



GUAM POWER AUTHORITY

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

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23 September 2010

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

Office of the Speaker
Judith T. Won Pat, Ed. D.
Date: 9/24/10
Time:
Received by: 8 ✓

SUBJECT: Financial Statements - August 2010

Dear Honorable Speaker Won Pat:

30-10-0899

Enclosed is the Guam Power Authority's Financial Statements for the month ending August 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,

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 138 10



Guam Power Authority
Statements of Net Assets

	Unaudited August 2010	Audited September 2009	Change from Sept 30 2009
ASSETS			
Utility plant at cost:			
Electric plant in service	\$ 866,024,094	\$856,904,420	\$ 9,119,674
Construction work in progress	<u>9,054,400</u>	<u>9,950,816</u>	<u>(896,416)</u>
	875,078,494	866,855,236	8,223,258
Less: Accumulated depreciation	<u>(378,296,927)</u>	<u>(355,748,260)</u>	<u>(22,548,667)</u>
Total utility plant at cost	<u>496,781,567</u>	<u>511,106,976</u>	<u>(14,325,409)</u>
Restricted funds			
Reserve funds held by trustee			
Revenue bonds	45,128,640	27,488,268	17,640,372
Self insurance fund	<u>7,061,495</u>	<u>3,609,565</u>	<u>3,451,930</u>
Total restricted funds	<u>52,190,135</u>	<u>31,097,833</u>	<u>21,092,302</u>
Funds identified for special purposes			
Interest and principal funds			
held by Trustee for debt repayment	15,348,673	17,345,795	(1,997,122)
Bond Funds held by Trustee	148,006,250	17,978,850	130,027,400
Reserve funds for (Fuel/others)	30,836	1,068,468	(1,037,632)
Reserve funds for LC payments	14,665	24,659	(9,994)
Reserve funds held by GPA			
Bond indenture funds held by GPA	<u>55,159,232</u>	<u>27,202,050</u>	<u>27,957,182</u>
Total cash reserves	<u>218,559,656</u>	<u>63,619,822</u>	<u>154,939,834</u>
Accounts receivable (net of allowance)	35,851,401	42,160,625	(6,309,224)
Materials and supplies	11,862,203	12,365,580	(503,377)
Fuel oil	46,606,629	53,693,177	(7,086,548)
Current portion of deferred fuel costs	2,222,529	6,921,597	(4,699,068)
Prepaid expenses	<u>1,505,348</u>	<u>698,049</u>	<u>807,299</u>
Total current assets	<u>316,607,766</u>	<u>179,458,850</u>	<u>137,148,916</u>
Other assets			
Long term receivables, net	7,915,929	8,596,342	(680,413)
Unamortized costs	8,012,823	4,623,852	3,388,971
Deferred asset	3,200,298	3,346,370	(146,072)
Other assets	<u>1,029,947</u>	<u>1,067,335</u>	<u>(37,388)</u>
Total other assets	<u>20,158,997</u>	<u>17,633,899</u>	<u>2,525,098</u>
Total Assets	\$ 865,738,465	\$739,297,558	\$146,440,907

GUAM POWER AUTHORITY
Statements of Net Assets, Continued

	Unaudited August 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	8,185,317	10,156,106	(1,970,789)
Current obligation under capital lease	8,028,667	8,028,667	0
Accounts payable			
Operations & fuel oil	12,189,719	38,802,400	(26,612,681)
Accrued payroll & benefits	1,511,752	904,042	607,710
Current portion of employees' annual leave	398,866	1,385,384	(986,518)
Bid bond and customers' deposits	5,651,456	5,212,706	438,750
Interest payable on customers' deposit	708,854	709,935	(1,081)
Deferred credit - self insurance	7,061,495	3,609,565	3,451,930
Deferred credit - others	4,816,901	2,156,749	2,660,152
TCP- short term notes payable	0	17,499,999	(17,499,999)
Total current liabilities	<u>56,348,027</u>	<u>95,839,154</u>	<u>(39,491,127)</u>
Deferred credit - repurchase agreement	11,729,021	12,264,370	(535,349)
Employee annual leave, less current portion	2,943,962	2,943,962	0
Obligation under capital lease (less current portion)	109,807,538	117,129,040	(7,321,502)
Long term debt, less current maturities	556,117,843	362,746,639	193,371,204
Total liabilities	<u>736,946,391</u>	<u>590,923,165</u>	<u>146,023,226</u>
Commitments and contingencies			
Net assets			
Invested in capital assets, net of related debt	15,500,434	16,331,202	(830,768)
Restricted	28,307,772	53,066,840	(24,759,068)
Unrestricted	104,983,868	78,976,351	26,007,517
Total net assets	<u>148,792,074</u>	<u>148,374,393</u>	<u>417,681</u>
Total liabilities and net assets	\$ 885,738,465	\$739,297,558	\$146,440,907

