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GUAM POWER AUTHORITY

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

30 April, 2009

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Senator Judith T. Won Pat, Ed. D., Honorable Speaker
Office of the Speaker
I Mina 'Trenta na Liheslaturan Guahan
30th Guam Legislature
155 Hesler Place
Hagatna, Guam 96910

SUBJECT: Financial Statements – Quarter ended March 31, 2009

Dear Honorable Speaker Won Pat:

Enclosed are the Guam Power Authority's Financial Statements for the quarter ended March 31, 2009 submitted in accordance with Public Law 29-113 Ch VII §2.

Should you require further information, please feel free to contact Ms. Lenora Sanz, Controller at 648-3122.

Sincerely,

RV Randall V. Wiegand
Chief Financial Officer

Enclosures

cc: Mr. Joaquin C. Flores, P.E., General Manager
Ms. Doris Flores Brooks, CPA, CGFM Public Auditor
GPA Finance Management
File – CFO 102 09

30-09-0567
Office of the Speaker
Judith T. Won Pat/Ed. D.
Date 4/30/09
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Guam Power Authority
Statements of Net Assets

	Unaudited March 2009	Audited September 2008	Change from Sept 30 2008
ASSETS			
Utility plant at cost:			
Electric plant in service	\$ 841,625,742	\$837,764,512	\$ 3,861,230
Construction work in progress	<u>20,097,740</u>	<u>14,179,284</u>	<u>5,918,456</u>
	861,723,482	851,943,796	9,779,686
Less: Accumulated depreciation	<u>(343,039,898)</u>	<u>(329,522,064)</u>	<u>(13,516,834)</u>
Total utility plant at cost	<u>518,684,584</u>	<u>522,421,732</u>	<u>(3,737,148)</u>
Restricted funds			
Reserve funds held by trustee			
Revenue bonds	27,488,268	27,488,268	0
Self insurance fund	<u>4,612,702</u>	<u>2,233,834</u>	<u>2,378,868</u>
Total restricted funds	<u>32,100,970</u>	<u>29,722,102</u>	<u>2,378,868</u>
Funds identified for special purposes			
Interest and principal funds			
held by Trustee for debt repayment	13,690,794	17,592,266	(3,901,472)
Bond Funds held by Trustee	18,558,700	21,143,048	(2,584,348)
Reserve funds for (Fuel/others)	22,128,020	5,500,000	16,628,020
Reserve funds for LC payments	25,002	25,065	(63)
Reserve funds held by GPA			
Bond indenture funds held by GPA	<u>10,483,355</u>	<u>19,791,565</u>	<u>(8,308,210)</u>
Total cash reserves	<u>64,885,870</u>	<u>64,051,944</u>	<u>833,926</u>
Accounts receivable (net of allowance)	<u>45,506,772</u>	<u>49,934,849</u>	<u>(4,428,077)</u>
Materials and supplies	<u>12,503,352</u>	<u>12,632,930</u>	<u>(129,578)</u>
Fuel oil	<u>20,857,856</u>	<u>40,990,312</u>	<u>(20,132,456)</u>
Current portion of deferred fuel costs	<u>17,885,435</u>	<u>0</u>	<u>17,885,435</u>
Prepaid expenses	<u>1,063,547</u>	<u>729,962</u>	<u>333,585</u>
Total current assets	<u>162,702,832</u>	<u>168,339,997</u>	<u>(5,637,165)</u>
Other assets			
Long term receivables, net	11,076,109	11,076,109	0
Regulatory asset	2,470,992	2,470,992	0
Unamortized costs	4,768,543	4,913,233	(144,690)
Non current deferred fuel costs	0	0	0
Deferred asset	3,426,045	3,505,721	(79,676)
Other assets	<u>1,529,022</u>	<u>1,713,347</u>	<u>(184,325)</u>
Total other assets	<u>23,270,711</u>	<u>23,679,402</u>	<u>(408,691)</u>
Total Assets	\$ 736,759,096	\$744,163,233	\$ (7,404,137)

