



GUAM POWER AUTHORITY

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

04 November 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

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SUBJECT: Financial Statements – September 2010

Dear Honorable Speaker Won Pat:

Enclosed is the Guam Power Authority's Financial Statements for the month ending September 30, 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.

Office of the Speaker
Date: 11/05/10
Time: 11:45
Received by: [Signature]
30-18-0991

Sincerely,
[Signature]
Randall V. Wiegand
Chief Financial Officer

Enclosures

cc: Mr. Joaquin C. Flores, P.E., General Manager
Ms. Doris Flores Brooks, CPA, CGFM Public Auditor
File - CFO 021 11



Guam Power Authority
Statements of Net Assets

	Unaudited September 2010	Audited September 2009	Change from Sept 30 2009
ASSETS			
Utility plant at cost:			
Electric plant in service	\$ 868,791,171	\$856,904,420	\$ 11,886,751
Construction work in progress	6,826,653	9,950,816	(3,124,163)
	875,617,824	866,855,236	8,762,588
Less: Accumulated depreciation	(380,389,190)	(355,748,260)	(24,640,930)
Total utility plant at cost	495,228,634	511,106,976	(15,878,342)
Restricted funds			
Reserve funds held by trustee			
Revenue bonds	45,134,634	27,488,268	17,646,366
Self insurance fund	7,383,869	3,609,565	3,774,304
Total restricted funds	52,518,503	31,097,833	21,420,670
Funds identified for special purposes			
Interest and principal funds			
held by Trustee for debt repayment	20,643,782	17,345,795	3,297,987
Bond Funds held by Trustee	142,928,642	17,978,850	124,949,792
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	55,808,327	27,202,050	28,606,277
Total cash reserves	219,426,252	63,619,822	155,806,430
Accounts receivable (net of allowance)	38,868,558	42,160,625	(3,292,067)
Materials and supplies	12,046,199	12,365,580	(319,381)
Fuel oil	48,947,057	53,693,177	(4,746,120)
Current portion of deferred fuel costs	2,798,172	6,921,597	(4,123,425)
Prepaid expenses	972,373	698,049	274,324
Total current assets	323,058,611	179,458,850	143,599,761
Other assets			
Long term receivables, net	4,131,882	8,596,342	(4,464,460)
Unamortized costs	8,085,382	4,623,852	3,461,530
Deferred asset	3,187,019	3,346,370	(159,351)
Other assets	895,041	1,067,335	(172,294)
Total other assets	16,299,324	17,633,899	(1,334,575)
Total Assets	\$ 887,105,073	\$739,297,558	\$147,807,515

GUAM POWER AUTHORITY
Statements of Net Assets, Continued

	Unaudited September 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	12,848,781	10,156,106	2,692,675
Current obligation under capital lease	8,028,667	8,028,667	0
Accounts payable			
Operations & fuel oil	15,986,331	38,802,400	(22,816,069)
Accrued payroll & benefits	255,578	904,042	(648,464)
Current portion of employees' annual leave	484,763	1,385,384	(900,621)
Bid bond and customers' deposits	5,529,260	5,212,706	316,554
Interest payable on customers' deposit	707,791	709,935	(2,144)
Deferred credit - self insurance	7,383,869	3,609,565	3,774,304
Deferred credit - others	4,779,977	2,156,749	2,623,228
TCP- short term notes payable	0	17,499,999	(17,499,999)
Total current liabilities	<u>63,800,017</u>	<u>95,839,154</u>	<u>(32,039,137)</u>
Deferred credit - repurchase agreement	11,680,353	12,264,370	(584,017)
Employee annual leave, less current portion	2,943,962	2,943,962	0
Obligation under capital lease (less current portion)	109,100,728	117,129,040	(8,028,312)
Long term debt, less current maturities	556,245,735	362,746,639	193,499,096
Total liabilities	<u>743,770,795</u>	<u>590,923,165</u>	<u>152,847,630</u>
Commitments and contingencies			
Net assets			
Invested in capital assets, net of related debt	14,545,179	16,331,202	(1,786,023)
Restricted	26,880,937	53,066,840	(26,185,903)
Unrestricted	<u>101,908,162</u>	<u>78,976,351</u>	<u>22,931,811</u>
Total net assets	<u>143,334,278</u>	<u>148,374,393</u>	<u>(5,040,115)</u>
Total liabilities and net assets	\$ 887,105,073	\$739,297,558	\$147,807,515

