



GUAM POWER AUTHORITY

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

July 27, 2016

Senator Judith T. Won Pat, Ed. D., Speaker
Office of the Speaker
I Mina' Trentai Tres Na Liheslaturan Guahan
33rd Guam Legislature
155 Hesler Place
Hagatna, Guam 96910

93-16-1853
Office of the Speaker
Judith T. Won Pat, Ed.D

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**SUBJECT: GPA Financial Statements
May & June 2016**

Judith T. Won Pat, Ed.D
Office of the Speaker

Dear Honorable Speaker Won Pat:

Enclosed is the Guam Power Authority's Financial Statements for the month of May & June 2016, 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 email jjekim@gpagwa.com.

Sincerely,

[Signature]

John J.E. Kim
Chief Financial Officer

cc: Ms. Doris Flores Brooks, CPA, CGFM Public Auditor
File CFO 130 16

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[Signature]

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GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
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GUAM POWER AUTHORITY FINANCIAL STATEMENT OVERVIEW May 2016

Attached are the financial statements and supporting schedules for the month and fiscal year ended May 31, 2016.

Summary

The increase in net assets for the month ended was \$1.9 million as compared to the anticipated net increase of \$1.7 million projected at the beginning of the year. The total kWh sales for the month were 6.52% more than projected and non-fuel revenues were \$0.4 million more than the estimated amount. O & M expenses for the month were \$4.6 million which was \$0.3 million less than our projections for the year. Other expenses for the month such as interest expense, IPP costs, (net of interest income and other income) totaled to \$4.1 million which was \$0.2 million more than the projected amount. There were no other significant departures from the budget during the period.

Analysis

Description	Previous Month	Current Month	Target
Quick Ratio	2.09	2.44	2
Days in Receivables	37	37	52
Days in Payables	29	42	30
LEAC (Over)/Under Recovery Balance -YTD	\$2,264,199	\$1,428,605	\$3,492,042
T&D Losses	4.75%	4.89%	7.00%
Debt Service Coverage	2.38	2.45	1.75
Long-term equity ratio	13%	13%	30 – 40%
Days in Cash	137	208	60

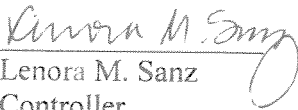
The Quick Ratio has been a challenge for GPA. However, this fiscal year has shown improvement over the previous fiscal year. GPA has current obligations of approximately \$66 million and approximately \$161 million in cash and current receivables. The Debt Service Coverage ratio is calculated using the methodology in use before the Fiscal Year 2002 change in accounting practice.

Financial Statement
May 2016
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:




Lenora M. Sanz
Controller

Reviewed by:



John J.E. Kim
Chief Financial Officer

Approved by:



John M. Benavente, P.E.
General Manager

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Net Position
May 31, 2016 and September 30, 2015

	Unaudited May 2016	Audited September 2015	Change from Sept 30 2015
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and cash equivalents:			
Held by trustee for restricted purposes:			
Interest and principal funds	\$ 5,572,954	\$ 22,849,106	\$ (17,276,152)
Bond indenture funds	75,858,666	84,986,806	(9,128,140)
Held by Guam Power Authority:			
Bond indenture funds	128,862,995	61,456,015	67,406,980
Self insurance fund-restricted	19,503,594	20,435,825	(932,231)
Energy sense fund	1,751,820	1,806,014	(54,194)
Total cash and cash equivalents	231,550,029	191,533,766	40,016,263
Accounts receivable, net	30,740,701	35,519,425	(4,778,724)
Total current receivables	30,740,701	35,519,425	(4,778,724)
Materials and supplies inventory	14,960,456	16,312,559	(1,352,103)
Fuel inventory	30,570,274	34,774,612	(4,204,338)
Prepaid expenses	4,138,026	733,254	3,404,772
Total current assets	311,959,486	278,873,616	33,085,870
Utility plant, at cost:			
Electric plant in service	1,026,126,908	1,004,422,940	21,703,968
Construction work in progress	21,692,695	31,056,101	(9,363,406)
Total	1,047,819,603	1,035,479,041	12,340,562
Less: Accumulated depreciation	(520,659,861)	(494,104,532)	(26,555,329)
Total utility plant	527,159,742	541,374,509	(14,214,767)
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,539,192	54,356,593	(5,817,401)
Unamortized debt issuance costs	4,773,137	5,026,209	(253,072)
Total other non-current assets	53,312,329	59,382,802	(6,070,473)
Total assets	892,431,557	879,630,927	12,800,630
Deferred outflow of resources:			
Deferred fuel revenue	1,428,740	1,869,479	(440,739)
Unamortized loss on debt refunding	12,741,072	13,574,416	(833,344)
Pension	7,490,630	7,490,630	0
Unamortized forward delivery contract costs	849,838	956,078	(106,240)
Total deferred outflows of resources	22,510,280	23,890,603	(1,380,323)
	\$ 914,941,837	\$ 903,521,530	\$ 11,420,307