GUAM POWER AUTHORITY
Statements of Net Assets, Continued

	Unaudited March 2009	Audited September 2008	Change from Sept 30 2008
LIABILITIES AND NET ASSETS			
Current liabilities			
Current portion, debt			
Revenue bonds, Series A	\$ 7,373,601	\$ 7,080,000	\$ 293,601
Accrued bond interest	10,240,415	10,200,382	40,033
Current obligation under capital lease	7,113,678	7,113,678	0
Accounts payable			
Operations & fuel oil	22,449,260	13,699,518	8,749,742
Accrued payroll & benefits	1,509,302	1,034,600	474,702
Current portion of employees' annual leave	1,385,012	1,116,800	268,212
Bid bond and customers' deposits	4,782,864	4,560,829	222,035
Interest payable on customers' deposit	701,445	702,189	(744)
Deferred credit - self insurance	4,157,349	2,233,834	1,923,515
Deferred fuel cost - current portion	0	4,580,169	(4,580,169)
Current portion, Deferred payment agreement	0	0	0
TCP- short term notes payable	<u>19,583,332</u>	<u>20,000,000</u>	<u>(416,668)</u>
Total current liabilities	<u>79,296,258</u>	<u>72,321,999</u>	<u>6,974,259</u>
Deferred credit - repurchase agreement	12,556,379	12,848,388	(292,009)
Employee annual leave, less current portion	2,517,190	2,517,190	0
Unfunded retirement deferred contributions	10,720,833	10,720,833	0
Obligation under capital lease (less current portion)	121,708,126	125,157,381	(3,449,255)
Long term debt, less current maturities	362,152,927	368,932,816	(6,779,889)
Total liabilities	<u>588,951,713</u>	<u>592,498,607</u>	<u>(3,546,894)</u>
Commitments and contingencies			
Net assets			
Invested in capital assets, net of related debt	20,899,524	14,762,211	6,137,313
Restricted	73,271,370	56,331,082	16,940,288
Unrestricted	<u>53,636,491</u>	<u>80,571,333</u>	<u>(26,934,842)</u>
Total net assets	<u>147,807,385</u>	<u>151,664,626</u>	<u>(3,857,241)</u>
Total liabilities and net assets	\$ 736,759,096	\$744,163,233	\$ (7,404,137)

GUAM POWER AUTHORITY
Statement of Revenues, Expenses and Changes in Net Assets

	March		% of change Inc (dec)	Six Months Ending March 31, 2008		% of change Inc (dec)
	Unaudited 2009	Audited 2008		Unaudited 2009	Audited 2008	
Revenues						
Sales of electricity	\$ 32,332,338	\$ 30,411,945	6	\$ 208,868,819	\$ 169,367,319	23
Miscellaneous	<u>238,201</u>	<u>450,095</u>	(47)	<u>752,850</u>	<u>1,809,673</u>	(58)
Total revenues	32,570,539	30,862,040	6	209,621,669	171,176,992	(35)
Operating and maintenance expenses						
Production fuel	21,043,100	19,172,196	10	144,057,086	104,060,528	38
Other production	<u>1,106,631</u>	<u>1,738,066</u>	(38)	<u>9,496,508</u>	<u>9,429,929</u>	1
	<u>22,149,731</u>	<u>20,910,262</u>	6	<u>153,553,594</u>	<u>113,490,457</u>	35
Depreciation	2,289,314	2,229,359	3	13,746,625	13,376,374	3
Energy conversion cost	1,599,709	1,539,180	4	9,481,229	9,426,747	1
Transmission & distribution	564,771	828,541	(32)	4,509,619	4,198,901	7
Customer accounting	293,223	285,561	3	1,863,801	1,765,803	6
Administrative & general	<u>1,777,725</u>	<u>2,030,640</u>	(12)	<u>11,676,640</u>	<u>11,537,931</u>	1
Total operating and maintenance expenses	<u>28,674,473</u>	<u>27,823,543</u>	3	<u>194,831,508</u>	<u>153,796,213</u>	27
Operating income	<u>3,896,066</u>	<u>3,038,497</u>	<u>28</u>	<u>14,790,161</u>	<u>17,380,779</u>	<u>(15)</u>
Other income (expenses)						
Interest income	179,155	437,908	(59)	1,137,045	1,960,008	(42)
Interest expense	(3,312,942)	(3,223,926)	3	(19,569,783)	(19,438,211)	1
Allowance for funds used during construction	0	77,945	(100)	163,683	354,872	(54)
COLA/Supplemental annuities	(793,403)	4,481		(1,747,352)	(2,006,013)	
Inventory losses	0	0		0	(169,636)	
Provision for GovGuam receivable	0	0		0	0	
Bad debts recovery	0	0		0	0	
Recovery (losses) due to typhoon	0	0		0	0	
Other	<u>(151,099)</u>	<u>(144,093)</u>	5	<u>(906,694)</u>	<u>(857,383)</u>	6
Total other income (expenses)	<u>(4,078,289)</u>	<u>(2,647,585)</u>	<u>43</u>	<u>(20,923,001)</u>	<u>(20,156,343)</u>	<u>4</u>
Income (loss) before capital contributions	(182,223)	190,812	(195)	(6,132,840)	(2,775,564)	121
Capital contributions	<u>1,394,769</u>	<u>1,831,213</u>		<u>2,275,601</u>	<u>1,831,213</u>	
Increase (decrease) in net assets	<u>1,212,546</u>	<u>2,022,025</u>	<u>(40)</u>	<u>(3,857,239)</u>	<u>(944,351)</u>	<u>308</u>
Total net assets at beginning of period	<u>146,594,838</u>	<u>139,038,074</u>	<u>N/A</u>	<u>151,664,624</u>	<u>142,004,450</u>	<u>7</u>
Total net assets at end of period	<u>\$ 147,807,385</u>	<u>\$ 141,060,099</u>	<u>5</u>	<u>\$ 147,807,385</u>	<u>\$ 141,060,099</u>	<u>5</u>

