

**Guam Power Authority  
Statements of Net Assets**

|  | Unaudited<br>September<br>2011 | Audited<br>September<br>2010 | Change from<br>Sept 30<br>2010 |
|--|--------------------------------|------------------------------|--------------------------------|
| <b>ASSETS</b>                                |                                |                              |                                |
| <b>Utility plant at cost:</b>                |                                |                              |                                |
| Electric plant in service                    | \$ 876,058,033                 | \$ 868,791,171               | \$ 7,266,862                   |
| Construction work in progress                | <u>14,045,197</u>              | <u>6,873,135</u>             | <u>7,172,062</u>               |
|  | 890,103,230                    | 875,664,306                  | 14,438,924                     |
| Less: Accumulated depreciation               | <u>(408,737,820)</u>           | <u>(383,122,491)</u>         | <u>(25,615,329)</u>            |
| <b>Total utility plant at cost</b>           | <b><u>481,365,410</u></b>      | <b><u>492,541,815</u></b>    | <b><u>(11,176,405)</u></b>     |
| <b>Restricted funds</b>                      |                                |                              |                                |
| Reserve funds held by trustee                |                                |                              |                                |
| Revenue bonds                                | 45,159,623                     | 45,134,634                   | 24,989                         |
| Self insurance fund                          | <u>10,982,776</u>              | <u>7,065,846</u>             | <u>3,916,930</u>               |
| <b>Total restricted funds</b>                | <b><u>56,142,399</u></b>       | <b><u>52,200,480</u></b>     | <b><u>3,941,919</u></b>        |
| <b>Funds identified for special purposes</b> |                                |                              |                                |
| Interest and principal funds                 |                                |                              |                                |
| held by Trustee for debt repayment           | 28,292,131                     | 20,643,782                   | 7,648,349                      |
| Bond Funds held by Trustee                   | 132,492,757                    | 142,959,478                  | <u>(10,466,721)</u>            |
| Reserve funds for LC payments                | 24,669                         | 14,665                       | 10,004                         |
| Reserve funds held by GPA                    |                                |                              |                                |
| Bond indenture funds held by GPA             | <u>55,907,229</u>              | <u>56,126,351</u>            | <u>(219,122)</u>               |
| <b>Total cash reserves</b>                   | <b><u>272,859,185</u></b>      | <b><u>271,944,756</u></b>    | <b><u>914,429</u></b>          |
| <b>Current receivables</b>                   |                                |                              |                                |
| Accounts receivable (net of allowance)       | 48,057,865                     | 35,459,240                   | 12,598,625                     |
| Current installment-Long term receivable     | <u>2,870,328</u>               | <u>4,470,997</u>             | <u>(1,600,669)</u>             |
| <b>Total current receivables</b>             | <b><u>50,928,193</u></b>       | <b><u>39,930,237</u></b>     | <b><u>10,997,956</u></b>       |
| <b>Materials and supplies</b>                | <b>14,861,733</b>              | <b>12,046,199</b>            | <b>2,815,534</b>               |
| Fuel oil                                     | 57,132,243                     | 48,947,057                   | 8,185,186                      |
| Prepaid expenses                             | <u>787,081</u>                 | <u>972,373</u>               | <u>(185,292)</u>               |
| <b>Total current assets</b>                  | <b><u>396,568,435</u></b>      | <b><u>373,840,622</u></b>    | <b><u>22,727,813</u></b>       |
| <b>Regulatory assets</b>                     |                                |                              |                                |
| Deferred fuel cost, net                      | <u>(120,090)</u>               | 2,798,172                    | <u>(2,918,262)</u>             |
| Cancelled unit, net of amortization          | <u>257,830</u>                 | <u>380,005</u>               | <u>(122,175)</u>               |
| <b>Total regulatory asset</b>                | <b><u>137,740</u></b>          | <b><u>3,178,177</u></b>      | <b><u>(3,040,437)</u></b>      |
| <b>Other assets</b>                          |                                |                              |                                |
| Long term receivables, net                   | 1,822,750                      | 4,131,882                    | <u>(2,309,132)</u>             |
| Regulatory asset                             | 0                              | 0                            | 0                              |
| Unamortized costs                            | 9,386,235                      | 9,934,790                    | <u>(548,555)</u>               |
| Non current deferred fuel costs              | 0                              | 0                            | 0                              |
| Deferred asset                               | 3,027,668                      | 3,187,019                    | <u>(159,351)</u>               |
| Other assets                                 | <u>715,978</u>                 | <u>899,414</u>               | <u>(183,436)</u>               |
| <b>Total other assets</b>                    | <b><u>14,952,631</u></b>       | <b><u>18,153,105</u></b>     | <b><u>(3,200,474)</u></b>      |
| <b>Total Assets</b>                          | <b>\$ 893,024,216</b>          | <b>\$ 887,713,719</b>        | <b>5,310,497</b>               |

