# GUAM POWER AUTHORITY

ATURIDÅT ILEKTRESEDÅT GUAHAN

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


35GL-19-0796

Speaker Tina Rose Muña Barnes

24 July 2019

JUL 25 2019

Time 10:15 (X)AM ( )PM

Received By: MaLT

CFO 130 19

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

**SUBJECT: Guam Power Authority**
**Ref: Monthly Financials – April & May 2019**

Dear Honorable Speaker Barnes:

Enclosed is the Guam Power Authority's Financial Statement for the months of April & May 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, OPA

2019 JUL 26 AM 11:52 JPT

0796

# 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
April 2019

Attached are the financial statements and supporting schedules for the month and fiscal year ended April 30, 2019.

**Summary**

The increase in net assets for the month ended was $1.8 million as compared to the anticipated net increase of $0.5 million projected at the beginning of the year. The total kWh sales for the month were 0.28% less than projected and non-fuel revenues were $0.1 million less than the estimated amount. O & M expenses for the month were $5.6 million which was $0.8 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 $0.3 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 | 1.97 | 2.55 | 2 |
| Days in Receivables | 40 | 40 | 52 |
| Days in Payables | 29 | 28 | 30 |
| **LEAC (Over)/Under Recovery Balance -YTD** | $13,690,676 | $11,753,573 | $13,920,894 |
| T&D Losses | 5.43% | 5.45% | <7.00% |
| Debt Service Coverage | 1.48 | 1.52 | 1.75 |
| Long-term equity ratio | -0.013% | -0.020% | 30 – 40% |
| Days in Cash | 205 | 201 | 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 $70 million and approximately $180 million in cash and current receivables. The LEAC over recovery for the month is $1.9 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<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**
**April 30, 2019 and September 30, 2018**

| | Unaudited April 2019 | Audited 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 | $ 14,135,026 | $ 17,997,927 | $ (3,862,901) |
| Bond indenture funds | 32,210,228 | 49,970,719 | (17,760,491) |
| Held by Guam Power Authority: | | | |
| Bond indenture funds | 136,644,811 | 142,583,470 | (5,938,659) |
| Self insurance fund-restricted | 19,275,733 | 19,258,353 | 17,380 |
| Energy sense fund | 237,366 | 1,085,472 | (848,106) |
| Total cash and cash equivalents | 202,503,164 | 230,895,941 | (28,392,777) |
| Accounts receivable, net | 42,406,549 | 37,851,906 | 4,554,643 |
| Total current receivables | 42,406,549 | 37,851,906 | 4,554,643 |
| Materials and supplies inventory | 11,916,827 | 12,812,072 | (895,245) |
| Fuel inventory | 58,293,585 | 67,993,103 | (9,699,518) |
| Prepaid expenses | 5,353,155 | 979,828 | 4,373,327 |
| Total current assets | 320,473,280 | 350,532,850 | (30,059,570) |
| Utility plant, at cost: | | | |
| Electric plant in service | 1,065,609,624 | 1,063,192,955 | 2,416,669 |
| Construction work in progress | 43,392,753 | 28,021,290 | 15,371,463 |
| Total | 1,109,002,377 | 1,091,214,245 | 17,788,132 |
| Less: Accumulated depreciation | (617,967,850) | (597,426,905) | (20,540,945) |
| Total utility plant | 491,034,527 | 493,787,340 | (2,752,813) |
| Other non-current assets: | | | |
| Investment - bond reserve funds held by trustee | 48,410,860 | 48,600,660 | (189,800) |
| Unamortized debt issuance costs | 2,338,780 | 2,503,448 | (164,668) |
| Total other non-current assets | 50,749,640 | 51,104,108 | (354,468) |
| Total assets | 862,257,447 | 895,424,298 | (33,166,851) |
| Deferred outflow of resources: | | | |
| Deferred fuel revenue | 11,753,573 | 8,370,542 | 3,383,031 |
| Unamortized loss on debt refunding | 25,716,659 | 27,093,636 | (1,376,977) |
| Pension | 8,932,987 | 8,932,987 | 0 |
| Other post employment benefits | 13,798,017 | 13,798,017 | 0 |
| Unamortized forward delivery contract costs | 385,038 | 477,998 | (92,960) |
| Total deferred outflows of resources | 60,586,274 | 58,673,180 | 1,913,094 |
| | $ 922,843,721 | $ 954,097,478 | $ (31,253,757) |