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statement of Net Position, Continued
May 31, 2016 and September 30, 2015

	Unaudited May 2016	Audited September 2015	Change from Sept 30 2015
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current liabilities:			
Current maturities of long-term debt	\$ 115,000	\$ 14,265,000	\$ (14,150,000)
Current obligations under capital leases	14,820,776	14,820,776	0
Accounts payable			
Operations	32,775,867	22,068,203	10,707,664
Others	47,482	0	47,482
Accrued payroll and employees' benefits	1,884,117	1,296,886	587,231
Current portion of employees' annual leave	2,621,014	2,388,129	232,885
Interest payable	5,512,892	15,673,208	(10,160,316)
Customer deposits	8,456,026	9,043,908	(587,882)
	<u>66,233,174</u>	<u>79,556,110</u>	<u>(13,322,936)</u>
Regulatory liabilities:			
Provision for self insurance	19,758,320	19,758,320	0
	<u>19,758,320</u>	<u>19,758,320</u>	<u>0</u>
Long term debt, net of current maturities			
Obligations under capital leases, net of current portion	595,928,574	597,785,166	(1,856,592)
Net Pension liability	29,930,578	39,609,006	(9,678,428)
DCRS sick leave liability	65,312,654	67,025,973	(1,713,319)
Employees' annual leave net of current portion	3,113,912	3,113,912	0
Customer advances for construction	806,762	806,762	0
	<u>287,218</u>	<u>205,461</u>	<u>81,757</u>
	<u>781,371,192</u>	<u>807,860,710</u>	<u>(26,489,518)</u>
Deferred inflows of resources:			
Unearned forward delivery contract revenue	3,114,761	3,504,106	(389,345)
Pension	7,694,438	7,694,438	0
Other unearned revenues	31,299,611	357,000	30,942,611
	<u>42,108,810</u>	<u>11,555,544</u>	<u>30,553,266</u>
Commitments and contingencies			
Net Position:			
Net investment in capital assets	8,713,324	16,924,495	(8,211,171)
Restricted	780,310	13,551,340	(12,771,030)
Unrestricted	81,968,200	53,629,441	28,338,758
	<u>91,461,834</u>	<u>84,105,276</u>	<u>7,356,558</u>
	<u>\$ 914,941,637</u>	<u>\$ 903,521,530</u>	<u>\$ 11,420,107</u>

