



GUAM POWER AUTHORITY

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

30 April 2010

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

2010 JUN -1 PM 3:08

SUBJECT: Financial Statements – March 2010

Dear Honorable Speaker Won Pat:

Enclosed is the Guam Power Authority's Financial Statements for the month ended March 31, 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.

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 076 10

30-16-0502

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**Guam Power Authority
Statements of Net Assets**

	Unaudited March 2010	Audited September 2009	Change from Sept 30 2009
ASSETS			
Utility plant at cost:			
Electric plant in service	\$ 858,586,256	\$ 856,904,420	\$ 1,681,836
Construction work in progress	<u>13,379,560</u>	<u>9,950,816</u>	<u>3,428,744</u>
	871,965,816	866,855,236	5,110,580
Less: Accumulated depreciation	<u>(368,891,836)</u>	<u>(355,748,260)</u>	<u>(13,143,576)</u>
Total utility plant at cost	<u>503,073,980</u>	<u>511,106,976</u>	<u>(8,032,996)</u>
Restricted funds			
Reserve funds held by trustee			
Revenue bonds	27,488,268	27,488,268	0
Self insurance fund	<u>5,345,671</u>	<u>3,609,565</u>	<u>1,736,106</u>
Total restricted funds	<u>32,833,939</u>	<u>31,097,833</u>	<u>1,736,106</u>
Funds identified for special purposes			
Interest and principal funds held by Trustee for debt repayment	13,741,407	17,345,795	(3,604,388)
Bond Funds held by Trustee	16,849,693	17,978,850	(1,129,157)
Reserve funds for (Fuel/others)	31,057	1,068,468	(1,037,411)
Reserve funds for LC payments	24,653	24,659	(6)
Reserve funds held by GPA			
Bond indenture funds held by GPA	<u>13,434,049</u>	<u>27,202,050</u>	<u>(13,768,001)</u>
Total cash reserves	<u>44,080,859</u>	<u>63,619,822</u>	<u>(19,538,963)</u>
Accounts receivable (net of allowance)	42,594,643	42,160,625	434,018
Materials and supplies	11,746,232	12,365,580	(619,348)
Fuel oil	45,322,673	53,693,177	(8,370,504)
Current portion of deferred fuel costs	2,926,269	6,921,597	(3,995,328)
Prepaid expenses	<u>1,268,164</u>	<u>698,049</u>	<u>570,115</u>
Total current assets	<u>147,938,840</u>	<u>179,458,850</u>	<u>(31,520,010)</u>
Other assets			
Long term receivables, net	8,596,342	8,596,342	0
Unamortized costs	4,479,163	4,623,852	(144,689)
Deferred asset	3,266,694	3,346,370	(79,676)
Other assets	<u>971,222</u>	<u>1,067,335</u>	<u>(96,113)</u>
Total other assets	<u>17,313,421</u>	<u>17,633,899</u>	<u>(320,478)</u>
Total Assets	\$ 701,160,180	\$ 739,297,558	\$ (38,137,378)