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

| | Unaudited April 2019 | Audited 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 | 3,304,531 | 13,613,066 | (10,308,535) |
| Accounts payable | | | |
| Operations | 32,393,104 | 47,761,928 | (15,368,824) |
| Others | 1,324,775 | 662,541 | 662,234 |
| Accrued payroll and employees' benefits | 2,515,764 | 1,949,080 | 566,684 |
| Current portion of employees' annual leave | 2,280,289 | 2,101,168 | 179,121 |
| Interest payable | 2,981,792 | 14,745,285 | (11,763,493) |
| Customer deposits | 9,444,367 | 9,387,519 | 56,848 |
| Total current liabilities | 70,374,622 | 91,850,587 | (21,475,965) |
| 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 | 586,501,675 | 604,881,434 | (18,379,759) |
| Obligations under capital leases, net of current portion | 10,808,951 | 10,808,951 | 0 |
| Net Pension liability | 74,393,604 | 76,554,735 | (2,161,131) |
| Other post employment benefits liability | 145,955,861 | 145,955,861 | 0 |
| DCRS sick leave liability | 1,331,151 | 1,331,151 | 0 |
| Employees' annual leave net of current portion | 1,204,085 | 1,204,085 | 0 |
| Customer advances for construction | 385,483 | 385,293 | 190 |
| Total liabilities | 910,300,723 | 952,317,388 | (42,016,665) |
| Deferred inflows of resources: | | | |
| Unearned forward delivery contract revenue | 1,411,376 | 1,752,053 | (340,677) |
| Pension | 3,532,642 | 3,532,642 | 0 |
| Other post employment benefits | 14,804,043 | 14,804,043 | 0 |
| Total deferred inflows of resources | 19,748,061 | 20,088,738 | (340,677) |
| Commitments and contigencies | | | |
| Net Position: | | | |
| Net investment in capital assets | (45,475,025) | (38,960,024) | (6,515,001) |
| Restricted | 30,064,467 | 47,856,103 | (17,791,636) |
| Unrestricted | 8,205,494 | (27,204,727) | 35,410,222 |
| Total net position | (7,205,064) | (18,308,648) | 11,103,586 |
| | $ 922,843,721 | $ 954,097,478 | $ (31,253,757) |

**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 2019 | Audited 2018 | % of change Inc (dec) | Unaudited 2019 | Audited 2018 | % of change Inc (dec) |
| Revenues | | | | | | |
| Sales of electricity | $ 32,962,328 | $ 32,791,874 | 1 | $ 228,090,240 | $ 214,366,084 | 6 |
| Miscellaneous | 169,676 | (8,250) | (2,157) | 2,346,318 | 1,082,923 | 117 |
| Total | 33,132,004 | 32,783,624 | 1 | 230,436,558 | 215,449,007 | 7 |
| Bad debt expense | (91,500) | (83,583) | 9 | (640,500) | (585,081) | 9 |
| Total revenues | 33,040,504 | 32,700,041 | 1 | 229,796,058 | 214,863,926 | 7 |
| Operating and maintenance expenses | | | | | | |
| Production fuel | 19,442,242 | 19,440,700 | 0 | 135,878,561 | 119,768,743 | 13 |
| Other production | 1,303,156 | 1,689,949 | (23) | 8,755,579 | 9,549,816 | (8) |
| | 20,745,398 | 21,130,649 | (2) | 144,634,140 | 129,318,559 | 12 |
| Depreciation | 3,027,641 | 3,381,114 | (10) | 21,902,305 | 22,632,716 | (3) |
| Energy conversion cost | 1,002,986 | 1,411,281 | (29) | 8,853,720 | 10,533,986 | (16) |
| Transmission & distribution | 1,072,036 | 1,067,864 | 0 | 6,585,483 | 7,549,186 | (13) |
| Customer accounting | 377,898 | 470,215 | (20) | 3,020,370 | 3,009,025 | 0 |
| Administrative & general | 2,859,149 | 2,957,616 | (3) | 18,272,049 | 17,543,935 | 4 |
| Total operating and maintenance expenses | 29,085,108 | 30,418,739 | (4) | 203,268,067 | 190,587,407 | 7 |
| Operating income | 3,955,396 | 2,281,302 | 73 | 26,527,991 | 24,276,519 | 9 |
| Other income (expenses) | | | | | | |
| Interest income | 186,858 | 86,551 | 116 | 2,577,294 | 1,313,630 | 96 |
| Interest expense and amortization | (2,438,409) | (2,706,805) | (10) | (16,919,064) | (18,853,758) | (10) |
| Bond issuance costs | 88,022 | 67,464 | 30 | 615,154 | (2,046,593) | (130) |
| Bid bond forfeiture | 0 | 0 | 0 | (1,245,000) | 0 | |
| Allowance for funds used during construction | 0 | (427,176) | (100) | 0 | 989,331 | (100) |
| Losses due to typhoon | (28,369) | 0 | | (638,284) | (197,299) | |
| Other expense | (4,291) | (4,291) | 0 | (30,037) | (30,037) | 0 |
| Total other income (expenses) | (2,196,189) | (2,984,257) | (26) | (15,639,937) | (18,824,726) | (17) |
| Income (loss) before capital contributions | 1,759,207 | (702,955) | (350) | 10,888,054 | 5,451,793 | 100 |
| Capital contributions | 0 | 16,086 | 0 | 215,537 | 94,766 | 0 |
| Increase (decrease) in net assets | 1,759,207 | (686,869) | (356) | 11,103,591 | 5,546,559 | 100 |
| Total net assets at beginning of period (restated) | (8,964,266) | 116,409,985 | 0 | (18,308,650) | 110,176,557 | (117) |
| Total net assets at end of period | $ (7,205,059) | $ 115,723,116 | (106) | $ (7,205,059) | $ 115,723,116 | (106) |