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

	May 31		% of change Inc (dec)	Eight Months Ending May 31		% of change Inc (dec)
	Unaudited 2016	Audited 2015		Unaudited 2016	Audited 2015	
Revenues						
Sales of electricity	\$ 25,600,983	\$ 28,221,015	(9)	\$ 204,658,493	\$ 247,163,589	(17)
Working Capital surcharge	-	606,149	(100)	-	4,638,682	(100)
Miscellaneous	234,846	432,714	(46)	1,677,918	1,149,266	46
Total	<u>25,835,829</u>	<u>29,259,878</u>	(12)	<u>206,336,411</u>	<u>252,951,537</u>	(18)
Bad debt expense	<u>(51,662)</u>	<u>(162,167)</u>	(48)	<u>(733,736)</u>	<u>(1,172,333)</u>	(37)
Total revenues	<u>25,744,162</u>	<u>29,097,711</u>	(21)	<u>205,603,075</u>	<u>251,779,204</u>	(18)
Operating and maintenance expenses						
Production fuel	11,637,549	15,203,462	(23)	99,316,769	145,222,961	(32)
Other production	1,363,067	1,272,531	7	10,585,405	13,065,220	(19)
	<u>13,000,616</u>	<u>16,475,993</u>	(21)	<u>109,902,174</u>	<u>158,288,181</u>	(31)
Depreciation	3,385,826	3,711,396	-9	26,850,231	26,094,485	3
Energy conversion cost	1,791,227	1,426,508	26	11,192,519	13,649,021	18
Transmission & distribution	733,403	901,949	(19)	7,139,107	8,009,017	11
Customer accounting	353,493	329,571	7	3,730,115	2,573,120	45
Administrative & general	2,120,826	1,799,548	18	19,500,592	20,705,705	(6)
Total operating and maintenance expenses	<u>21,385,391</u>	<u>24,644,965</u>	(13)	<u>178,314,738</u>	<u>229,319,529</u>	(22)
Operating income	<u>4,358,771</u>	<u>4,452,746</u>	(2)	<u>27,288,337</u>	<u>22,459,675</u>	21
Other income (expenses)						
Interest income	66,386	51,307	29	661,389	696,033	(5)
Interest expense and amortization	(2,904,153)	(3,116,027)	(7)	(25,356,241)	(26,047,185)	(10)
Bond issuance costs	68,617	100,009	(31)	548,936	581,917	(6)
Assets written off	0	0		0	0	
Allowance for funds used during construction	341,165	390,478	(13)	2,841,556	4,108,226	(31)
Other expense	(4,291)	(783,281)	(99)	(3,327,832)	(5,654,161)	(64)
Total other income (expenses)	<u>(2,432,276)</u>	<u>(3,357,514)</u>	(28)	<u>(20,635,192)</u>	<u>(24,315,170)</u>	(15)
Income (loss) before capital contributions	<u>1,926,495</u>	<u>1,095,232</u>	76	<u>6,653,145</u>	<u>(1,855,495)</u>	(459)
Capital contributions	<u>0</u>	<u>0</u>	0	<u>703,416</u>	<u>414,045</u>	70
Increase (decrease) in net assets	<u>1,926,495</u>	<u>1,095,232</u>	76	<u>7,356,561</u>	<u>(1,441,450)</u>	(610)
Total net assets at beginning of period (restated)	<u>89,535,342</u>	<u>62,233,326</u>	44	<u>84,105,276</u>	<u>64,770,008</u>	30
Total net assets at end of period	<u>\$ 91,461,837</u>	<u>\$ 63,328,558</u>	44	<u>\$ 91,461,837</u>	<u>\$ 63,328,558</u>	44

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows
Period Ended May 31, 2016

	Month Ending 5/31/2016	YTD Ending 5/31/2016
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	\$25,697,613	\$ 210,481,480
Cash payments to suppliers and employees for goods and services	<u>(23,094,451)</u>	<u>108,648,936</u>
Net cash provided by operating activities	\$48,792,064	101,832,544
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	<u>66,386</u>	<u>661,389</u>
Net cash provided by investing activities	66,386	661,389
Cash flows from non-capital financing activities		
Interest paid on short term debt	(5,666)	(50,016)
Energy sense fund payments	8,041	54,194
Provision for self insurance funds	<u>(28)</u>	<u>932,231</u>
Net cash provided by noncapital financing activities	2,347	936,409
Cash flows from capital and related financing activities		
Acquisition of utility plant	(1,765,275)	(12,635,466)
Principal paid on bonds and other long-term debt	-	(14,265,000)
Interest paid on bonds(net of capitalized interest)	341,099	(26,446,757)
Interest paid on capital lease obligations	(507,832)	(4,181,228)
Interest & principal funds held by trustee	(2,091,502)	17,276,152
Reserve funds held by trustee	(2,852)	5,817,401
Bond funds held by trustee	140,714	9,128,140
Principal payment on capital lease obligations	(1,436,252)	(9,678,428)
Grant from DOI/FEMA	-	703,416
Debt issuance costs/loss on defeasance	(217,699)	(1,741,592)
Net cash provided by (used in) capital and related financing activities	<u>(5,539,599)</u>	<u>(36,023,361)</u>
Net (decrease) increase in cash and cash equivalents	43,321,198	67,406,980
Cash and cash equivalents, beginning	<u>85,541,797</u>	<u>61,456,015</u>
Cash and cash equivalents-Funds held by GPA, May 31, 2016	<u>\$ 128,862,995</u>	<u>\$ 128,862,995</u>

