



GUAM POWER AUTHORITY

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

06 November 2009

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

2009 NOV 10 AM 8:56 AM


SUBJECT: Financial Statements – Quarter ended September 30, 2009

Dear Honorable Speaker Won Pat:

Enclosed are the Guam Power Authority's Financial Statements for the quarter ended September 30, 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,


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 020 10

30-09-1337
Date: 11/06/09
Time: 4:11
Recd: [Signature]



Guam Power Authority
Statements of Net Assets

| | Unaudited September 2009 | Audited September 2008 | Change from Sept 30 2008 |
|--|--------------------------------|------------------------------|--------------------------------|
| ASSETS | | | |
| Utility plant at cost: | | | |
| Electric plant in service | \$871,197,789 | \$837,764,512 | \$ 33,433,277 |
| Construction work in progress | <u>10,721,225</u> | <u>14,179,284</u> | <u>(3,458,059)</u> |
| | 881,919,014 | 851,943,796 | 29,975,218 |
| Less: Accumulated depreciation | <u>(370,647,785)</u> | <u>(329,522,064)</u> | <u>(41,125,721)</u> |
| Total utility plant at cost | <u>511,271,229</u> | <u>522,421,732</u> | <u>(11,150,503)</u> |
| Restricted funds | | | |
| Reserve funds held by trustee | | | |
| Revenue bonds | 27,488,268 | 27,488,268 | 0 |
| | | 0 | 0 |
| Self insurance fund | <u>3,609,565</u> | <u>2,233,834</u> | <u>1,375,731</u> |
| Total restricted funds | <u>31,097,833</u> | <u>29,722,102</u> | <u>1,375,731</u> |
| Funds identified for special purposes | | | |
| Interest and principal funds | | | |
| held by Trustee for debt repayment | 17,345,795 | 17,592,266 | (246,471) |
| Bond Funds held by Trustee | 17,978,851 | 21,143,048 | (3,164,197) |
| Reserve funds for (Fuel/others) | 531,488 | 5,500,000 | (4,968,512) |
| Reserve funds for LC payments | 24,659 | 25,065 | (406) |
| Reserve funds held by GPA | | | |
| Bond indenture funds held by GPA | <u>27,202,046</u> | <u>19,791,565</u> | <u>7,410,481</u> |
| Total cash reserves | <u>63,082,839</u> | <u>64,051,944</u> | <u>(969,105)</u> |
| Accounts receivable (net of allowance) | 43,437,861 | 49,934,849 | (6,496,988) |
| Materials and supplies | | | |
| Fuel oil | 12,365,580 | 12,632,930 | (267,350) |
| | 53,617,437 | 40,990,312 | 12,627,125 |
| Current portion of deferred fuel costs | 4,840,687 | 0 | 4,840,687 |
| Prepaid expenses | <u>698,049</u> | <u>729,962</u> | <u>(31,913)</u> |
| Total current assets | <u>178,042,453</u> | <u>168,339,997</u> | <u>9,702,456</u> |
| Other assets | | | |
| Long term receivables, net | 7,823,660 | 11,076,109 | (3,252,449) |
| Regulatory asset | 0 | 2,470,992 | (2,470,992) |
| Unamortized costs | 4,623,852 | 4,913,233 | (289,381) |
| Deferred asset | 3,346,370 | 3,505,721 | (159,351) |
| Other assets | <u>1,255,300</u> | <u>1,713,347</u> | <u>(458,047)</u> |
| Total other assets | <u>17,049,182</u> | <u>23,679,402</u> | <u>(6,630,220)</u> |
| Total Assets | \$737,460,697 | \$744,163,233 | \$ (6,702,536) |

GUAM POWER AUTHORITY
Statements of Net Assets, Continued

| | Unaudited September 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 | 10,489,932 | 10,200,382 | 289,550 |
| Current obligation under capital lease | 7,113,678 | 7,113,678 | 0 |
| Accounts payable | | | |
| Operations & fuel oil | 38,691,492 | 13,699,518 | 24,991,974 |
| Accrued payroll & benefits | 904,042 | 1,034,600 | (130,558) |
| Current portion of employees' annual leave | 1,603,017 | 1,116,800 | 486,217 |
| Bid bond and customers' deposits | 5,198,981 | 4,560,829 | 638,152 |
| Interest payable on customers' deposit | 709,935 | 702,189 | 7,746 |
| Deferred credit - self insurance | 3,609,565 | 2,233,834 | 1,375,731 |
| 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>17,083,332</u> | <u>20,000,000</u> | <u>(2,916,668)</u> |
| Total current liabilities | <u>92,777,575</u> | <u>72,321,999</u> | <u>20,455,576</u> |
| Deferred credit - repurchase agreement | 12,264,370 | 12,848,388 | (584,018) |
| Employee annual leave, less current portion | 2,726,328 | 2,517,190 | 209,138 |
| Unfunded retirement deferred contributions | 10,720,833 | 10,720,833 | 0 |
| Obligation under capital lease (less current portion) | 118,044,029 | 125,157,381 | (7,113,352) |
| Long term debt, less current maturities | 362,746,639 | 368,932,816 | (6,186,177) |
| Total liabilities | <u>599,279,774</u> | <u>592,498,607</u> | <u>6,781,167</u> |
| Commitments and contingencies | | | |
| Net assets | | | |
| Invested in capital assets, net of related debt | 16,495,456 | 14,762,211 | 1,733,245 |
| Restricted | 56,221,077 | 56,331,082 | (110,005) |
| Unrestricted | <u>65,464,390</u> | <u>80,571,333</u> | <u>(15,106,943)</u> |
| Total net assets | <u>138,180,923</u> | <u>151,664,626</u> | <u>(13,483,703)</u> |
| Total liabilities and net assets | <u>\$737,460,697</u> | <u>\$744,163,233</u> | <u>\$ (6,702,536)</u> |

