



# GUAM POWER AUTHORITY

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

23 September 2010

2010 OCT 28 AM 9:16

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

Office of the Speaker  
Judith T. Won Pat, Ed. D.  
Date: 9/24/10  
Time: 2:15  
Received by: [Signature]

30-10-0898

**SUBJECT: Financial Statements – July 2010**

Dear Honorable Speaker Won Pat:

Enclosed is the Guam Power Authority's Financial Statements for the month ending July 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](mailto:lsanz@gpagwa.com).

Sincerely,

CORAZON MONTELLANO  
Chief Financial Officer, Acting

Enclosures

cc: Mr. Joaquin C. Flores, P.E., General Manager  
Ms. Doris Flores Brooks, CPA, CGFM Public Auditor  
GPA Finance Management  
File - CFO 137 10



Guam Power Authority  
Statements of Net Assets

	Unaudited July 2010	Audited September 2009	Change from Sept 30 2009
<b>ASSETS</b>			
<b>Utility plant at cost:</b>			
Electric plant in service	\$ 864,797,762	\$856,904,420	\$ 7,893,342
Construction work in progress	<u>10,962,271</u>	<u>9,950,816</u>	<u>1,011,455</u>
	875,760,033	866,855,236	8,904,797
Less: Accumulated depreciation	<u>(376,202,879)</u>	<u>(355,748,260)</u>	<u>(20,454,619)</u>
<b>Total utility plant at cost</b>	<b><u>499,557,154</u></b>	<b><u>511,106,976</u></b>	<b><u>(11,549,822)</u></b>
<b>Restricted funds</b>			
Reserve funds held by trustee			
Revenue bonds	45,128,640	27,488,268	17,640,372
Self insurance fund	<u>6,719,366</u>	<u>3,609,565</u>	<u>3,109,801</u>
<b>Total restricted funds</b>	<b><u>51,848,006</u></b>	<b><u>31,097,833</u></b>	<b><u>20,750,173</u></b>
<b>Funds identified for special purposes</b>			
Interest and principal funds held by Trustee for debt repayment	13,058,439	17,345,795	(4,287,356)
Bond Funds held by Trustee	155,569,255	17,978,850	137,590,405
Reserve funds for (Fuel/others)	30,836	1,068,468	(1,037,632)
Reserve funds for LC payments	24,659	24,659	0
Reserve funds held by GPA			
Bond indenture funds held by GPA	<u>45,493,242</u>	<u>27,202,050</u>	<u>18,291,192</u>
<b>Total cash reserves</b>	<b><u>214,176,430</u></b>	<b><u>63,619,822</u></b>	<b><u>150,556,608</u></b>
<b>Accounts receivable (net of allowance)</b>	<b>44,752,293</b>	<b>42,160,625</b>	<b>2,591,668</b>
<b>Materials and supplies</b>	<b>11,953,575</b>	<b>12,365,580</b>	<b>(412,005)</b>
Fuel oil	46,138,312	53,693,177	(7,554,865)
Prepaid expenses	<u>1,540,692</u>	<u>698,049</u>	<u>842,643</u>
<b>Total current assets</b>	<b><u>318,561,302</u></b>	<b><u>172,537,253</u></b>	<b><u>146,024,049</u></b>
<b>Other assets</b>			
Long term receivables, net	7,915,929	8,596,342	(680,413)
Unamortized costs	6,688,837	4,623,852	2,064,985
Deferred asset	3,213,577	3,346,370	(132,793)
Other assets	<u>965,855</u>	<u>1,067,335</u>	<u>(101,480)</u>
<b>Total other assets</b>	<b><u>18,784,198</u></b>	<b><u>17,633,899</u></b>	<b><u>1,150,299</u></b>
<b>Total Assets</b>	<b>\$ 888,750,660</b>	<b>\$732,375,961</b>	<b>\$156,374,699</b>

