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

29 April 2019

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Honorable Tina Muna Barnes, Speaker
Office of the Speaker
35th Guam Legislature
163 Chalan Santo Papa
Hagatna, Guam 96910
speaker@guamlegislature.org

35GL-19-0489
Speaker Tina Rose Muña Barnes

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SUBJECT: Guam Power Authority
Ref: Monthly Financials – January & February 2019

Dear Honorable Speaker Barnes:

Enclosed is the Guam Power Authority's Financial Statement for the months of January & February 2019, 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

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GUAM POWER AUTHORITY
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GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
January 2019

Attached are the financial statements and supporting schedules for the month and fiscal year ended January 31, 2019.

Summary

The increase in net assets for the month ended was $1.8 million as compared to the anticipated net decrease of $0.3 million projected at the beginning of the year. The total kWh sales for the month were 6.81% less than projected and non-fuel revenues were $0.7 million less than the estimated amount. O & M expenses for the month were $5.3 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 $3.8 million, which was $0.2 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	1.72	1.94	2
Days in Receivables	42	37	52
Days in Payables	33	36	30
LEAC (Over)/Under Recovery Balance -YTD	$12,374,890	$13,336,698	$13,155,954
T&D Losses	5.33%	5.32%	<7.00%
Debt Service Coverage	1.38	1.36	1.75
Long-term equity ratio	18%	19%	30 – 40%
Days in Cash	171	194	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 $89 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 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
January 31, 2019 and September 30, 2018

	Unaudited January 2019	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	$ 17,037,986	$ 17,997,927	$ (959,941)
Bond indenture funds	37,499,053	49,970,719	(12,471,666)
Held by Guam Power Authority:			
Bond indenture funds	132,614,503	142,583,470	(9,968,967)
Self insurance fund-restricted	19,260,114	19,258,353	1,761
Energy sense fund	570,929	1,085,472	(514,543)
Total cash and cash equivalents	206,982,585	230,895,941	(23,913,356)
Accounts receivable, net	43,388,527	37,746,060	5,642,467
Total current receivables	43,388,527	37,746,060	5,642,467
Materials and supplies inventory	10,780,274	12,695,441	(1,915,167)
Fuel inventory	60,200,742	67,993,103	(7,792,361)
Prepaid expenses	5,339,062	979,828	4,359,234
Total current assets	326,691,190	350,310,373	(23,619,183)
Utility plant, at cost:			
Electric plant in service	1,065,591,530	1,063,192,955	2,398,575
Construction work in progress	42,170,722	28,495,325	13,675,397
Total	1,107,762,252	1,091,688,280	16,073,972
Less: Accumulated depreciation	(611,358,695)	(598,792,653)	(12,566,042)
Total utility plant	496,403,557	492,895,627	3,507,930
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,577,813	48,600,660	(22,847)
Unamortized debt issuance costs	2,409,352	2,503,448	(94,096)
Total other non-current assets	50,987,165	51,104,108	(116,943)
Total assets	874,081,912	894,310,108	(20,228,196)
Deferred outflow of resources:			
Deferred fuel revenue	13,336,698	8,370,542	4,966,156
Unamortized loss on debt refunding	26,306,792	27,093,636	(786,844)
Pension	8,698,853	8,698,853	0
Unamortized forward delivery contract costs	424,878	477,998	(53,120)
Total deferred outflows of resources	48,767,221	44,641,029	4,126,192
	$ 922,849,133	$ 938,951,137	$ (16,102,004)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statement of Net Position, Continued
January 31, 2019 and September 30, 2018

	Unaudited January 2019	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	7,546,290	13,469,594	(5,923,304)
Accounts payable			
Operations	27,172,669	47,870,908	(20,698,239)
Others	16,352,343	259,708	16,092,635
Accrued payroll and employees' benefits	1,656,039	1,949,080	(293,041)
Current portion of employees' annual leave	2,253,444	2,101,168	152,276
Interest payable	9,923,995	14,660,598	(4,736,603)
Customer deposits	8,237,656	8,142,519	95,137
Total current liabilities	89,272,436	90,083,575	(811,139)
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	587,466,286	604,881,434	(17,415,148)
Obligations under capital leases, net of current portion	8,730,107	11,228,765	(2,498,658)
Net Pension liability	80,289,556	81,468,099	(1,178,543)
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	395,497	385,293	10,204
Total liabilities	790,594,026	812,487,310	(21,893,284)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	1,557,381	1,752,053	(194,672)
Pension	788,894	788,894	0
Total deferred inflows of resources	2,346,275	2,540,947	(194,672)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(37,787,757)	(40,128,079)	2,340,323
Restricted	45,517,309	47,856,103	(2,338,794)
Unrestricted	122,179,279	116,194,856	5,984,423
Total net position	129,908,831	123,922,880	5,985,951
	$ 922,849,133	$ 938,951,137	$ (16,102,004)