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

	September		% of change Inc (dec)	Twelve Months Ending September 30		% of change Inc (dec)
	Unaudited 2010	Audited 2009		Unaudited 2010	Audited 2009	
Revenues						
Sales of electricity	\$ 28,652,835	\$ 38,299,496	(25)	\$364,889,888	\$388,004,193	(6)
Miscellaneous	256,478	(49,528)	(618)	1,449,244	1,520,927	(5)
Total revenues	28,909,313	38,249,968	(24)	366,339,132	389,525,120	(11)
Operating and maintenance expenses						
Production fuel	16,294,226	26,812,166	(39)	219,861,507	254,372,324	(14)
Other production	<u>2,833,689</u>	<u>3,842,584</u>	<u>(26)</u>	<u>23,356,249</u>	<u>24,630,929</u>	<u>(5)</u>
	<u>19,127,915</u>	<u>30,654,750</u>	<u>(38)</u>	<u>243,217,756</u>	<u>279,003,253</u>	<u>(13)</u>
Depreciation	2,368,833	2,465,079	(4)	25,709,990	27,596,865	(7)
Energy conversion cost	1,568,469	1,482,297	6	19,484,007	19,180,681	2
Transmission & distribution	1,888,237	1,068,075	77	11,026,609	11,140,948	(1)
Customer accounting	1,309,107	408,540	220	5,087,559	3,819,190	33
Administrative & general	<u>2,715,895</u>	<u>3,109,074</u>	<u>(13)</u>	<u>24,908,763</u>	<u>24,755,152</u>	<u>1</u>
Total operating and maintenance expens	<u>28,978,456</u>	<u>39,187,815</u>	<u>(26)</u>	<u>329,434,684</u>	<u>365,496,089</u>	<u>(10)</u>
Operating income	<u>(69,143)</u>	<u>(937,847)</u>	<u>(93)</u>	<u>36,904,448</u>	<u>24,029,031</u>	<u>54</u>
Other income (expenses)						
Interest income	(139,175)	196,096	(171)	1,541,431	2,063,113	(25)
Interest expense	(5,903,140)	(2,706,163)	118	(38,971,746)	(38,439,807)	1
Allowance for funds used during construction	0	0		0	(385,980)	
COLA/Supplemental annuities	(7,442)	0		(3,412,800)	(1,927,116)	77
Bad debts recovery	0	(770,409)		0	(770,409)	
Other	<u>(190,126)</u>	<u>(538,469)</u>		<u>(1,958,746)</u>	<u>(2,200,558)</u>	<u>(11)</u>
Total other income (expenses)	<u>(6,239,883)</u>	<u>(3,818,945)</u>	<u>63</u>	<u>(42,801,861)</u>	<u>(41,660,757)</u>	<u>3</u>
Income (loss) before capital contributions	<u>(6,309,026)</u>	<u>(4,756,792)</u>	<u>33</u>	<u>(5,897,413)</u>	<u>(17,631,726)</u>	<u>(67)</u>
Capital contributions	<u>850,430</u>	<u>101,494</u>		<u>857,298</u>	<u>3,620,655</u>	
Increase (decrease) in net assets	<u>(5,458,596)</u>	<u>(4,655,298)</u>	<u>17</u>	<u>(5,040,113)</u>	<u>(14,011,071)</u>	<u>(64)</u>
Total net assets at beginning of period	<u>148,792,875</u>	<u>153,029,683</u>	<u>N/A</u>	<u>148,374,393</u>	<u>162,385,456</u>	<u>(9)</u>
Total net assets at end of period	<u>\$ 143,334,278</u>	<u>\$ 148,374,385</u>	<u>(3)</u>	<u>\$143,334,278</u>	<u>\$148,374,385</u>	<u>(3)</u>

Guam Power Authority
Statement of Cash Flows
September 30, 2010

	Month Ending 9/30/2010	YTD Ending 9/30/2010
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	\$25,797,715	370,061,104
Cash payments to suppliers and employees for goods and services	<u>22,678,443</u>	<u>317,512,053</u>
Net cash provided by operating activities	\$3,119,272	52,549,051
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	(139,175)	1,541,431
Increase in bonds reserve funds	<u>(5,994)</u>	<u>(17,646,366)</u>
Net cash provided by investing activities	(145,169)	(16,104,935)
Cash flows from non-capital financing activities:		
Interest paid on short term debt	(23,857)	(1,309,125)
Funds for LC/Fuel payments	-	1,047,626
Provision for self insurance funds	<u>(322,374)</u>	<u>(3,774,304)</u>
Net cash provided by noncapital financing activities	(346,231)	(4,035,803)
Cash flows from capital and related financing activities:		
Acquisition of utility plant	(815,903)	(9,831,642)
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	(1,216,883)	(15,055,992)
Interest & principal funds held by trustee	(5,295,109)	(3,297,987)
Bond funds held by trustee	5,077,608	(124,949,792)
Proceeds from 2010 Revenue Bonds	-	206,555,000
Principal payment on capital lease obligations	(706,810)	(8,028,312)
Principal payment on short term loan	-	(17,499,999)
Grant from DOI/FEMA	850,430	857,298
Debt issuance costs/loss on defeasance	<u>127,893</u>	<u>(5,260,905)</u>
Net cash provided by(used in) capital and related financing activities	(1,978,775)	(3,802,031)
Net (decrease) increase in cash and cash equivalents	649,097	28,606,282
Cash and cash equivalents, beginning	<u>55,159,231</u>	<u>\$27,202,046</u>
Cash and cash equivalents, September 30, 2010	\$ 55,808,327	\$ 55,808,327

Guam Power Authority
Statement of Cash Flows, continued
September 30, 2010

	Month Ending 9/30/2010	YTD Ending 9/30/2010
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	(\$68,338)	\$36,904,448
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,368,833	25,709,990
Other expense	(197,568)	(5,371,546)
(Increase) decrease in assets:		
Accounts receivable	(3,017,157)	3,292,067
Long term receivables	3,784,047	4,464,460
Materials and inventory	(183,996)	319,381
Fuel inventory	(2,340,428)	4,746,120
Prepaid expenses	532,975	(274,324)
Deferred fuel costs	(575,643)	4,123,425
Unamortized costs	(72,559)	(3,461,530)
Deferred asset	13,279	159,351
Other assets	134,906	172,294
Increase (decrease) in liabilities:		
Accounts payable-operations	3,796,612	(22,816,069)
Customers deposits	(122,196)	316,554
Accrued payroll and employees' benefits	(1,256,174)	(648,464)
Deferred credit-self insurance funds	322,374	3,774,304
Deferred credit repurchase agreement	(48,668)	(584,017)
Deferred credit - others	(36,924)	2,623,228
Employees' annual leave	85,897	(900,621)
Net cash provided by operating activities	\$3,119,272	\$52,549,051