**GUAM POWER AUTHORITY**
**(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**
**Statements of Cash Flows**
**Period Ended April 30, 2019**

| | Month Ended 4/30/2019 | YTD Ended 4/30/2019 |
|---|---|---|
| **Increase(decrease) in cash and cash equivalents** | | |
| Cash flows from operating activities: | | |
| Cash received from customers | $ 33,809,919 | $ 225,279,530 |
| Cash payments to suppliers and employees for goods and services | 31,607,525 | 193,786,483 |
| Net cash provided by operating activities | 2,202,394 | 31,493,047 |
| Cash flows from investing activities: | | |
| Interest and dividends on investments and bank accounts | 186,858 | 2,577,294 |
| Net cash provided by investing activities | 186,858 | 2,577,294 |
| Cash flows from non-capital financing activities | | |
| Proceeds from Cabras 3&4 insurance claims | - | - |
| Interest paid on short term debt | (8,098) | (46,588) |
| Provision for self insurance funds | - | (17,380) |
| Net cash provided by noncapital financing activities | (8,098) | (63,968) |
| Cash flows from capital and related financing activities | | |
| Acquisition of utility plant | (776,151) | (19,149,494) |
| Principal paid on bonds and other long-term debt | - | (1,630,000) |
| Interest paid on bonds(net of capitalized interest) | (14,014,000) | (28,066,875) |
| Interest paid on capital lease obligations | (102,742) | (569,097) |
| Interest & principal funds held by trustee | 10,332,472 | 3,862,901 |
| Reserve funds held by trustee | 140,643 | 189,800 |
| Bond funds held by trustee | (45,914) | 17,760,491 |
| Principal payment on capital lease obligations | (628,858) | (10,308,535) |
| Grant from DOI/FEMA | - | 215,537 |
| Debt issuance costs/loss on defeasance | (321,537) | (2,249,759) |
| Net cash provided by (used in) capital and related financing activities | (5,416,087) | (39,945,031) |
| Net (decrease) increase in cash and cash equivalents | (3,034,933) | (5,938,657) |
| Cash and cash equivalents, beginning | 139,679,745 | 142,583,470 |
| **Cash and cash equivalents-Funds held by GPA, April 30, 2019** | **$ 136,644,812** | **$ 136,644,812** |

# 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
May 2019

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

**Summary**

The increase in net assets for the month ended was $2.4 million as compared to the anticipated net increase of $1.2 million projected at the beginning of the year. The total kWh sales for the month were 1.97% less than projected and non-fuel revenues were $0.6 million less than the estimated amount. O & M expenses for the month were $5.4 million which was $1.4 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 $3.2 million, which was $0.4 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 | 2.55 | 2.42 | 2 |
| Days in Receivables | 40 | 41 | 52 |
| Days in Payables | 28 | 29 | 30 |
| **LEAC (Over)/Under Recovery Balance -YTD** | $11,753,573 | $12,975,911 | $12,817,628 |
| T&D Losses | 5.45% | 5.44% | <7.00% |
| Debt Service Coverage | 1.52 | 1.58 | 1.75 |
| Long-term equity ratio | -0.013% | -0.009% | 30 – 40% |
| Days in Cash | 201 | 200 | 60 |

