



GUAM POWER AUTHORITY

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

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December 14, 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: 12/15/10
Time: 11:00
Received by: [Signature]
30-10-1069

SUBJECT: Financial Statements – October 2010

Dear Honorable Speaker Won Pat:

Enclosed is the Guam Power Authority's Financial Statements for the month ending October 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
CFO 124 11



Guam Power Authority
Statements of Net Assets

	Unaudited October 2010	Unaudited September 2010	Change from Sept 30 2010
ASSETS			
Utility plant at cost:			
Electric plant in service	\$ 868,707,110	\$ 868,791,171	\$ (84,061)
Construction work in progress	7,579,919	6,826,653	753,266
	876,287,029	875,617,824	669,205
Less: Accumulated depreciation	(382,148,980)	(380,389,190)	(1,759,790)
Total utility plant at cost	494,138,049	495,228,634	(1,090,585)
Restricted funds			
Reserve funds held by trustee			
Revenue bonds	45,134,634	45,134,634	0
Self insurance fund	7,717,292	7,383,869	333,422
Total restricted funds	52,851,926	52,518,503	333,422
Funds identified for special purposes			
Interest and principal funds			
held by Trustee for debt repayment	2,898,218	20,643,782	(17,745,564)
Bond Funds held by Trustee	143,176,052	142,928,642	247,410
Reserve funds for (Fuel/others)	30,836	30,836	0
Reserve funds for LC payments	14,665	14,665	0
Reserve funds held by GPA			
Bond indenture funds held by GPA	50,279,052	55,808,327	(5,529,276)
Total cash reserves	196,398,823	219,426,252	(23,027,430)
Accounts receivable (net of allowance)	39,412,899	38,868,558	544,341
Materials and supplies	12,227,114	12,046,199	180,915
Fuel oil	49,568,225	48,947,057	621,168
Current portion of deferred fuel costs	4,238,801	2,798,172	1,440,629
Prepaid expenses	421,634	972,373	(550,739)
Total current assets	302,267,496	323,058,611	(20,791,116)
Other assets			
Long term receivables, net	4,131,882	4,131,882	0
Regulatory asset	0	0	0
Unamortized costs	8,050,481	8,085,382	(34,901)
Non current deferred fuel costs	0	0	0
Deferred asset	3,173,739	3,187,019	(13,280)
Other assets	880,761	895,041	(14,280)
Total other assets	16,236,863	16,299,324	(62,461)
Total Assets	\$ 865,494,333	\$ 887,105,073	\$ (21,610,740)

GUAM POWER AUTHORITY
Statements of Net Assets, Continued

	Unaudited October 2010	Unaudited September 2010	Change from Sept 30 2010
LIABILITIES AND NET ASSETS			
Current liabilities			
Current portion, debt			
Revenue bonds, Series A	\$ 12,640,000	\$ 7,795,000	\$ 4,845,000
Accrued bond interest	2,652,854	12,848,781	(10,195,927)
Current obligation under capital lease	8,028,667	8,028,667	0
Accounts payable			
Operations & fuel oil	11,447,002	15,986,331	(4,539,329)
Accrued payroll & benefits	1,015,336	255,578	759,758
Current portion of employees' annual leave	477,093	484,763	(7,670)
Bid bond and customers' deposits	5,572,184	5,529,260	42,924
Interest payable on customers' deposit	707,955	707,791	164
Deferred credit - self insurance	7,717,292	7,383,869	333,423
Deferred credit - others	5,193,052	4,779,977	413,075
Deferred fuel costs	0	0	0
Total current liabilities	<u>55,451,435</u>	<u>63,800,017</u>	<u>(8,348,582)</u>
Deferred credit - repurchase agreement	11,631,685	11,680,353	(48,668)
Employee annual leave, less current portion	2,943,962	2,943,962	0
Unfunded retirement deferred contributions	0	0	0
Obligation under capital lease (less current portion)	108,386,739	109,100,728	(713,989)
Long term debt, less current maturities	543,739,590	556,245,735	(12,506,145)
Total liabilities	<u>722,153,411</u>	<u>743,770,795</u>	<u>(21,617,384)</u>
Commitments and contingencies			
Invested in capital assets, net of related debt	17,419,449	14,545,179	2,874,270
Restricted	20,634,545	26,880,937	(6,246,392)
Unrestricted	<u>105,286,928</u>	<u>101,908,162</u>	<u>3,378,766</u>
Total net assets	<u>143,340,922</u>	<u>143,334,278</u>	<u>6,644</u>
Total liabilities and net assets			