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows, continued
Period Ended May 31, 2016

	Month Ending 5/31/2016	YTD Ending 5/31/2016
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	\$4,358,771	\$27,288,337
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	3,385,826	26,850,231
Other expense	64,326	(778,896)
(Increase) decrease in assets:		
Accounts receivable	(72,691)	4,778,724
Other accounts receivable	4,807,492	-
Materials and inventory	105,600	1,352,103
Fuel inventory	(3,727,243)	4,204,338
Prepaid expenses	853,814	(3,404,772)
Unamortized debt issuance cost	31,634	253,072
Deferred fuel revenue	835,894	440,739
Unamortized loss on debt refunding	104,168	833,344
Unamortized forward delivery contract costs	13,280	106,240
Increase (decrease) in liabilities:		
Accounts payable-operations	8,735,638	10,707,664
Accounts payable-others	-	47,482
Accrued payroll and employees' benefits	301,051	587,231
Net pension liability	(494,997)	(1,713,319)
Employees' annual leave	5,077	232,885
Customers deposits	(1,791,164)	(587,882)
Customer advances for construction	24,645	81,757
Other unearned revenue	31,299,611	30,942,611
Unearned forward delivery contract revenue	(48,668)	(389,345)
Net cash provided by operating activities	\$48,792,064	\$101,832,544



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GUAM POWER AUTHORITY FINANCIAL STATEMENT OVERVIEW June 2016

Attached are the financial statements and supporting schedules for the month and fiscal year ended June 30, 2016.

Summary

The increase in net assets for the month ended was \$2.3 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 4.96% more than projected and non-fuel revenues were \$0.6 million more than the estimated amount. O & M expenses for the month were \$4.4 million which was \$0.9 million less than our projections for the year. 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 in line with the projected amount. There were no other significant departures from the budget during the period.

Analysis

Description	Previous Month	Current Month	Target
Quick Ratio	2.44	2.71	2
Days in Receivables	37	39	52
Days in Payables	42	34	30
LEAC (Over)/Under Recovery Balance -YTD	\$1,428,605	\$737,873	\$1,900,302
T&D Losses	4.89%	4.53%	7.00%
Debt Service Coverage	2.45	2.43	1.75
Long-term equity ratio	13%	14%	30 - 40%
Days in Cash	208	213	60

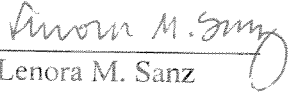
The Quick Ratio has been a challenge for GPA. However, this fiscal year has shown improvement over the previous fiscal year. GPA has current obligations of approximately \$61 million and approximately \$165 million in cash and current receivables. The Debt Service Coverage ratio is calculated using the methodology in use before the Fiscal Year 2002 change in accounting practice.

