



# GUAM POWER AUTHORITY

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

31 March 2010

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

30-10-0269

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**SUBJECT: Financial Statements – February 2010**

Dear Honorable Speaker Won Pat:

Enclosed is the Guam Power Authority's Financial Statements for the month ended February 28, 2010 submitted in accordance with Public Law 30-55 Ch XIII §4.

Should you require further information, please feel free to contact Mrs. Lenora Sanz, Controller at 648-3122 or email [lsanz@gpagwa.com](mailto:lsanz@gpagwa.com).

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 067 10



**Guam Power Authority  
Statements of Net Assets**

	Unaudited February 2010	Audited September 2009	Change from Sept 30 2009
<b>ASSETS</b>			
<b>Utility plant at cost:</b>			
Electric plant in service	\$ 858,353,384	\$ 856,904,420	\$ 1,448,964
Construction work in progress	<u>12,789,515</u>	<u>9,950,816</u>	<u>2,838,699</u>
	871,142,899	866,855,236	4,287,663
Less: Accumulated depreciation	<u>(366,929,013)</u>	<u>(355,748,260)</u>	<u>(11,180,753)</u>
<b>Total utility plant at cost</b>	<b><u>504,213,886</u></b>	<b><u>511,106,976</u></b>	<b><u>(6,893,090)</u></b>
<b>Restricted funds</b>			
Reserve funds held by trustee			
Revenue bonds	27,488,268	27,488,268	0
Self insurance fund	<u>5,028,439</u>	<u>3,609,565</u>	<u>1,418,874</u>
<b>Total restricted funds</b>	<b><u>32,516,707</u></b>	<b><u>31,097,833</u></b>	<b><u>1,418,874</u></b>
<b>Funds identified for special purposes</b>			
Interest and principal funds			
held by Trustee for debt repayment	11,451,173	17,345,795	(5,894,622)
Bond Funds held by Trustee	17,500,808	17,978,850	(478,042)
Reserve funds for (Fuel/others)	31,353	1,068,468	(1,037,115)
Reserve funds for LC payments	24,653	24,659	(6)
Reserve funds held by GPA			
Bond indenture funds held by GPA	<u>11,698,942</u>	<u>27,202,050</u>	<u>(15,503,108)</u>
<b>Total cash reserves</b>	<b><u>40,706,929</u></b>	<b><u>63,619,822</u></b>	<b><u>(22,912,893)</u></b>
<b>Accounts receivable (net of allowance)</b>	<b>42,811,066</b>	<b>42,160,625</b>	<b>650,441</b>
<b>Materials and supplies</b>	<b>12,749,509</b>	<b>12,365,580</b>	<b>383,929</b>
Fuel oil	63,228,727	53,693,177	9,535,550
Current portion of deferred fuel costs	4,746,982	6,921,597	(2,174,615)
Prepaid expenses	<u>1,292,294</u>	<u>698,049</u>	<u>594,245</u>
<b>Total current assets</b>	<b><u>165,535,507</u></b>	<b><u>179,458,850</u></b>	<b><u>(13,923,343)</u></b>
<b>Other assets</b>			
Long term receivables, net	8,596,342	8,596,342	0
Regulatory asset	0	0	0
Unamortized costs	4,503,278	4,623,852	(120,574)
Non current deferred fuel costs	0	0	0
Deferred asset	3,279,973	3,346,370	(66,397)
Other assets	<u>977,691</u>	<u>1,067,335</u>	<u>(89,644)</u>
<b>Total other assets</b>	<b><u>17,357,284</u></b>	<b><u>17,633,899</u></b>	<b><u>(276,615)</u></b>
<b>Total Assets</b>	<b>\$ 719,623,384</b>	<b>\$ 739,297,558</b>	<b>\$ (19,674,174)</b>