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

| | September | | % of change Inc (dec) | Twelve Months Ending | | % of change Inc (dec) |
|---|-----------------------|-----------------------|-----------------------------|-------------------------|----------------------|-----------------------------|
| | Unaudited 2009 | Audited 2008 | | Unaudited 2009 | Audited 2008 | |
| Revenues | | | | | | |
| Sales of electricity | \$ 28,548,934 | \$ 32,760,249 | (13) | \$378,253,474 | \$368,957,937 | 3 |
| Miscellaneous | <u>(52,478)</u> | 300,411 | <u>(117)</u> | 1,517,977 | 2,586,523 | <u>(41)</u> |
| Total revenues | 28,496,456 | 33,060,660 | (14) | 379,771,451 | 371,544,460 | (39) |
| Operating and maintenance expenses | | | | | | |
| Production fuel | 16,905,065 | 22,815,734 | (26) | 244,465,223 | 237,062,565 | 3 |
| Other production | <u>3,841,759</u> | <u>2,705,452</u> | <u>42</u> | <u>24,630,106</u> | <u>20,083,144</u> | <u>23</u> |
| | <u>20,746,824</u> | <u>25,521,186</u> | <u>(19)</u> | <u>269,095,329</u> | <u>257,145,709</u> | <u>5</u> |
| Depreciation | 2,288,049 | 2,649,383 | (14) | 27,419,679 | 27,169,668 | 1 |
| Energy conversion cost | 1,482,297 | 1,588,295 | (7) | 19,180,681 | 18,882,846 | 2 |
| Transmission & distribution | 1,068,026 | 1,476,213 | (28) | 11,140,900 | 10,283,952 | 8 |
| Customer accounting | 331,206 | 425,553 | (22) | 3,741,856 | 3,899,692 | (4) |
| Administrative & general | <u>2,811,349</u> | <u>3,241,120</u> | <u>(13)</u> | <u>24,457,421</u> | <u>23,852,730</u> | <u>3</u> |
| Total operating and maintenance expenses | <u>28,727,751</u> | <u>34,901,750</u> | <u>(18)</u> | <u>355,035,866</u> | <u>341,234,597</u> | <u>4</u> |
| Operating income | <u>(231,295)</u> | <u>(1,841,090)</u> | <u>(87)</u> | <u>24,735,585</u> | <u>30,309,863</u> | <u>(18)</u> |
| Other income (expenses) | | | | | | |
| Interest income | 196,096 | 318,518 | (38) | 2,063,113 | 3,500,761 | (41) |
| Interest expense | (3,160,302) | (2,632,252) | 20 | (38,893,946) | (37,956,999) | 2 |
| Allowance for funds used during construction | 0 | 53,749 | (100) | (385,980) | 686,338 | (156) |
| COLA/Supplemental annuities | 0 | 0 | | (1,927,116) | (2,006,013) | (4) |
| Bad debts recovery | 0 | 0 | | 0 | 13,488,543 | 0 |
| Losses due to typhoon | 0 | 0 | | 0 | 331,949 | 0 |
| Inventory losses | 0 | 0 | | 0 | (169,636) | (100) |
| Other | <u>(1,321,653)</u> | <u>(85,497)</u> | <u>1,446</u> | <u>(2,983,742)</u> | <u>(1,646,050)</u> | <u>81</u> |
| Total other income (expenses) | <u>(4,285,859)</u> | <u>(2,345,482)</u> | <u>83</u> | <u>(42,127,671)</u> | <u>(23,771,107)</u> | <u>77</u> |
| Income (loss) before capital contributions | <u>(4,517,154)</u> | <u>(4,186,572)</u> | <u>8</u> | <u>(17,392,086)</u> | <u>6,538,756</u> | <u>(366)</u> |
| Capital contributions | <u>389,220</u> | <u>1,595,703</u> | | <u>3,908,381</u> | <u>4,926,028</u> | |
| Increase (decrease) in net assets | <u>(4,127,934)</u> | <u>(2,590,869)</u> | <u>59</u> | <u>(13,483,705)</u> | <u>11,464,784</u> | <u>(218)</u> |
| Total net assets at beginning of period | <u>142,308,854</u> | <u>156,060,103</u> | <u>N/A</u> | <u>151,664,627</u> | <u>142,004,450</u> | <u>7</u> |
| Total net assets at end of period | <u>\$ 138,180,923</u> | <u>\$ 153,469,234</u> | <u>(10)</u> | <u>\$138,180,923</u> | <u>\$153,469,234</u> | <u>(10)</u> |

