| Interest and dividends on investments and bank accounts | 390,379 | 517,043 |
| Net cash provided by investing activities | 390,379 | 517,043 |
| Cash flows from non-capital financing activities | | |
| Interest paid on short term debt | (6,293) | (13,287) |
| Net cash provided by noncapital financing activities | (6,293) | (13,287) |
| Cash flows from capital and related financing activities | | |
| Acquisition of utility plant | (8,495,488) | (10,390,592) |
| Principal paid on bonds and other long-term debt | - | (1,630,000) |
| Interest paid on bonds(net of capitalized interest) | - | (14,052,875) |
| Interest paid on capital lease obligations | (48,004) | (111,670) |
| Interest & principal funds held by trustee | (3,680,202) | 8,321,024 |
| Reserve funds held by trustee | (45,065) | 106,571 |
| Bond funds held by trustee | 4,284,394 | 4,387,632 |
| Principal payment on capital lease obligations | (2,096,093) | (4,176,524) |
| Debt issuance costs/loss on defeasance | (320,537) | (642,074) |
| Net cash provided by (used in) capital and related financing activities | (10,400,995) | (18,188,508) |
| Net (decrease) increase in cash and cash equivalents | 3,028,860.47 | (11,019,876) |
| Cash and cash equivalents, beginning | 128,534,733 | 142,583,470 |
| **Cash and cash equivalents-Funds held by GPA, November 30,2018** | **$ 131,563,594** | **$ 131,563,594** |

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

| | Month Ended 11/30/2018 | YTD Ended 11/30/2018 |
|---|---|---|
| **Reconciliation of operating earnings to net cash provided by operating activities:** | | |
| Operating earnings net of depreciation expense and excluding interest income | $3,498,934 | $6,897,414 |
| Adjustments to reconcile operating earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 3,708,915 | 7,335,101 |
| Other expense | (132,960) | (49,229) |
| (Increase) decrease in assets: | | |
| Accounts receivable | (2,871,457) | (7,950,394) |
| Materials and inventory | (46,636) | (332,045) |
| Fuel inventory | (11,819,932) | (974,611) |
| Prepaid expenses | (4,145,095) | (5,889,427) |
| Unamortized debt issuance cost | 23,524 | 47,048 |
| Deferred fuel revenue | 43,357 | (2,997,399) |
| Unamortized loss on debt refunding | 196,711 | 393,422 |
| Unamortized forward delivery contract costs | 13,280 | 26,560 |
| Increase (decrease) in liabilities: | | |
| Accounts payable-operations | 20,655,735 | 5,146,496 |
| Accounts payable-others | 5,478,052 | 6,773,263 |
| Accrued payroll and employees' benefits | (1,383,366) | (1,064,853) |
| Net pension liability | (302,602) | (588,039) |
| Employees' annual leave | 131,675 | 179,680 |
| Customers deposits | 46,302 | (193,901) |
| Customer advances for construction | - | 3,126 |
| Unearned forward delivery contract revenue | (48,668) | (97,336) |
| **Net cash provided by operating activities** | **$13,045,769** | **$6,664,876** |