**GUAM POWER AUTHORITY**  
**Statements of Net Assets, Continued**

<b>LIABILITIES AND NET ASSETS</b>	<b>Unaudited February 2010</b>	<b>Audited September 2009</b>	<b>Change from Sept 30 2009</b>
<b>Current liabilities</b>			
<b>Current portion, debt</b>			
Revenue bonds, Series A	7,795,000	7,373,601	421,399
Accrued bond interest	\$ 8,118,860	\$ 10,156,106	\$ (2,037,246)
Current obligation under capital lease	8,028,667	8,028,667	0
Accounts payable			
Operations & fuel oil	31,669,270	38,802,400	(7,133,130)
Accrued payroll & benefits	1,222,623	904,042	318,581
Current portion of employees' annual leave	796,005	1,385,384	(589,379)
Bid bond and customers' deposits	5,221,949	5,212,706	9,243
Interest payable on customers' deposit	707,915	709,935	(2,020)
Deferred credit - self insurance	5,028,439	3,609,565	1,418,874
Deferred credit - others	5,947,750	2,156,749	3,791,001
Current portion, Deferred payment agreement	0	0	0
TCP- short term notes payable	14,999,999	17,499,999	(2,500,000)
<b>Total current liabilities</b>	<b><u>89,536,477</u></b>	<b><u>95,839,154</u></b>	<b>(6,302,677)</b>
Deferred credit - repurchase agreement	12,021,030	12,264,370	(243,340)
Employee annual leave, less current portion	2,943,962	2,943,962	0
Obligation under capital lease (less current portion)	113,901,670	117,129,040	(3,227,370)
Long term debt, less current maturities	<u>355,446,400</u>	<u>362,746,639</u>	<u>(7,300,239)</u>
<b>Total liabilities</b>	<b><u>573,849,539</u></b>	<b><u>590,923,165</u></b>	<b>(17,073,626)</b>
<b>Commitments and contingencies</b>			
<b>Net assets</b>			
Invested in capital assets, net of related debt	19,493,417	16,331,202	3,162,215
Restricted	47,205,211	53,066,840	(5,861,629)
Unrestricted	79,075,217	78,976,351	98,866
<b>Total net assets</b>	<b><u>145,773,845</u></b>	<b><u>148,374,393</u></b>	<b>(2,600,548)</b>
<b>Total liabilities and net assets</b>	<b><u>719,623,384</u></b>	<b><u>739,297,558</u></b>	<b>(19,674,174)</b>



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

	February Unaudited 2010	Audited 2009	% of change Inc (dec)	Five Months Ending February Unaudited 2010	% of change Inc (dec)
<b>Revenues</b>					
Sales of electricity	\$ 27,597,940	\$ 30,451,049	(9)	\$ 143,145,821	(19)
Miscellaneous	<u>62,281</u>	<u>213,529</u>	(71)	<u>448,296</u>	(13)
Total revenues	27,660,221	30,664,578	(10)	143,594,117	(32)
<b>Operating and maintenance expenses</b>					
Production fuel	16,606,291	20,492,350	(19)	86,140,959	(30)
Other production	<u>1,957,239</u>	<u>1,440,742</u>	36	<u>8,716,262</u>	4
	<u>18,563,530</u>	<u>21,933,092</u>	(15)	<u>94,857,221</u>	(28)
Depreciation	2,468,162	2,289,319	8	11,337,659	(1)
Energy conversion cost	1,595,416	1,653,365	(4)	8,090,314	3
Transmission & distribution	720,679	760,507	(5)	3,714,951	(6)
Customer accounting	326,905	298,451	10	1,684,142	7
Administrative & general	<u>1,688,330</u>	<u>1,191,082</u>	42	<u>9,863,674</u>	(0)
Total operating and maintenance expenses	<u>25,363,022</u>	<u>28,125,816</u>	(10)	<u>129,547,961</u>	(22)
<b>Operating income</b>	<b><u>2,297,199</u></b>	<b><u>2,538,762</u></b>	<b>(10)</b>	<b><u>14,046,156</u></b>	<b>29</b>
<b>Other income (expenses)</b>					
Interest income	133,912	177,110	(24)	642,508	(33)
Interest expense	(2,914,062)	(3,208,570)	(9)	(15,206,189)	(6)
Allowance for funds used during construction	0	0		0	(100)
COLA/Supplemental annuities	0	0		(1,299,370)	36
Other	<u>(53,553)</u>	<u>(151,099)</u>		<u>(783,657)</u>	4
Total other income (expenses)	<u>(2,833,703)</u>	<u>(3,182,559)</u>	(11)	<u>(16,646,708)</u>	(1)
<b>Income (loss) before capital contributions</b>	(536,504)	(643,797)	(17)	(2,600,552)	(56)
<b>Capital contributions</b>	<u>0</u>	<u>0</u>		<u>0</u>	
<b>Increase (decrease) in net assets</b>	(536,504)	(643,797)	(17)	(2,600,552)	(49)
<b>Total net assets at beginning of period</b>	<b><u>146,310,345</u></b>	<b><u>157,959,468</u></b>	<b>N/A</b>	<b><u>148,374,393</u></b>	<b>(9)</b>
<b>Total net assets at end of period</b>	<b>\$ 145,773,845</b>	<b>\$ 157,315,671</b>	<b>(7)</b>	<b>\$ 145,773,845</b>	<b>(7)</b>