**Guam Power Authority
Statement of Cash Flows
September 30, 2009**

| | Month Ending 9/30/2009 | YTD Ending 9/30/2009 |
|---|---------------------------|-------------------------|
| Increase(decrease) in cash and cash equivalents | | |
| Cash flows from operating activities: | | |
| Cash received from customers | \$23,376,785 | 386,574,639 |
| Cash payments to suppliers and employees for goods and services | <u>21,350,505</u> | <u>320,965,107</u> |
| Net cash provided by operating activities | \$2,026,280 | 65,609,532 |
| Cash flows from investing activities: | | |
| Interest and dividends on investments and bank accounts | <u>196,096</u> | <u>2,063,113</u> |
| | 196,096 | 2,063,113 |
| Cash flows from non-capital financing activities | | |
| Interest paid on short term debt | (162,051) | (2,389,523) |
| Funds for LC payments | 394 | 406 |
| Provision for self insurance funds | <u>637,323</u> | <u>(1,375,731)</u> |
| Net cash provided by noncapital financing activities | 475,666 | (3,764,848) |
| Cash flows from capital and related financing activities | | |
| Acquisition of utility plant | (360,021) | (16,269,175) |
| Principal paid on bonds and other long-term debt | - | (7,080,000) |
| Interest paid on bonds(net of capitalized interest) | - | (20,622,155) |
| Interest paid on capital lease obligations | (1,298,239) | (15,970,952) |
| Interest & principal funds held by trustee | (2,281,800) | 246,471 |
| Bond funds held by trustee | 1,860,720 | 3,164,197 |
| Escrow funds for fuel / others | 806,918 | 4,968,512 |
| Additional grant from US Government | 389,220 | 3,908,381 |
| Principal payment on capital lease obligations | (625,453) | (7,113,352) |
| Principal payment on short term loan | (416,667) | (2,916,668) |
| Debt issuance costs/loss on defeasance | <u>98,952</u> | <u>1,187,425</u> |
| Net cash provided by(used in) capital and related financing activities | (1,826,370) | (56,497,316) |
| Net (decrease) increase in cash and cash equivalents | 871,672 | 7,410,481 |
| Cash and cash equivalents, beginning | <u>26,330,373</u> | <u>\$19,791,565</u> |
| Cash and cash equivalents, September 30, 2009 | \$ 27,202,046 | \$ 27,202,046 |

Guam Power Authority
Statement of Cash Flows, continued
September 30, 2009

| | Month Ending 9/30/2009 | YTD Ending 9/30/2009 |
|---|---------------------------|-------------------------|
| Reconciliation of operating earnings to net cash provided by operating activities: | | |
| Operating earnings net of depreciation expense and excluding interest income | (\$231,430) | \$24,735,585 |
| Adjustments to reconcile operating earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 2,288,049 | 27,419,679 |
| Other expense | (1,321,653) | (4,910,858) |
| (Increase) decrease in assets: | | |
| Accounts receivable | (5,119,671) | 6,496,988 |
| Materials and inventory | 205,539 | 267,350 |
| Fuel inventory | (20,506,393) | (12,627,125) |
| Deferred fuel costs | 1,975,061 | (9,420,856) |
| Prepaid expenses | 52,742 | 31,913 |
| Long term receivable | 2,775,165 | 3,252,449 |
| Regulatory asset | 900,411 | 2,470,992 |
| Unamortized costs | 24,116 | 289,381 |
| Deferred asset | 13,279 | 159,351 |
| Other assets | 298,501 | 458,047 |
| Increase (decrease) in liabilities: | | |
| Accounts payable-operations | 21,094,748 | 24,991,974 |
| Customers deposits | 292,870 | 638,152 |
| Accrued payroll and employees' benefits | (485,244) | (130,558) |
| Deferred credit-self insurance funds | (637,323) | 1,375,731 |
| Deferred credit repurchase agreement | (48,668) | (584,018) |
| Employees' annual leave | 456,181 | 695,355 |
| Net cash provided by operating activities | \$2,026,280 | \$65,609,532 |