The Quick Ratio has been a challenge for GPA historically. However, the influx of cash from insurance proceeds continued to improve this ratio. GPA has current obligations of approximately $75 million and approximately $180 million in cash and current receivables. The LEAC under recovery for the month is $1.2 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<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**
**May 31, 2019 and September 30, 2018**

| | Unaudited May 2019 | Audited 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 | $ 17,815,378 | $ 17,997,927 | $ (182,549) |
| Bond indenture funds | 31,090,684 | 49,970,719 | (18,880,035) |
| Held by Guam Power Authority: | | | |
| Bond indenture funds | 136,298,589 | 142,583,470 | (6,284,881) |
| Self insurance fund-restricted | 19,275,733 | 19,258,353 | 17,380 |
| Energy sense fund | 309,339 | 1,085,472 | (776,133) |
| Total cash and cash equivalents | 204,789,723 | 230,895,941 | (26,106,218) |
| Accounts receivable, net | 43,079,584 | 37,851,906 | 5,227,678 |
| Total current receivables | 43,079,584 | 37,851,906 | 5,227,678 |
| Materials and supplies inventory | 13,043,669 | 12,812,072 | 231,597 |
| Fuel inventory | 60,578,979 | 67,993,103 | (7,414,124) |
| Prepaid expenses | 4,893,166 | 979,828 | 3,913,338 |
| Total current assets | 326,385,121 | 350,532,850 | (24,147,729) |
| Utility plant, at cost: | | | |
| Electric plant in service | 1,070,324,885 | 1,063,192,955 | 7,131,930 |
| Construction work in progress | 40,020,073 | 28,021,290 | 11,998,783 |
| Total | 1,110,344,958 | 1,091,214,245 | 19,130,713 |
| Less: Accumulated depreciation | (620,960,307) | (597,426,905) | (23,533,402) |
| Total utility plant | 489,384,651 | 493,787,340 | (4,402,689) |
| Other non-current assets: | | | |
| Investment - bond reserve funds held by trustee | 48,455,424 | 48,600,660 | (145,236) |
| Unamortized debt issuance costs | 2,315,256 | 2,503,448 | (188,192) |
| Total other non-current assets | 50,770,680 | 51,104,108 | (333,428) |
| Total assets | 866,540,452 | 895,424,298 | (28,883,846) |
| Deferred outflow of resources: | | | |
| Deferred fuel revenue | 12,975,911 | 8,370,542 | 4,605,369 |
| Unamortized loss on debt refunding | 25,519,948 | 27,093,636 | (1,573,688) |
| Pension | 8,932,987 | 8,932,987 | 0 |
| Other post employment benefits | 13,798,017 | 13,798,017 | 0 |
| Unamortized forward delivery contract costs | 371,758 | 477,998 | (106,240) |
| Total deferred outflows of resources | 61,598,621 | 58,673,180 | 2,925,441 |
| | $ 928,139,073 | $ 954,097,478 | $ (25,958,405) |