Guam Power Authority
Statement of Cash Flows
March 31, 2009

	Month Ending 3/31/2009	YTD Ending 3/31/2009
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	\$20,654,570	199,441,347
Cash payments to suppliers and employees for goods and services	<u>17,408,283</u>	<u>160,057,387</u>
Net cash provided by operating activities	\$3,246,287	39,383,960
Cash flows from investing activities:		
Decrease in bond reserve funds	-	-
Interest and dividends on investments and bank accounts	<u>179,155</u>	<u>1,137,045</u>
	179,155	1,137,045
Cash flows from non-capital financing activities		
Proceeds from short term debt	-	-
Principal paid on short-term debt	-	-
Pay off of fuel credit line	-	-
Interest paid on short term debt	(242,502)	(1,237,217)
Funds for LC payments	33	63
Provision for self insurance funds	<u>(773,732)</u>	<u>(2,378,868)</u>
Net cash provided by noncapital financing activities	(1,016,201)	(3,616,022)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(2,932,987)	(10,009,459)
Principal paid on bonds and other long-term debt	-	(7,080,000)
Interest paid on bonds(net of capitalized interest)	-	(10,036,698)
Interest paid on capital lease obligations	(1,334,254)	(8,092,896)
Interest & principal funds held by trustee	(2,281,799)	3,901,472
Bond funds held by trustee	55,719	2,584,348
Escrow funds for fuel / others	(829,302)	(16,628,020)
Additional grant from US Government	1,394,769	2,275,601
Principal payment on capital lease obligations	(589,438)	(3,449,255)
Proceeds from capital related short-term debt	-	-
Deferred credits-repurchase agreement-Working Capital Funds	-	-
Principal payment on short term loan	(416,688)	(416,688)
Debt issuance costs/loss on defeasance	<u>123,067</u>	<u>738,402</u>
Net cash provided by(used in) capital and related financing activities	(6,810,912)	(46,213,193)
Net (decrease) increase in cash and cash equivalents	(4,401,672)	(9,308,210)
Cash and cash equivalents, beginning	<u>14,885,028</u>	<u>\$19,791,565</u>
Cash and cash equivalents, March 31, 2009	\$ 10,483,355	\$ 10,483,355

Guam Power Authority
Statement of Cash Flows, continued
March 31, 2009

	Month Ending 3/31/2009	YTD Ending 3/31/2009
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	\$3,896,514	\$14,790,161
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,289,314	13,746,625
Bad debts recovery	-	-
Recovery of typhoon losses	-	-
Other expense	(944,502)	(2,653,946)
(Increase) decrease in assets:		
Accounts receivable	2,873,744	4,428,077
Materials and inventory	74,771	129,578
Fuel inventory	1,681,676	20,132,456
Deferred fuel costs	(839,891)	(22,465,604)
Prepaid expenses	69,144	(333,585)
Long term notes receivable	-	-
Long term accounts receivable	-	-
Regulatory asset	-	-
Unamortized costs	(1)	0
Deferred asset	13,279	79,676
Other assets	73,421	184,325
Increase (decrease) in liabilities:		
Accounts payable-operations	(5,806,511)	8,749,742
Customers deposits	19,397	222,035
Accrued payroll and employees' benefits	(515,452)	474,702
Deferred credit-self insurance funds	318,574	1,923,515
Deferred credit repurchase agreement	(48,668)	(292,009)
Deferred payment agreement	-	-
Employees' annual leave, current portion	91,478	268,212
Net cash provided by operating activities	\$3,246,287	\$39,383,960