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

	Unaudited July 2010	Audited September 2009	Change from Sept 30 2009
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities</b>			
Current portion, debt			
Revenue bonds, Series A	\$ 7,795,000	\$ 7,373,601	\$ 421,399
Accrued bond interest	6,518,821	10,156,106	(3,637,285)
Current obligation under capital lease	8,028,667	8,028,667	0
Accounts payable			
Operations & fuel oil	11,794,289	38,802,400	(27,008,111)
Accrued payroll & benefits	1,158,963	904,042	254,921
Current portion of employees' annual leave	437,232	1,385,384	(948,152)
Bid bond and customers' deposits	5,509,171	5,212,706	296,465
Interest payable on customers' deposit	708,173	709,935	(1,762)
Deferred credit - self insurance	6,719,366	3,609,565	3,109,801
Deferred credit - others	4,433,662	2,156,749	2,276,913
Deferred fuel costs	3,496,827	(6,921,597)	10,418,424
TCP- short term notes payable	0	17,499,999	(17,499,999)
<b>Total current liabilities</b>	<b><u>56,600,171</u></b>	<b><u>88,917,557</u></b>	<b><u>(32,317,386)</u></b>
<b>Deferred credit - repurchase agreement</b>	<b>11,777,689</b>	<b>12,264,370</b>	<b>(486,681)</b>
<b>Employee annual leave, less current portion</b>	<b>2,943,962</b>	<b>2,943,962</b>	<b>0</b>
<b>Obligation under capital lease (less current portion)</b>	<b>110,507,240</b>	<b>117,129,040</b>	<b>(6,621,800)</b>
<b>Long term debt, less current maturities</b>	<b>555,961,010</b>	<b>362,746,639</b>	<b>193,214,371</b>
<b>Total liabilities</b>	<b><u>737,790,072</u></b>	<b><u>584,001,568</u></b>	<b><u>153,788,504</u></b>
<b>Commitments and contingencies</b>			
<b>Net assets</b>			
Invested in capital assets, net of related debt	17,685,453	16,331,202	1,354,251
Restricted	27,434,642	53,066,840	(25,632,198)
Unrestricted	105,840,493	78,976,351	26,864,142
<b>Total net assets</b>	<b><u>150,960,588</u></b>	<b><u>148,374,393</u></b>	<b><u>2,586,195</u></b>
<b>Total liabilities and net assets</b>	<b>\$ 888,750,660</b>	<b>\$732,375,961</b>	<b>\$156,374,699</b>

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

	July		% of change Inc (dec)	Ten Months Ending July 31		% of change Inc (dec)
	Unaudited 2010	Audited 2009		Unaudited 2010	Audited 2009	
<b>Revenues</b>						
Sales of electricity	\$ 33,145,021	\$ 20,481,156	62	\$307,033,212	\$322,049,880	(5)
Miscellaneous	<u>90,048</u>	<u>110,151</u>	(18)	<u>1,154,925</u>	<u>1,199,580</u>	(4)
Total revenues	33,235,069	20,591,307	61	308,188,137	323,249,460	(8)
<b>Operating and maintenance expenses</b>						
Production fuel	20,712,318	8,822,271	135	186,599,064	211,128,325	(12)
Other production	<u>2,065,218</u>	<u>1,903,127</u>	9	<u>16,555,291</u>	<u>16,924,231</u>	(2)
	<u>22,777,536</u>	<u>10,725,398</u>	<u>112</u>	<u>203,154,355</u>	<u>228,052,556</u>	<u>(11)</u>
Depreciation	2,135,683	2,275,339	(6)	21,199,232	22,738,973	(7)
Energy conversion cost	1,671,197	1,634,566	2	16,284,894	16,052,565	1
Transmission & distribution	994,026	1,414,503	(30)	8,177,094	8,943,697	(9)
Customer accounting	422,194	365,147	16	3,431,802	3,103,574	11
Administrative & general	<u>2,065,245</u>	<u>1,952,864</u>	6	<u>19,677,862</u>	<u>19,717,584</u>	(0)
Total operating and maintenance expens	<u>30,065,881</u>	<u>18,367,817</u>	<u>64</u>	<u>271,925,239</u>	<u>298,608,949</u>	<u>(9)</u>
<b>Operating income</b>	<b><u>3,169,188</u></b>	<b><u>2,223,490</u></b>	<b><u>43</u></b>	<b><u>36,262,898</u></b>	<b><u>24,640,511</u></b>	<b><u>47</u></b>
<b>Other income (expenses)</b>						
Interest income	244,105	163,098	50	1,428,049	1,674,885	(15)
Interest expense	(3,024,492)	(3,205,168)	(6)	(30,166,803)	(32,496,314)	(7)
Allowance for funds used during construction	0	0		0	0	
COLA/Supplemental annuities	0	0		(3,405,358)	(1,927,116)	77
Other	<u>(151,099)</u>	<u>(151,099)</u>		<u>(1,539,465)</u>	<u>(1,510,990)</u>	2
Total other income (expenses)	<u>(2,931,486)</u>	<u>(3,193,169)</u>	<u>(8)</u>	<u>(33,683,577)</u>	<u>(34,259,535)</u>	<u>(2)</u>
<b>Income (loss) before capital contributions</b>	<b>237,702</b>	<b>(969,679)</b>	<b>(125)</b>	<b>2,579,321</b>	<b>(9,619,024)</b>	<b>(127)</b>
<b>Capital contributions</b>	<b>0</b>	<b><u>1,174,053</u></b>		<b><u>6,868</u></b>	<b><u>3,449,654</u></b>	
<b>Increase (decrease) in net assets</b>	<b>237,702</b>	<b>204,374</b>	<b>16</b>	<b>2,586,192</b>	<b>(6,169,370)</b>	<b>(142)</b>
<b>Total net assets at beginning of period</b>	<b><u>150,722,886</u></b>	<b><u>156,011,712</u></b>	<b>N/A</b>	<b><u>148,374,396</u></b>	<b><u>162,385,456</u></b>	<b>(9)</b>
<b>Total net assets at end of period</b>	<b>\$ 150,960,588</b>	<b>\$ 156,216,086</b>	<b>(3)</b>	<b>\$150,960,588</b>	<b>\$156,216,086</b>	<b>(3)</b>