Financial Statement
June 2016
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:




Lenora M. Sanz
Controller

Reviewed by:



John J.E. Kim
Chief Financial Officer

Approved by:



John M. Benavente, P.E.
General Manager

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Net Position
June 30, 2016 and September 30, 2015

	Unaudited June 2016	Audited September 2015	Change from Sept 30 2015
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and cash equivalents:			
Held by trustee for restricted purposes:			
Interest and principal funds	\$ 7,664,525	\$ 22,849,106	\$ (15,184,581)
Bond indenture funds	75,680,439	84,986,806	(9,306,367)
Held by Guam Power Authority:			
Bond indenture funds	131,423,666	61,456,015	69,967,651
Self insurance fund-restricted	21,505,341	20,435,825	1,069,516
Energy sense fund	1,720,684	1,806,014	(85,330)
Total cash and cash equivalents	<u>237,994,655</u>	<u>191,533,766</u>	<u>46,460,889</u>
Accounts receivable, net	32,370,718	35,519,425	(3,148,707)
Total current receivables	<u>32,370,718</u>	<u>35,519,425</u>	<u>(3,148,707)</u>
Materials and supplies inventory	14,747,390	16,312,559	(1,565,169)
Fuel inventory	24,579,251	34,774,612	(10,195,361)
Prepaid expenses	3,310,665	733,254	2,577,411
Total current assets	<u>313,002,679</u>	<u>278,873,616</u>	<u>34,129,063</u>
Utility plant, at cost:			
Electric plant in service	1,027,410,761	1,004,422,940	22,987,821
Construction work in progress	21,912,243	31,056,101	(9,143,858)
Total	<u>1,049,323,004</u>	<u>1,035,479,041</u>	<u>13,843,963</u>
Less: Accumulated depreciation	(523,963,472)	(494,254,532)	(29,708,940)
Total utility plant	<u>525,419,532</u>	<u>541,374,509</u>	<u>(15,954,977)</u>
Other non-current assets:			
Investment - bond reserve funds held by trustee	48,541,708	54,356,593	(5,814,885)
Unamortized debt issuance costs	4,741,503	5,026,209	(284,706)
Total other non-current assets	<u>53,283,211</u>	<u>59,382,802</u>	<u>(6,099,591)</u>
Total assets	<u>891,705,422</u>	<u>879,630,927</u>	<u>12,074,495</u>
Deferred outflow of resources:			
Deferred fuel revenue	738,008	1,869,479	(1,131,471)
Unamortized loss on debt refunding	12,636,904	13,574,416	(937,512)
Pension	7,490,630	7,490,630	0
Unamortized forward delivery contract costs	836,558	956,078	(119,520)
Total deferred outflows of resources	<u>21,702,100</u>	<u>23,890,603</u>	<u>(2,188,503)</u>
	<u>\$ 913,407,522</u>	<u>\$ 903,521,530</u>	<u>\$ 9,885,992</u>

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statement of Net Position, Continued
June 30, 2016 and September 30, 2015

	Unaudited June 2016	Audited September 2015	Change from Sept 30 2015
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current liabilities:			
Current maturities of long-term debt	\$ 115,000	\$ 14,265,000	\$ (14,150,000)
Current obligations under capital leases	14,820,776	14,820,776	0
Accounts payable			
Operations	26,216,368	22,068,203	4,148,165
Others	47,482	0	47,482
Accrued payroll and employees' benefits	725,698	1,296,386	(571,188)
Current portion of employees' annual leave	2,603,197	2,388,129	215,068
Interest payable	7,901,961	15,673,208	(7,771,247)
Customer deposits	8,530,390	9,043,908	(513,518)
	<u>60,960,872</u>	<u>79,556,110</u>	<u>(18,595,238)</u>
Total current liabilities			
Regulatory liabilities:			
Provision for self insurance	19,758,320	19,758,320	0
	<u>19,758,320</u>	<u>19,758,320</u>	<u>0</u>
Total regulatory liabilities			
Long term debt, net of current maturities	595,710,875	597,785,166	(2,074,291)
Obligations under capital leases, net of current portion	28,664,703	39,609,006	(10,944,303)
Net Pension liability	64,817,880	67,025,973	(2,208,093)
DCRS sick leave liability	3,113,912	3,113,912	0
Employees' annual leave net of current portion	806,762	806,762	0
Customer advances for construction	287,218	205,461	81,757
	<u>774,120,542</u>	<u>807,860,710</u>	<u>(33,740,168)</u>
Total liabilities			
Deferred inflows of resources:			
Unearned forward delivery contract revenue	3,066,093	3,504,106	(438,013)
Pension	7,694,438	7,694,438	0
Other unearned revenues	34,725,734	357,000	34,368,734
	<u>45,486,265</u>	<u>11,555,544</u>	<u>33,930,721</u>
Total deferred inflows of resources			
Commitments and contingencies			
Net Position:			
Net investment in capital assets	8,280,961	16,924,495	(8,643,534)
Restricted	475,560	13,551,340	(13,075,780)
Unrestricted	85,044,193	53,629,441	31,414,752
	<u>93,800,714</u>	<u>84,105,276</u>	<u>9,695,438</u>
Total net position			
	<u>\$ 913,407,522</u>	<u>\$ 903,521,530</u>	<u>\$ 9,885,992</u>