**Guam Power Authority  
Statement of Cash Flows  
February 28, 2010**

	Month Ending 2/28/2010	YTD Ending 2/28/2010
<b>Increase(decrease) in cash and cash equivalents</b>		
Cash flows from operating activities:		
Cash received from customers	\$28,445,715	143,249,876
Cash payments to suppliers and employees for goods and services	<u>25,941,992</u>	<u>131,090,173</u>
Net cash provided by operating activities	\$2,487,961	12,159,703
Cash flows from investing activities:		
Decrease in bond reserve funds	-	-
Interest and dividends on investments and bank accounts	<u>133,912</u>	<u>642,508</u>
	133,912	642,508
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	(235,851)	(782,175)
Funds for LC/Fuel payments	536,980	1,037,121
Provision for self insurance funds	<u>(275,483)</u>	<u>(1,418,874)</u>
Net cash provided by noncapital financing activities	25,646	(1,163,928)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(685,937)	(4,444,558)
Principal paid on bonds and other long-term debt	-	(7,373,601)
Interest paid on bonds(net of capitalized interest)	-	(10,072,193)
Interest paid on capital lease obligations	(1,265,128)	(6,391,090)
Interest & principal funds held by trustee	(2,290,234)	5,894,622
Bond funds held by trustee	(383)	478,042
Escrow funds for fuel / others	-	-
Additional grant from US Government	-	-
Principal payment on capital lease obligations	(658,564)	(3,227,370)
Proceeds from capital related short-term debt	-	-
Deferred credits-repurchase agreement-Working Capital Funds	-	-
Principal payment on short term loan	(833,334)	(2,500,000)
Debt issuance costs/loss on defeasance	<u>98,952</u>	<u>494,760</u>
Net cash provided by(used in) capital and related financing activities	(5,634,628)	(27,141,387)
Net (decrease) increase in cash and cash equivalents	(2,987,109)	(15,503,104)
Cash and cash equivalents, beginning	<u>14,686,051</u>	<u>\$27,202,046</u>
<b>Cash and cash equivalents, January 31, 2010</b>	<b>\$ 11,698,942</b>	<b>\$ 11,698,942</b>

**Guam Power Authority  
Statement of Cash Flows, continued  
February 28, 2010**

	Month Ending 2/28/2010	YTD Ending 2/28/2010
<b>Reconciliation of operating earnings to net cash provided</b>		
<b>by operating activities:</b>		
Operating earnings net of depreciation expense and excluding interest income	\$2,297,199	\$14,046,156
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,468,162	11,337,659
Bad debts recovery	-	-
Recovery of typhoon losses	-	-
Other expense	(53,553)	(2,083,027)
(Increase) decrease in assets:		
Accounts receivable	785,494	(650,441)
Materials and inventory	268,124	(383,929)
Fuel inventory	(21,717,266)	(9,535,550)
Deferred fuel costs	356,790	2,174,615
Prepaid expenses	(28,081)	(594,245)
Long term receivable	-	-
Long term accounts receivable	-	-
Regulatory asset	-	-
Unamortized costs	24,115	120,574
Deferred asset	13,280	66,397
Other assets	14,821	89,644
Increase (decrease) in liabilities:		
Accounts payable-operations	17,482,699	(7,133,130)
Customers deposits	16,439	9,243
Accrued payroll and employees' benefits	(388,444)	318,581
Deferred credit-self insurance funds	269,525	1,418,874
Deferred credit repurchase agreement	2,108,081	(243,340)
Deferred payment agreement	-	-
Deferred credit - others	(1,315,882)	3,791,001
Employees' annual leave	(113,542)	(589,379)
<b>Net cash provided by operating activities</b>	<b>\$2,487,961</b>	<b>\$12,159,703</b>