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

	October		% of change inc (dec)	One Month Ending October 31		% of change inc (dec)
	Unaudited 2010	Unaudited 2009		Unaudited 2010	Unaudited 2009	
Revenues						
Sales of electricity	\$ 30,093,800	\$ 29,305,790	3	\$ 30,093,800	\$ 29,305,790	3
Miscellaneous	132,719	94,101	41	132,719	94,101	41
Total revenues	30,226,519	29,399,891	3	30,226,519	29,399,891	44
Operating and maintenance expenses						
Production fuel	17,026,924	17,762,390	(4)	17,026,924	17,762,390	(4)
Other production	1,507,357	1,274,748	18	1,507,357	1,274,748	18
	<u>18,534,281</u>	<u>19,037,138</u>	<u>(3)</u>	<u>18,534,281</u>	<u>19,037,138</u>	<u>(3)</u>
Depreciation	1,770,893	2,214,000	(20)	1,770,893	2,214,000	(20)
Energy conversion cost	1,398,729	1,567,186	(11)	1,398,729	1,567,186	(11)
Transmission & distribution	780,649	761,762	2	780,649	761,762	2
Customer accounting	373,417	339,593	10	373,417	339,593	10
Administrative & general	2,369,942	1,948,932	22	2,369,942	1,948,932	22
Total operating and maintenance expenses	25,227,911	25,868,611	(2)	25,227,911	25,868,611	(2)
Operating income	4,998,608	3,531,280	42	4,998,608	3,531,280	42
Other income (expenses)						
Interest income	95,088	108,478	(12)	95,088	108,478	(12)
Interest expense	(3,872,303)	(3,101,684)	25	(3,872,303)	(3,101,684)	25
Allowance for funds used during construction	0	0		0	0	
COLA/Supplemental annuities	(1,017,960)	(682,908)		(1,017,960)	(682,908)	49
Bad debts recovery	0	0		0	0	
Losses due to typhoon	0	0		0	0	
Inventory losses	0	0		0	0	
Provision for GovGuam receivable	0	0		0	0	
Bad debts recovery	0	0		0	0	
Recovery (losses) due to typhoon	0	0		0	0	
Other	(196,788)	(248,645)		(196,788)	(248,645)	(21)
Total other income (expenses)	(4,991,963)	(3,924,759)	27	(4,991,963)	(3,924,759)	27
Income (loss) before capital contributions	6,645	(393,479)	(102)	6,645	(393,479)	(102)
Capital contributions	0	0		0	0	
Increase (decrease) in net assets	6,645	(393,479)	(102)	6,645	(393,479)	(102)
Total net assets at beginning of period	143,334,278	148,374,385	N/A	143,334,278	148,374,385	(3)
Total net assets at end of period	\$ 143,340,922	\$ 147,980,906	(3)	\$ 143,340,922	\$ 147,980,906	(3)

Guam Power Authority
Statement of Cash Flows
October 31, 2010

	Month Ending 10/31/2010	YTD Ending 10/31/2010
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	\$29,729,830	29,729,830
Cash payments to suppliers and employees for goods and services	<u>29,395,417</u>	<u>29,395,417</u>
Net cash provided by operating activities	\$334,413	334,413
Cash flows from investing activities:		
Decrease in bond reserve funds	-	-
Interest and dividends on investments and bank accounts	95,088	95,088
Increase in bonds reserve funds	<u>-</u>	<u>-</u>
Net cash provided by investing activities	95,088	95,088
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	(9,582)	(9,582)
Funds for LC/Fuel payments	-	-
Provision for self insurance funds	<u>(333,422)</u>	<u>(333,422)</u>
Net cash provided by noncapital financing activities	(343,004)	(343,004)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(680,307)	(680,298)
Principal paid on bonds and other long-term debt	(7,795,000)	(7,795,000)
Interest paid on bonds(net of capitalized interest)	(12,848,781)	(12,848,781)
Interest paid on capital lease obligations	(1,209,702)	(1,209,702)
Interest & principal funds held by trustee	17,745,564	17,745,564
Bond funds held by trustee	(247,410)	(247,410)
Escrow funds for fuel / others	-	-
Additional grant from US Government	-	-
Proceeds from 2010 Revenue Bonds	-	-
Principal payment on capital lease obligations	(713,989)	(713,989)
Proceeds from capital related short-term debt	-	-
Deferred credits-repurchase agreement-Working Capital Funds	-	-
Principal payment on short term loan	-	-
Grant from DOI/FEMA	-	-
Debt issuance costs/loss on defeasance	<u>133,855</u>	<u>133,855</u>
Net cash provided by(used in) capital and related financing activities	(5,615,771)	(5,615,762)
Net (decrease) increase in cash and cash equivalents	(5,529,274)	(5,529,265)
Cash and cash equivalents, beginning	<u>55,808,327</u>	<u>55,808,327</u>
Cash and cash equivalents, October 31, 2010	\$ 50,279,052	\$ 50,279,052

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

	Month Ending 10/31/2010	YTD Ending 10/31/2010
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	\$4,998,608	\$4,998,608
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	1,770,893	1,770,893
Bad debts recovery	-	-
Recovery of typhoon losses	-	-
Other expense	(1,214,748)	(1,214,748)
(Increase) decrease in assets:		
Accounts receivable	(544,341)	(544,341)
Long term receivables	-	-
Materials and inventory	(180,915)	(180,915)
Fuel inventory	(621,168)	(621,168)
Prepaid expenses	550,739	550,739
Reserve funds for LC payments	-	-
Long term accounts receivable	-	-
Deferred fuel costs	(1,440,629)	(1,440,629)
Unamortized costs	34,901	34,901
Deferred asset	13,280	13,280
Other assets	14,280	14,280
Increase (decrease) in liabilities:		
Accounts payable-operations	(4,539,329)	(4,539,329)
Customers deposits	42,924	42,924
Accrued payroll and employees' benefits	759,758	759,758
Deferred credit-self insurance funds	333,423	333,423
Deferred credit repurchase agreement	(48,668)	(48,668)
Deferred payment agreement	-	-
Deferred fuel costs	-	-
Deferred credit - others	413,075	413,075
Employees' annual leave	(7,670)	(7,670)
Net cash provided by operating activities	\$334,413	\$334,413