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

	January 31			Four Months Ended January		
	Unaudited 2019	Audited 2018	% of change Inc (dec)	Unaudited 2019	Audited 2018	% of change Inc (dec)
Revenues						
Sales of electricity	$ 31,437,899	$ 29,570,546	6	$ 132,902,535	$ 118,334,353	12
Miscellaneous	1,089,972	244,586	346	1,854,442	651,638	185
Total	32,527,871	29,815,132	9	134,756,977	118,985,991	13
Bad debt expense	(91,500)	(83,583)	9	(366,000)	(334,332)	9
Total revenues	32,436,371	29,731,549	9	134,390,977	118,651,659	13
Operating and maintenance expenses						
Production fuel	18,821,624	16,036,335	17	80,051,433	63,379,700	26
Other production	1,230,090	1,623,928	(24)	4,890,905	5,149,642	(5)
	20,051,714	17,660,263	14	84,942,338	68,529,342	24
Depreciation	2,848,642	2,498,360	14	12,733,037	13,239,119	(4)
Energy conversion cost	1,691,681	1,395,174	21	5,912,654	6,337,146	(7)
Transmission & distribution	1,050,369	1,179,451	(11)	3,583,681	4,139,311	(13)
Customer accounting	509,530	407,905	25	1,719,513	1,684,120	2
Administrative & general	2,517,924	2,909,522	(13)	10,027,496	9,770,822	3
Total operating and maintenance expenses	28,669,860	26,050,675	10	118,918,719	103,699,860	15
Operating income	3,766,511	3,680,874	2	15,472,258	14,951,799	3
Other income (expenses)						
Interest income	397,546	152,399	161	1,282,749	1,903,859	(33)
Interest expense and amortization	(2,425,693)	(2,664,160)	(9)	(9,603,982)	(10,832,550)	(11)
Bond issuance costs	88,022	91,039	(3)	351,088	(2,242,871)	(116)
Bid bond forfeiture	0	0	0	(1,245,000)	0	
Allowance for funds used during construction	0	201,120	(100)	0	1,021,041	(100)
Losses due to typhoon	(67,137)	0		(282,828)	(192,262)	
Other expense	(4,291)	(4,291)	0	(17,164)	(17,164)	0
Total other income (expenses)	(2,011,553)	(2,223,893)	(10)	(9,515,137)	(10,359,947)	(8)
Income (loss) before capital contributions	1,754,958	1,456,981	20	5,957,121	4,591,852	30
Capital contributions	28,837	0	0	28,837	4,795	0
Increase (decrease) in net assets	1,783,795	1,456,981	22	5,985,958	4,596,647	30
Total net assets at beginning of period (restated)	128,125,043	113,316,223	0	123,922,880	110,176,557	12
Total net assets at end of period	$ 129,908,838	$ 114,773,204	13	$ 129,908,838	$ 114,773,204	13

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows
Period Ended January 31, 2019