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

	Month Ending 7/31/2010	YTD Ending 7/31/2010
<b>Increase(decrease) in cash and cash equivalents</b>		
Cash flows from operating activities:		
Cash received from customers	\$33,082,789	306,019,559
Cash payments to suppliers and employees for goods and services	<u>27,264,860</u>	<u>262,206,412</u>
Net cash provided by operating activities	\$5,817,929	43,813,147
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	244,105	1,428,049
Increase in bonds reserve funds	<u>(17,640,372)</u>	<u>(17,640,372)</u>
Net cash provided by investing activities	(17,396,267)	(16,212,323)
Cash flows from non-capital financing activities		
Interest paid on short term debt	(127,043)	(1,274,631)
Funds for LC/Fuel payments	201	1,037,632
Provision for self insurance funds	<u>(343,735)</u>	<u>(3,109,801)</u>
Net cash provided by noncapital financing activities	(470,577)	(3,346,800)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(1,414,313)	(9,649,398)
Principal paid on bonds and other long-term debt	-	(7,373,601)
Interest paid on bonds(net of capitalized interest)	-	(19,916,099)
Interest paid on capital lease obligations	(1,231,024)	(12,615,120)
Interest & principal funds held by trustee	(2,290,235)	4,287,356
Bond funds held by trustee	(138,718,378)	(137,590,405)
Proceeds from 2010 Revenue Bonds	206,555,000	206,555,000
Principal payment on capital lease obligations	(692,668)	(6,621,800)
Principal payment on short term loan	(13,749,999)	(17,499,999)
Grant from DOI	-	6,868
Debt issuance costs/loss on defeasance	<u>(6,436,199)</u>	<u>(5,545,631)</u>
Net cash provided by(used in) capital and related financing activities	42,022,184	(5,962,828)
Net (decrease) increase in cash and cash equivalents	29,973,269	18,291,196
Cash and cash equivalents, beginning	<u>15,519,973</u>	<u>\$27,202,046</u>
<b>Cash and cash equivalents, July 31, 2010</b>	<b>\$ 45,493,242</b>	<b>\$ 45,493,242</b>

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

	Month Ending 7/31/2010	YTD Ending 7/31/2010
<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	\$3,170,060	\$36,262,898
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,135,683	21,199,232
Other expense	(151,099)	(4,944,823)
(Increase) decrease in assets:		
Accounts receivable	(242,945)	(2,591,668)
Long term receivables	680,413	680,413
Materials and inventory	138,467	412,005
Fuel inventory	57,118	7,554,865
Prepaid expenses	35,344	(842,643)
Unamortized costs	(2,190,427)	(2,064,985)
Deferred asset	13,279	132,793
Other assets	88,645	101,480
Increase (decrease) in liabilities:		
Accounts payable-operations	(107,700)	(27,008,111)
Customers deposits	83,791	296,465
Accrued payroll and employees' benefits	235,654	254,921
Deferred credit-self insurance funds	343,735	3,109,801
Deferred credit repurchase agreement	(48,668)	(486,681)
	2,118,546	10,418,424
Deferred credit - others	(489,322)	2,276,913
Employees' annual leave	(52,645)	(948,152)
<b>Net cash provided by operating activities</b>	<b>\$5,817,929</b>	<b>\$43,813,147</b>