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

	August		% of change Inc (dec)	Eleven Months Ending August 31		% of change Inc (dec)
	Unaudited 2010	Audited 2009		Unaudited 2010	Audited 2009	
Revenues						
Sales of electricity	\$ 29,203,036	\$ 27,654,817	6	\$336,236,248	\$349,704,697	(4)
Miscellaneous	37,841	370,875	(90)	1,192,766	1,570,455	(24)
Total revenues	29,240,877	28,025,692	4	337,429,014	351,275,152	(28)
Operating and maintenance expenses						
Production fuel	16,968,217	16,431,833	3	203,567,281	227,560,158	(11)
Other production	<u>3,967,269</u>	<u>3,864,114</u>	3	<u>20,522,560</u>	<u>20,788,345</u>	(1)
	<u>20,935,486</u>	<u>20,295,947</u>	3	<u>224,089,841</u>	<u>248,348,503</u>	(10)
Depreciation	2,141,925	2,392,813	(10)	23,341,157	25,131,786	(7)
Energy conversion cost	1,630,644	1,645,819	(1)	17,915,538	17,698,384	1
Transmission & distribution	961,278	1,129,176	(15)	9,138,372	10,072,873	(9)
Customer accounting	346,650	307,076	13	3,778,452	3,410,650	11
Administrative & general	<u>2,515,006</u>	<u>1,928,494</u>	30	<u>22,192,868</u>	<u>21,646,078</u>	3
Total operating and maintenance expens	<u>28,530,989</u>	<u>27,699,325</u>	3	<u>300,456,228</u>	<u>326,308,274</u>	(8)
Operating income	<u>709,888</u>	<u>326,367</u>	118	<u>36,972,786</u>	<u>24,966,878</u>	48
Other income (expenses)						
Interest income	252,557	192,132	31	1,680,606	1,867,017	(10)
Interest expense	(2,901,803)	(3,237,330)	(10)	(33,068,606)	(35,733,644)	(7)
Allowance for funds used during construction	0	(385,980)		0	(385,980)	
COLA/Supplemental annuities	0	0		(3,405,358)	(1,927,116)	77
Other	<u>(229,155)</u>	<u>(151,099)</u>		<u>(1,768,620)</u>	<u>(1,662,089)</u>	6
Total other income (expenses)	<u>(2,878,401)</u>	<u>(3,582,277)</u>	(20)	<u>(36,561,978)</u>	<u>(37,841,812)</u>	(3)
Income (loss) before capital contributions	(2,168,513)	(3,255,910)	(33)	410,808	(12,874,934)	(103)
Capital contributions	0	<u>69,507</u>		<u>6,868</u>	<u>3,519,161</u>	
Increase (decrease) in net assets	(2,168,513)	(3,186,403)	(32)	417,679	(9,355,773)	(104)
Total net assets at beginning of period	<u>150,960,588</u>	<u>156,216,086</u>	N/A	<u>148,374,393</u>	<u>162,385,456</u>	(9)
Total net assets at end of period	<u>\$ 148,792,074</u>	<u>\$ 153,029,683</u>	(3)	<u>\$148,792,074</u>	<u>\$153,029,683</u>	(3)

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

	Month Ending 8/31/2010	YTD Ending 8/31/2010
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	\$38,243,830	344,263,389
Cash payments to suppliers and employees for goods and services	<u>32,627,198</u>	<u>294,833,610</u>
Net cash provided by operating activities	\$5,616,632	49,429,779
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	252,557	1,680,606
Increase in bonds reserve funds	<u>-</u>	<u>(17,640,372)</u>
Net cash provided by investing activities	252,557	(15,959,766)
Cash flows from non-capital financing activities:		
Interest paid on short term debt	(10,637)	(1,285,268)
Funds for LC/Fuel payments	9,994	1,047,626
Provision for self insurance funds	<u>(342,129)</u>	<u>(3,451,930)</u>
Net cash provided by noncapital financing activities	(342,772)	(3,689,572)
Cash flows from capital and related financing activities:		
Acquisition of utility plant	633,661	(9,015,737)
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	(1,223,990)	(13,839,110)
Interest & principal funds held by trustee	(2,290,234)	1,997,122
Bond funds held by trustee	7,563,005	(130,027,400)
Proceeds from 2010 Revenue Bonds	-	206,555,000
Principal payment on capital lease obligations	(699,702)	(7,321,502)
Principal payment on short term loan	-	(17,499,999)
Grant from DOI	-	6,868
Debt issuance costs/loss on defeasance	<u>156,833</u>	<u>(5,388,797)</u>
Net cash provided by(used in) capital and related financing activities	4,139,573	(1,823,255)
Net (decrease) increase in cash and cash equivalents	9,665,990	27,957,186
Cash and cash equivalents, beginning	<u>45,493,242</u>	<u>\$27,202,046</u>
Cash and cash equivalents, August 31, 2010	\$ 55,159,232	\$ 55,159,232

**Guam Power Authority
Statement of Cash Flows, continued
August 31, 2010**

	Month Ending 8/31/2010	YTD Ending 8/31/2010
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	\$709,888	\$36,972,786
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,141,925	23,341,157
Other expense	(229,155)	(5,173,978)
(Increase) decrease in assets:		
Accounts receivable	8,900,892	6,309,224
Long term receivables	-	680,413
Materials and inventory	91,372	503,377
Fuel inventory	(468,317)	7,086,548
Prepaid expenses	35,344	(807,299)
Deferred fuel costs	(5,719,356)	4,699,068
Unamortized costs	(1,323,986)	(3,388,971)
Deferred asset	13,279	146,072
Other assets	(64,092)	37,388
Increase (decrease) in liabilities:		
Accounts payable-operations	395,430	(26,612,681)
Customers deposits	142,285	438,750
Accrued payroll and employees' benefits	352,789	607,710
Deferred credit-self insurance funds	342,129	3,451,930
Deferred credit repurchase agreement	(48,668)	(535,349)
Deferred credit - others	383,239	2,660,152
Employees' annual leave	(38,366)	(986,518)
Net cash provided by operating activities	\$5,616,632	\$49,429,779