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

| | Unaudited May 2019 | Audited 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 | 3,304,531 | 13,613,066 | (10,308,535) |
| Accounts payable | | | |
| Operations | 34,806,180 | 47,761,928 | (12,955,748) |
| Others | 1,338,518 | 662,541 | 675,977 |
| Accrued payroll and employees' benefits | 1,392,201 | 1,949,080 | (556,879) |
| Current portion of employees' annual leave | 2,357,104 | 2,101,168 | 255,936 |
| Interest payable | 5,321,910 | 14,745,285 | (9,423,375) |
| Customer deposits | 9,909,806 | 9,387,519 | 522,287 |
| Total current liabilities | 74,560,250 | 91,850,587 | (17,290,337) |
| 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 | 586,180,138 | 604,881,434 | (18,701,296) |
| Obligations under capital leases, net of current portion | 10,180,094 | 10,808,951 | (628,857) |
| Net Pension liability | 74,115,014 | 76,554,735 | (2,439,721) |
| Other post employment benefits liability | 145,955,861 | 145,955,861 | 0 |
| DCRS sick leave liability | 1,331,151 | 1,331,151 | 0 |
| Employees' annual leave net of current portion | 1,204,085 | 1,204,085 | 0 |
| Customer advances for construction | 385,483 | 385,293 | 190 |
| Total liabilities | 913,257,367 | 952,317,388 | (39,060,021) |
| Deferred inflows of resources: | | | |
| Unearned forward delivery contract revenue | 1,362,708 | 1,752,053 | (389,345) |
| Pension | 3,532,642 | 3,532,642 | 0 |
| Other post employment benefits | 14,804,043 | 14,804,043 | 0 |
| Total deferred inflows of resources | 19,699,393 | 20,088,738 | (389,345) |
| Commitments and contigencies | | | |
| Net Position: | | | |
| Net investment in capital assets | (47,249,486) | (38,960,024) | (8,289,462) |
| Restricted | 25,431,569 | 47,856,103 | (22,424,534) |
| Unrestricted | 17,000,229 | (27,204,727) | 44,204,957 |
| Total net position | (4,817,688) | (18,308,648) | 13,490,962 |
| | $ 928,139,073 | $ 954,097,478 | $ (25,958,405) |

**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 2019 | Audited 2018 | % of change Inc (dec) | Unaudited 2019 | Audited 2018 | % of change Inc (dec) |
| Revenues | | | | | | |
| Sales of electricity | $ 34,767,531 | $ 34,865,003 | (0) | $ 262,857,771 | $ 249,231,087 | 5 |
| Miscellaneous | (68,392) | 173,842 | (139) | 2,277,926 | 1,256,765 | 81 |
| Total | 34,699,139 | 35,038,845 | (1) | 265,135,697 | 250,487,852 | 6 |
| Bad debt expense | (91,500) | (83,583) | 9 | (732,000) | (668,664) | 9 |
| Total revenues | 34,607,639 | 34,955,262 | (1) | 264,403,697 | 249,819,188 | 6 |
| Operating and maintenance expenses | | | | | | |
| Production fuel | 20,710,545 | 20,853,541 | (1) | 156,589,106 | 140,622,284 | 11 |
| Other production | 1,304,426 | 1,494,243 | (13) | 10,060,005 | 11,044,059 | (9) |
| | 22,014,971 | 22,347,784 | (1) | 166,649,111 | 151,666,343 | 10 |
| Depreciation | 3,015,829 | 2,947,511 | 2 | 24,918,134 | 25,580,227 | (3) |
| Energy conversion cost | 1,012,670 | 1,436,403 | (29) | 9,866,390 | 11,970,389 | (18) |
| Transmission & distribution | 1,203,922 | 1,085,365 | 11 | 7,789,405 | 8,634,551 | (10) |
| Customer accounting | 465,939 | 577,591 | (19) | 3,486,309 | 3,586,616 | (3) |
| Administrative & general | 2,419,052 | 2,847,590 | (15) | 20,691,101 | 20,391,525 | 1 |
| Total operating and maintenance expenses | 30,132,383 | 31,242,244 | (4) | 233,400,450 | 221,829,651 | 5 |
| Operating income | 4,475,256 | 3,713,018 | 21 | 31,003,247 | 27,989,537 | 11 |
| Other income (expenses) | | | | | | |
| Interest income | 344,696 | 373,878 | (8) | 2,921,990 | 1,687,508 | 73 |
| Interest expense and amortization | (2,449,393) | (2,606,335) | (6) | (19,368,457) | (21,460,093) | (10) |
| Bond issuance costs | 88,022 | 67,464 | 30 | 703,176 | (1,979,129) | (136) |
| Bid bond forfeiture | 0 | 0 | 0 | (1,245,000) | 0 | |
| Allowance for funds used during construction | 0 | 190,759 | (100) | 0 | 1,180,090 | (100) |
| Losses due to typhoon | (66,912) | (294,555) | | (705,196) | (491,854) | |
| Other expense | (4,298) | (4,291) | 0 | (34,335) | (34,328) | 0 |
| Total other income (expenses) | (2,087,885) | (2,273,080) | (8) | (17,727,822) | (21,097,806) | (16) |
| Income (loss) before capital contributions | 2,387,371 | 1,439,938 | 66 | 13,275,425 | 6,891,731 | 93 |
| Capital contributions | 0 | 7,906 | 0 | 215,537 | 102,672 | 0 |
| Increase (decrease) in net assets | 2,387,371 | 1,447,844 | 65 | 13,490,962 | 6,994,403 | 93 |
| Total net assets at beginning of period (restated) | (7,205,059) | 115,723,116 | 0 | (18,308,650) | 110,176,557 | (117) |
| Total net assets at end of period | $ (4,817,688) | $ 117,170,960 | (104) | $ (4,817,688) | $ 117,170,960 | (104) |