	Month Ended 1/31/2019	YTD Ended 1/31/2019
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$35,651,917	$ 128,839,923
Cash payments to suppliers and employees for goods and services	18,509,940	111,654,501
Net cash provided by operating activities	$17,141,977	17,185,422
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	397,546	1,282,749
Net cash provided by investing activities	397,546	1,282,749
Cash flows from non-capital financing activities		
Interest paid on short term debt	(7,126)	(26,696)
Provision for self insurance funds	-	(1,761)
Net cash provided by noncapital financing activities	(7,126)	(28,457)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(1,174,799)	(16,240,972)
Principal paid on bonds and other long-term debt	-	(1,630,000)
Interest paid on bonds(net of capitalized interest)	-	(14,052,875)
Interest paid on capital lease obligations	(90,026)	(261,014)
Interest & principal funds held by trustee	(3,680,705)	959,941
Reserve funds held by trustee	(47,091)	22,847
Bond funds held by trustee	8,075,839	12,471,666
Principal payment on capital lease obligations	(2,133,515)	(8,421,962)
Grant from DOI/FEMA	28,837	28,837
Debt issuance costs/loss on defeasance	(321,537)	(1,285,148)
Net cash provided by (used in) capital and related financing activities	657,003	(28,408,680)
Net (decrease) increase in cash and cash equivalents	18,189,400	(9,968,966)
Cash and cash equivalents, beginning	114,425,104	142,583,470
Cash and cash equivalents-Funds held by GPA, January 31, 2019	**$ 132,614,503**	**$ 132,614,503**

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows, continued
Period Ended January 31, 2019

	Month Ended 1/31/2019	YTD Ended 1/31/2019
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$3,766,511	$15,472,258
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,848,642	12,733,037
Other expense	16,594	(1,193,904)
(Increase) decrease in assets:		
Accounts receivable	3,140,437	(5,642,467)
Materials and inventory	623,697	1,915,167
Fuel inventory	1,890,113	7,792,361
Prepaid expenses	768,511	(4,359,234)
Unamortized debt issuance cost	23,524	94,096
Deferred fuel revenue	(961,808)	(4,966,156)
Unamortized loss on debt refunding	196,711	786,844
Unamortized forward delivery contract costs	13,280	53,120
Increase (decrease) in liabilities:		
Accounts payable-operations	(11,563,863)	(20,698,239)
Accounts payable-others	16,216,934	16,607,178
Accrued payroll and employees' benefits	463,004	(293,041)
Net pension liability	(288,943)	(1,178,543)
Employees' annual leave	(39)	152,276
Customers deposits	30,262	95,137
Customer advances for construction	7,078	10,204
Unearned forward delivery contract revenue	(48,668)	(194,672)
Net cash provided by operating activities	**$17,141,977**	**$ 17,185,422**

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GUAM POWER AUTHORITY
FINANCIAL STATEMENT OVERVIEW
February 2019

Attached are the financial statements and supporting schedules for the month and fiscal year ended February 28, 2019.

Summary

The increase in net assets for the month ended was $1.0 million as compared to the anticipated net decrease of $0.8 million projected at the beginning of the year. The total kWh sales for the month were 5.62% less than projected and non-fuel revenues were $0.2 million less than the estimated amount. O & M expenses for the month were $5.0 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 $3.0 million, which was $0.5 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	1.94	2.50	2
Days in Receivables	37	38	52
Days in Payables	36	13	30
LEAC (Over)/Under Recovery Balance -YTD	$13,336,698	$13,051,523	$13,785,874
T&D Losses	5.32%	5.32%	<7.00%
Debt Service Coverage	1.36	1.40	1.75
Long-term equity ratio	19%	19%	30 – 40%
Days in Cash	194	181	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 $64 million and approximately $161 million in cash and current receivables. The LEAC over recovery for the month is $0.3 million. 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 Controller	John J.E. Kim Chief Financial Officer	FOR John M. Benavente, P.E. General Manager

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Net Position
February 28, 2019 and September 30, 2018