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

	June 30		% of change Inc (dec)	Nine Months Ended June 30		% of change Inc (dec)
	Unaudited 2016	Audited 2015		Unaudited 2016	Audited 2015	
Revenues						
Sales of electricity	\$ 25,634,683	\$ 29,196,385	(12)	\$ 230,293,176	\$ 276,359,974	(17)
Working Capital surcharge	-	623,909	(100)	-	5,262,591	(100)
Miscellaneous	154,630	184,153	(16)	1,832,548	1,333,419	37
Total	<u>25,789,313</u>	<u>30,004,447</u>	<u>(14)</u>	<u>232,125,724</u>	<u>282,955,984</u>	<u>(18)</u>
Bad debt expense	-	212,833	(100)	-	-	(100)
Total revenues	<u>25,595,578</u>	<u>30,217,280</u>	<u>(15)</u>	<u>231,198,653</u>	<u>281,996,484</u>	<u>(18)</u>
Operating and maintenance expenses						
Production fuel	11,536,262	15,410,006	(24)	110,859,031	160,632,967	(31)
Other production	1,142,968	1,381,646	(17)	11,728,373	14,446,866	(19)
	<u>12,679,230</u>	<u>16,791,652</u>	<u>(24)</u>	<u>122,581,404</u>	<u>175,079,833</u>	<u>(30)</u>
Depreciation	3,445,681	3,621,997	(4)	30,295,912	29,716,482	2
Energy conversion cost	1,443,939	1,440,660	0	12,636,458	15,089,681	(16)
Transmission & distribution	908,616	1,051,290	(14)	8,047,723	9,060,307	(11)
Customer accounting	297,552	328,377	(10)	4,027,667	2,901,497	39
Administrative & general	2,065,576	1,965,358	5	21,566,168	22,671,063	(5)
Total operating and maintenance expenses	<u>20,840,594</u>	<u>25,199,334</u>	<u>(17)</u>	<u>199,155,332</u>	<u>254,518,863</u>	<u>(22)</u>
Operating income	<u>4,754,984</u>	<u>5,017,946</u>	<u>(5)</u>	<u>32,043,321</u>	<u>27,477,621</u>	<u>17</u>
Other income (expenses)						
Interest income	57,409	53,076	8	718,798	749,109	(4)
Interest expense and amortization	(2,862,904)	(3,104,751)	(8)	(26,222,100)	(29,151,911)	(10)
Bond issuance costs	68,617	100,009	(31)	617,553	681,926	(9)
Assets written off	0	0	-	0	0	-
Allowance for funds used during construction	325,056	390,466	(17)	3,166,612	4,498,692	(30)
Other expense	(4,485)	(204,291)	(98)	(1,612,117)	(5,211,452)	(65)
Total other income (expenses)	<u>(2,416,107)</u>	<u>(2,765,491)</u>	<u>(13)</u>	<u>(25,011,214)</u>	<u>(27,010,661)</u>	<u>(15)</u>
Income (loss) before capital contributions	<u>2,338,877</u>	<u>2,252,455</u>	<u>4</u>	<u>8,992,022</u>	<u>396,960</u>	<u>2,165</u>
Capital contributions	0	131,485	0	703,416	545,530	29
Increase (decrease) in net assets	<u>2,338,877</u>	<u>2,383,940</u>	<u>(2)</u>	<u>9,695,438</u>	<u>942,490</u>	<u>929</u>
Total net assets at beginning of period (restated)	<u>91,461,837</u>	<u>63,328,558</u>	<u>44</u>	<u>84,105,276</u>	<u>64,770,008</u>	<u>30</u>
Total net assets at end of period	<u>\$ 93,800,714</u>	<u>\$ 65,712,498</u>	<u>43</u>	<u>\$ 93,800,714</u>	<u>\$ 65,712,498</u>	<u>43</u>