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

| | Month Ended 5/31/2019 | YTD Ended 5/31/2019 |
|---|---|---|
| **Increase(decrease) in cash and cash equivalents** | | |
| Cash flows from operating activities: | | |
| Cash received from customers | $ 33,924,310 | $ 259,203,840 |
| Cash payments to suppliers and employees for goods and services | 29,584,239 | 223,370,722 |
| Net cash provided by operating activities | 4,340,071 | 35,833,118 |
| Cash flows from investing activities: | | |
| Interest and dividends on investments and bank accounts | 344,696 | 2,921,990 |
| Net cash provided by investing activities | 344,696 | 2,921,990 |
| Cash flows from non-capital financing activities | | |
| Interest paid on short term debt | (6,532) | (53,120) |
| Provision for self insurance funds | - | (17,380) |
| Net cash provided by noncapital financing activities | (6,532) | (70,500) |
| Cash flows from capital and related financing activities | | |
| Acquisition of utility plant | (1,365,950) | (20,515,444) |
| Principal paid on bonds and other long-term debt | - | (1,630,000) |
| Interest paid on bonds(net of capitalized interest) | - | (28,066,875) |
| Interest paid on capital lease obligations | (102,742) | (671,839) |
| Interest & principal funds held by trustee | (3,680,352) | 182,549 |
| Reserve funds held by trustee | (44,564) | 145,236 |
| Bond funds held by trustee | 1,119,544 | 18,880,035 |
| Principal payment on capital lease obligations | (628,857) | (10,937,392) |
| Grant from DOI/FEMA | - | 215,537 |
| Debt issuance costs/loss on defeasance | (321,537) | (2,571,296) |
| Net cash provided by (used in) capital and related financing activities | (5,024,458) | (44,969,489) |
| Net (decrease) increase in cash and cash equivalents | (346,224) | (6,284,881) |
| Cash and cash equivalents, beginning | 136,644,812 | 142,583,470 |
| **Cash and cash equivalents-Funds held by GPA, May 31, 2019** | **$ 136,298,589** | **$ 136,298,589** |

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

| | Month Ended 5/31/2019 | YTD Ended 5/31/2019 |
|---|---|---|
| **Reconciliation of operating earnings to net cash provided by operating activities:** | | |
| Operating earnings net of depreciation expense and excluding interest income | $ 4,475,256 | $ 31,003,247 |
| Adjustments to reconcile operating earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 3,015,829 | 24,918,134 |
| Other expense | 16,812 | (1,281,355) |
| (Increase) decrease in assets: | | |
| Accounts receivable | (673,035) | (5,227,678) |
| Materials and inventory | (1,126,842) | (231,597) |
| Fuel inventory | (2,285,394) | 7,414,124 |
| Prepaid expenses | 459,989 | (3,913,338) |
| Unamortized debt issuance cost | 23,524 | 188,192 |
| Deferred fuel revenue | (1,222,338) | (4,605,369) |
| Unamortized loss on debt refunding | 196,711 | 1,573,688 |
| Unamortized forward delivery contract costs | 13,280 | 106,240 |
| Increase (decrease) in liabilities: | | |
| Accounts payable-operations | 2,413,076 | (12,955,748) |
| Accounts payable-others | (58,230) | 1,452,110 |
| Accrued payroll and employees' benefits | (1,123,563) | (556,879) |
| Net pension liability | (278,590) | (2,439,721) |
| Employees' annual leave | 76,815 | 255,936 |
| Customers deposits | 465,439 | 522,287 |
| Customer advances for construction | - | 190 |
| Unearned forward delivery contract revenue | (48,668) | (389,345) |
| **Net cash provided by operating activities** | **$ 4,340,071** | **$ 35,833,118** |