	Unaudited February 2019	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	$ 20,498,798	$ 17,997,927	$ 2,500,871
Bond indenture funds	36,386,655	49,970,719	(13,584,064)
Held by Guam Power Authority:			
Bond indenture funds	120,445,024	142,583,470	(22,138,446)
Self insurance fund-restricted	19,260,114	19,258,353	1,761
Energy sense fund	465,630	1,085,472	(619,842)
Total cash and cash equivalents	197,056,221	230,895,941	(33,839,720)
Accounts receivable, net	41,625,717	37,746,060	3,879,657
Total current receivables	41,625,717	37,746,060	3,879,657
Materials and supplies inventory	11,118,790	12,695,441	(1,576,651)
Fuel inventory	48,773,547	67,993,103	(19,219,556)
Prepaid expenses	4,888,013	979,828	3,908,185
Total current assets	303,462,288	350,310,373	(46,848,085)
Utility plant, at cost:			
Electric plant in service	1,066,120,707	1,063,192,955	2,927,752
Construction work in progress	43,273,593	28,495,325	14,778,268
Total	1,109,394,300	1,091,688,280	17,706,020
Less: Accumulated depreciation	(614,486,252)	(598,792,653)	(15,693,599)
Total utility plant	494,908,048	492,895,627	2,012,421
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,513,395	48,600,660	(87,265)
Unamortized debt issuance costs	2,385,828	2,503,448	(117,620)
Total other non-current assets	50,899,223	51,104,108	(204,885)
Total assets	849,269,559	894,310,108	(45,040,549)
Deferred outflow of resources:			
Deferred fuel revenue	13,051,523	8,370,542	4,680,981
Unamortized loss on debt refunding	26,110,081	27,093,636	(983,555)
Pension	8,698,853	8,698,853	0
Unamortized forward delivery contract costs	411,598	477,998	(66,400)
Total deferred outflows of resources	48,272,055	44,641,029	3,631,026
	$ 897,541,614	$ 938,951,137	$ (41,409,523)

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statement of Net Position, Continued
February 28, 2019 and September 30, 2018

	Unaudited February 2019	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	7,546,290	13,469,594	(5,923,304)
Accounts payable			
Operations	15,517,640	47,870,908	(32,353,267)
Others	678,434	259,708	418,725
Accrued payroll and employees' benefits	1,784,066	1,949,080	(165,014)
Current portion of employees' annual leave	2,285,310	2,101,168	184,142
Interest payable	12,253,712	14,660,598	(2,406,886)
Customer deposits	8,110,519	8,142,519	(32,000)
Total current liabilities	64,305,971	90,083,575	(25,777,604)
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	587,144,749	604,881,434	(17,736,685)
Obligations under capital leases, net of current portion	8,101,249	11,228,765	(3,127,515)
Net Pension liability	80,010,447	81,468,099	(1,457,652)
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	395,497	385,293	10,204
Total liabilities	764,398,057	812,487,310	(48,089,253)
Deferred inflows of resources:			
Unearned forward delivery contract revenue	1,508,713	1,752,053	(243,340)
Pension	788,894	788,894	0
Total deferred inflows of resources	2,297,607	2,540,947	(243,340)
Commitments and contigencies			
Net Position:			
Net investment in capital assets	(39,509,688)	(40,128,079)	618,392
Restricted	43,164,727	47,856,103	(4,691,376)
Unrestricted	127,190,909	116,194,856	10,996,054
Total net position	130,845,949	123,922,880	6,923,069
	897,541,615	938,951,137	(41,409,522)

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

	February 28			Five Months Ended February 28		
	Unaudited 2019	Unaudited 2018	% of change Inc (dec)	Unaudited 2019	Unaudited 2018	% of change Inc (dec)
Revenues						
Sales of electricity	$ 29,282,613	$ 30,284,040	(3)	$ 162,185,148	$ 148,618,393	9
Miscellaneous	188,435	259,934	(28)	2,042,877	911,572	124
Total	29,471,048	30,543,974	(4)	164,228,025	149,529,965	10
Bad debt expense	(91,500)	(83,583)	9	(457,500)	(417,915)	9
Total revenues	29,379,548	30,460,391	(4)	163,770,525	149,112,050	10
Operating and maintenance expenses						
Production fuel	17,367,755	17,762,535	(2)	97,419,188	81,142,235	20
Other production	1,187,769	1,212,307	(2)	6,078,674	6,361,949	(4)
	18,555,524	18,974,842	(2)	103,497,862	87,504,184	18
Depreciation	3,131,208	2,893,871	8	15,864,245	16,132,990	(2)
Energy conversion cost	972,819	1,384,140	(30)	6,885,473	7,721,286	(11)
Transmission & distribution	824,944	1,248,333	(34)	4,408,625	5,387,644	(18)
Customer accounting	443,031	381,898	16	2,162,544	2,066,018	5
Administrative & general	2,566,533	2,325,529	10	12,594,029	12,096,351	4
Total operating and maintenance expenses	26,494,059	27,208,613	(3)	145,412,778	130,908,473	11
Operating income	2,885,489	3,251,778	(11)	18,357,747	18,203,577	1
Other income (expenses)						
Interest income	408,428	(443,559)	(192)	1,691,177	1,460,300	16
Interest expense and amortization	(2,438,264)	(2,649,935)	(8)	(12,042,246)	(13,482,485)	(11)
Bond issuance costs	88,022	67,464	30	439,110	(2,175,407)	(120)
Bid bond forfeiture	0	0	0	(1,245,000)	0	
Allowance for funds used during construction	0	196,517	(100)	0	1,217,558	(100)
Losses due to typhoon	(2,270)	0		(285,098)	(192,262)	
Other expense	(4,291)	(4,291)	0	(21,455)	(21,455)	0
Total other income (expenses)	(1,948,375)	(2,833,804)	(31)	(11,463,512)	(13,193,751)	(13)
Income (loss) before capital contributions	937,114	417,974	124	6,894,235	5,009,826	38
Capital contributions	0	70,107	0	28,837	74,902	0
Increase (decrease) in net assets	937,114	488,081	92	6,923,072	5,084,728	36
Total net assets at beginning of period (restated)	129,908,838	114,773,204	0	123,922,880	110,176,557	12
Total net assets at end of period	$ 130,845,952	$ 115,261,285	14	$ 130,845,952	$ 115,261,285	14