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows
Period Ended June 30, 2016

	Month Ended 6/30/2016	YTD Ended 6/30/2016
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	\$23,985,701	\$ 234,467,181
Cash payments to suppliers and employees for goods and services	<u>14,258,147</u>	<u>122,907,083</u>
Net cash provided by operating activities	\$9,727,554	111,560,098
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	<u>57,409</u>	<u>718,798</u>
Net cash provided by investing activities	57,409	718,798
Cash flows from non-capital financing activities		
Interest paid on short term debt	(7,251)	(57,268)
Energy sense fund payments	31,136	85,330
Provision for self insurance funds	<u>(2,001,747)</u>	<u>(1,069,516)</u>
Net cash provided by noncapital financing activities	(1,977,862)	(1,041,454)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(1,705,468)	(14,340,935)
Principal paid on bonds and other long-term debt	-	(14,265,000)
Interest paid on bonds(net of capitalized interest)	325,056	(26,121,701)
Interest paid on capital lease obligations	(466,583)	(4,647,811)
Interest & principal funds held by trustee	(2,091,571)	15,184,581
Reserve funds held by trustee	(2,516)	5,814,885
Bond funds held by trustee	178,227	9,306,367
Principal payment on capital lease obligations	(1,265,875)	(10,944,303)
Grant from DOI/FEMA	-	703,416
Debt issuance costs/loss on defeasance	(217,699)	(1,959,291)
Net cash provided by (used in) capital and related financing activities	<u>(5,246,429)</u>	<u>(41,269,791)</u>
Net (decrease) increase in cash and cash equivalents	2,560,672	69,967,651
Cash and cash equivalents, beginning	<u>128,862,995</u>	<u>61,456,015</u>
Cash and cash equivalents-Funds held by GPA, June 30, 2016	<u>\$ 131,423,666</u>	<u>\$ 131,423,666</u>

GUAM POWER AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Statements of Cash Flows, continued
Period Ended June 30, 2016

	Month Ended 6/30/2016	YTD Ended 6/30/2016
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	\$4,754,984	\$32,043,321
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	3,445,681	30,295,912
Other expense	64,332	(714,564)
(Increase) decrease in assets:		
Accounts receivable	(1,630,017)	3,148,707
Other accounts receivable	-	-
Materials and inventory	213,066	1,565,169
Fuel inventory	5,991,023	10,195,361
Prepaid expenses	827,361	(2,577,411)
Unamortized debt issuance cost	31,634	284,706
Deferred fuel revenue	690,732	1,131,471
Unamortized loss on debt refunding	104,168	937,512
Unamortized forward delivery contract costs	13,280	119,520
Increase (decrease) in liabilities:		
Accounts payable-operations	(6,559,499)	4,148,165
Accounts payable-others	-	47,482
Accrued payroll and employees' benefits	(1,158,419)	(571,188)
Net pension liability	(494,774)	(2,208,093)
Employees' annual leave	(17,817)	215,068
Customers deposits	74,364	(513,518)
Customer advances for construction	-	81,757
Other unearned revenue	3,426,123	34,368,734
Unearned forward delivery contract revenue	(48,668)	(438,013)
Net cash provided by operating activities	\$9,727,554	\$111,560,098