GUAM POWER AUTHORITY
Statements of Net Assets, Continued

	Unaudited March 2010	Audited September 2009	Change from Sept 30 2009
LIABILITIES AND NET ASSETS			
Current liabilities			
Current portion, debt			
Revenue bonds, Series A	\$ 7,795,000	\$ 7,373,601	\$ 421,399
Accrued bond interest	9,785,355	10,156,106	(370,751)
Current obligation under capital lease	8,028,667	8,028,667	0
Accounts payable			
Operations & fuel oil	12,248,962	38,802,400	(26,553,438)
Accrued payroll & benefits	1,562,058	904,042	658,016
Current portion of employees' annual leave	637,424	1,385,384	(747,960)
Bid bond and customers' deposits	5,277,957	5,212,706	65,251
Interest payable on customers' deposit	708,086	709,935	(1,849)
Deferred credit - self insurance	5,345,671	3,609,565	1,736,106
Deferred credit - others	6,099,967	2,156,749	3,943,218
Current portion, Deferred payment agreement	0	0	0
TCP- short term notes payable	<u>14,583,332</u>	<u>17,499,999</u>	<u>(2,916,667)</u>
Total current liabilities	<u>72,072,479</u>	<u>95,839,154</u>	<u>(23,766,675)</u>
Deferred credit - repurchase agreement	11,972,361	12,264,370	(292,009)
Employee annual leave, less current portion	2,943,962	2,943,962	0
Obligation under capital lease (less current portion)	113,236,425	117,129,040	(3,892,615)
Long term debt, less current maturities	355,545,352	362,746,639	(7,201,287)
Total liabilities	<u>555,770,579</u>	<u>590,923,165</u>	<u>(35,152,586)</u>
Commitments and contingencies			
Net assets			
Invested in capital assets, net of related debt	18,909,627	16,331,202	2,578,425
Restricted	47,515,810	53,066,840	(5,551,030)
Unrestricted	<u>78,964,164</u>	<u>78,976,351</u>	<u>(12,187)</u>
Total net assets	<u>145,389,601</u>	<u>148,374,393</u>	<u>(2,984,792)</u>
Total liabilities and net assets	\$ 701,160,180	\$ 739,297,558	\$ (38,137,378)

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

	March		% of change Inc (dec)	Six Months Ending March 31		% of change Inc (dec)
	Unaudited 2010	Audited 2009		Unaudited 2010	Audited 2009	
Revenues						
Sales of electricity	\$ 31,592,172	\$ 32,332,338	(2)	\$ 174,737,993	\$ 208,868,819	(16)
Miscellaneous	<u>57,282</u>	<u>238,201</u>	(76)	<u>505,577</u>	<u>752,850</u>	(33)
Total revenues	31,649,454	32,570,539	(3)	175,243,570	209,621,669	(49)
Operating and maintenance expenses						
Production fuel	19,257,507	21,043,100	(8)	105,398,466	144,057,086	(27)
Other production	2,243,870	1,106,631	103	10,960,133	9,496,508	15
	<u>21,501,377</u>	<u>22,149,731</u>	(3)	<u>116,358,599</u>	<u>153,553,594</u>	(24)
Depreciation	1,996,087	2,289,314	(13)	13,333,746	13,746,625	(3)
Energy conversion cost	1,650,599	1,599,709	3	9,740,913	9,481,229	3
Transmission & distribution	740,915	564,771	31	4,455,866	4,509,619	(1)
Customer accounting	343,327	293,223	17	2,027,469	1,863,801	9
Administrative & general	<u>1,836,681</u>	<u>1,777,725</u>	3	<u>11,700,356</u>	<u>11,676,640</u>	0
Total operating and maintenance expenses	<u>28,068,986</u>	<u>28,674,473</u>	(2)	<u>157,616,949</u>	<u>194,831,508</u>	(19)
Operating income	<u>3,580,468</u>	<u>3,896,066</u>	(8)	<u>17,626,621</u>	<u>14,790,161</u>	19
Other income (expenses)						
Interest income	162,626	179,155	(9)	805,133	1,137,045	(29)
Interest expense	(3,048,025)	(3,312,942)	(8)	(18,254,213)	(19,569,783)	(7)
Allowance for funds used during construction	0	0		0	163,683	(100)
COLA/Supplemental annuities	(927,887)	(793,403)		(2,227,258)	(1,747,352)	27
Other	<u>(151,099)</u>	<u>(151,099)</u>		<u>(935,069)</u>	<u>(906,594)</u>	3
Total other income (expenses)	<u>(3,964,385)</u>	<u>(4,078,289)</u>	(3)	<u>(20,611,407)</u>	<u>(20,923,001)</u>	(1)
Income (loss) before capital contributions	(383,917)	(182,223)	111	(2,984,786)	(6,132,840)	(51)
Capital contributions	<u>0</u>	<u>1,394,769</u>		<u>0</u>	<u>2,275,601</u>	
Increase (decrease) in net assets	(383,917)	1,212,546	(132)	(2,984,786)	(3,857,239)	(23)
Total net assets at beginning of period	<u>145,773,525</u>	<u>157,315,671</u>	N/A	<u>148,374,393</u>	<u>162,385,456</u>	(9)
Total net assets at end of period	<u>\$ 145,389,601</u>	<u>\$ 158,528,217</u>	(8)	<u>\$ 145,389,601</u>	<u>\$ 158,528,217</u>	(8)