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows
Period Ended February 28, 2019

	Month Ended 2/28/2019	YTD Ended 2/28/2019
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	$31,101,574	$ 159,941,497
Cash payments to suppliers and employees for goods and services	38,700,848	150,355,349
Net cash provided by operating activities	($7,599,274)	9,586,148
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	408,428	1,691,177
Net cash provided by investing activities	408,428	1,691,177
Cash flows from non-capital financing activities		
Interest paid on short term debt	(5,950)	(32,646)
Provision for self insurance funds	-	(1,761)
Net cash provided by noncapital financing activities	(5,950)	(34,407)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(1,635,695)	(17,876,667)
Principal paid on bonds and other long-term debt	-	(1,630,000)
Interest paid on bonds(net of capitalized interest)	-	(14,052,875)
Interest paid on capital lease obligations	(102,597)	(363,612)
Interest & principal funds held by trustee	(3,460,812)	(2,500,871)
Reserve funds held by trustee	64,418	87,265
Bond funds held by trustee	1,112,398	13,584,064
Principal payment on capital lease obligations	(628,858)	(9,050,820)
Grant from DOI/FEMA	-	28,837
Debt issuance costs/loss on defeasance	(321,537)	(1,606,685)
Net cash provided by (used in) capital and related financing activities	(4,972,683)	(33,381,364)
Net (decrease) increase in cash and cash equivalents	(12,169,479)	(22,138,445)
Cash and cash equivalents, beginning	132,614,503	142,583,470
Cash and cash equivalents-Funds held by GPA, February 28, 2019	**$ 120,445,024**	**$ 120,445,024**

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows, continued
Period Ended February 28, 2019

	Month Ended 2/28/2019	YTD Ended 2/28/2019
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	$2,885,489	$18,357,747
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	3,131,208	15,864,245
Other expense	81,461	(1,112,443)
(Increase) decrease in assets:		
Accounts receivable	1,762,810	(3,879,657)
Materials and inventory	(338,516)	1,576,651
Fuel inventory	11,427,195	19,219,556
Prepaid expenses	451,049	(3,908,185)
Unamortized debt issuance cost	23,524	117,620
Deferred fuel revenue	285,175	(4,680,981)
Unamortized loss on debt refunding	196,711	983,555
Unamortized forward delivery contract costs	13,280	66,400
Increase (decrease) in liabilities:		
Accounts payable-operations	(11,655,029)	(32,353,267)
Accounts payable-others	(15,568,610)	1,038,567
Accrued payroll and employees' benefits	128,027	(165,014)
Provision for self insurance	-	-
Net pension liability	(279,109)	(1,457,652)
Employees' annual leave	31,866	184,142
Customers deposits	(127,137)	(32,000)
Customer advances for construction	-	10,204
Unearned forward delivery contract revenue	(48,668)	(243,340)
Net cash provided by operating activities	**($7,599,274)**	**$ 9,586,148**