**Guam Power Authority
Statement of Cash Flows
March 31, 2010**

	Month Ending 3/31/2010	YTD Ending 3/31/2010
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	\$31,865,876	175,115,752
Cash payments to suppliers and employees for goods and services	<u>25,116,830</u>	<u>156,207,003</u>
Net cash provided by operating activities	\$6,749,046	18,908,749
Cash flows from investing activities:		
Decrease in bond reserve funds	-	-
Interest and dividends on investments and bank accounts	<u>162,625</u>	<u>805,133</u>
	162,625	805,133
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	(122,909)	(905,084)
Funds for LC/Fuel payments	296	1,037,417
Provision for self insurance funds	<u>(317,232)</u>	<u>(1,736,106)</u>
Net cash provided by noncapital financing activities	(439,845)	(1,603,773)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(856,193)	(5,300,751)
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	(1,258,447)	(7,649,537)
Interest & principal funds held by trustee	(2,290,234)	3,604,388
Bond funds held by trustee	651,115	1,129,157
Escrow funds for fuel / others	-	-
Additional grant from US Government	-	-
Principal payment on capital lease obligations	(665,245)	(3,892,615)
Proceeds from capital related short-term debt	-	-
Deferred credits-repurchase agreement-Working Capital Funds	-	-
Principal payment on short term loan	(416,667)	(2,916,667)
Debt issuance costs/loss on defeasance	<u>98,952</u>	<u>593,712</u>
Net cash provided by(used in) capital and related financing activities	(4,736,719)	(31,878,106)
Net (decrease) increase in cash and cash equivalents	1,735,107	(13,767,997)
Cash and cash equivalents, beginning	<u>11,698,942</u>	<u>\$27,202,046</u>
Cash and cash equivalents, March 31, 2010	\$ 13,434,049	\$ 13,434,049

Guam Power Authority
Statement of Cash Flows, continued
March 31, 2010

	Month Ending 3/31/2010	YTD Ending 3/31/2010
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	\$3,580,465	\$17,626,621
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	1,996,087	13,333,746
Bad debts recovery	-	-
Recovery of typhoon losses	-	-
Other expense	(1,079,300)	(3,162,327)
(Increase) decrease in assets:		
Accounts receivable	216,423	(434,018)
Materials and inventory	1,003,277	619,348
Fuel inventory	17,906,054	8,370,504
Deferred fuel costs	1,820,713	3,995,328
Prepaid expenses	24,130	(570,115)
Long term receivable	-	-
Long term accounts receivable	-	-
Regulatory asset	-	-
Unamortized costs	24,115	144,689
Deferred asset	13,279	79,676
Other assets	6,469	96,113
Increase (decrease) in liabilities:		
Accounts payable-operations	(19,420,308)	(26,553,438)
Customers deposits	56,008	65,251
Accrued payroll and employees' benefits	339,435	658,016
Deferred credit-self insurance funds	317,232	1,736,106
Deferred credit repurchase agreement	(48,669)	(292,009)
Deferred payment agreement	-	-
Deferred credit - others	152,217	3,943,218
Employees' annual leave	(158,581)	(747,960)
Net cash provided by operating activities	\$6,749,046	\$18,908,749