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

|  | Unaudited<br>September<br>2011 | Audited<br>September<br>2010 | Change from<br>Sept 30<br>2010 |
|--|--------------------------------|------------------------------|--------------------------------|
| <b>LIABILITIES AND NET ASSETS</b>                            |                                |                              |                                |
| <b>Current liabilities</b>                                   |                                |                              |                                |
| Current portion, debt  |                                |                              |                                |
| Revenue bonds, Series A                                      | \$ 12,640,000                  | \$ 7,795,000                 | \$ 4,845,000                   |
| Accrued bond interest  | 15,649,038                     | 12,848,781                   | 2,800,257                      |
| Current obligation under capital lease                       | 9,064,045                      | 9,064,045                    | 0                              |
| Accounts payable   |                                |                              |                                |
| Operations & fuel oil  | 14,891,480                     | 16,107,040                   | (1,215,560)                    |
| Accrued payroll & benefits                                   | 372,591                        | 255,578                      | 117,013                        |
| Current portion of employees' annual leave                   | 2,124,203                      | 1,838,093                    | 286,110                        |
| Bid bond and customers' deposits                             | 6,185,002                      | 5,529,260                    | 655,742                        |
| Interest payable on customers' deposit                       | 707,838                        | 707,791                      | 47                             |
| Deferred credit - self insurance                             | 11,288,677                     | 7,383,869                    | 3,904,808                      |
| Deferred credit - others                                     | 20,359,124                     | 4,779,977                    | 15,579,147                     |
| Deferred fuel costs  | <u>0</u>                       | <u>0</u>                     | <u>0</u>                       |
| <b>Total current liabilities</b>                             | <b><u>93,281,998</u></b>       | <b><u>66,309,434</u></b>     | <b><u>26,972,564</u></b>       |
| <b>Deferred credit - repurchase agreement</b>                | <b>11,096,335</b>              | <b>11,680,353</b>            | <b>(584,018)</b>               |
| <b>Employee annual leave, less current portion</b>           | <b>1,092,755</b>               | <b>803,086</b>               | <b>289,669</b>                 |
| <b>DCRS Sick leave liability</b>                             | <b>1,722,649</b>               | <b>1,722,649</b>             | <b>0</b>                       |
| <b>Obligation under capital lease (less current portion)</b> | <b>99,001,695</b>              | <b>108,065,350</b>           | <b>(9,063,655)</b>             |
| <b>Long term debt, less current maturities</b>               | <b><u>547,466,229</u></b>      | <b><u>558,495,131</u></b>    | <b><u>(11,028,902)</u></b>     |
| <b>Total liabilities</b>                                     | <b><u>753,661,661</u></b>      | <b><u>747,076,003</u></b>    | <b><u>6,585,658</u></b>        |
| <b>Commitments and contingencies</b>                         |                                |                              |                                |
| <b>Net assets</b>  |                                |                              |                                |
| Invested in capital assets, net of related debt              | 26,598,762                     | 16,057,294                   | 10,541,468                     |
| Restricted   | 62,265,211                     | 62,196,454                   | 68,757                         |
| Unrestricted   | 50,498,582                     | 62,383,968                   | (11,885,386)                   |
| <b>Total net assets</b>                                      | <b><u>139,362,555</u></b>      | <b><u>140,637,716</u></b>    | <b><u>(1,275,161)</u></b>      |
| <b>Total liabilities and net assets</b>                      | <b>\$ 893,024,216</b>          | <b>\$ 887,713,719</b>        | <b>5,310,497</b>               |

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

|   | September 30          |                       | % of<br>change<br>Inc (dec) | Twelve Months<br>Ending<br>September 30 |                       | % of<br>change<br>Inc (dec) |
|---|-----------------------|-----------------------|-----------------------------|---|-----------------------|-----------------------------|
|   | Unaudited<br>2011     | Audited<br>2010       |                             | Unaudited<br>2011                       | Audited<br>2010       |                             |
| <b>Revenues</b>                                   |                       |                       |                             |   |                       |                             |
| Sales of electricity                              | \$ 35,497,190         | \$ 28,652,835         | 24                          | \$ 391,874,987                          | \$ 364,889,887        | 7                           |
| Miscellaneous                                     | <u>502,776</u>        | <u>256,478</u>        | <u>96</u>                   | <u>2,361,867</u>                        | <u>1,449,274</u>      | <u>63</u>                   |
| Total revenues                                    | 35,999,966            | 28,909,313            | 25                          | 394,236,854                             | 366,339,161           | 8                           |
| <b>Operating and maintenance expenses</b>         |                       |                       |                             |   |                       |                             |
| Production fuel                                   | 23,698,302            | 16,294,226            | 45                          | 243,711,338                             | 219,861,507           | 11                          |
| Other production                                  | <u>2,267,343</u>      | <u>3,147,057</u>      | <u>(28)</u>                 | <u>20,839,006</u>                       | <u>23,669,641</u>     | <u>(12)</u>                 |
|   | <u>25,965,645</u>     | <u>19,441,283</u>     | <u>34</u>                   | <u>264,550,344</u>                      | <u>243,531,148</u>    | <u>9</u>                    |
| Depreciation                                      | 2,172,326             | 5,102,134             | (57)                        | 26,121,870                              | 28,443,291            | (8)                         |
| Energy conversion cost                            | 1,662,648             | 1,568,469             | 6                           | 19,704,754                              | 19,484,007            | 1                           |
| Transmission & distribution                       | 980,943               | 2,089,728             | (53)                        | 12,240,510                              | 11,228,100            | 9                           |
| Customer accounting                               | 308,526               | 297,453               | 4                           | 4,453,702                               | 4,075,905             | 9                           |
| Administrative & general                          | <u>3,442,743</u>      | <u>3,163,413</u>      | <u>9</u>                    | <u>30,425,853</u>                       | <u>28,761,637</u>     | <u>6</u>                    |
| Total operating and maintenance expen             | <u>34,532,831</u>     | <u>31,662,480</u>     | <u>9</u>                    | <u>357,497,033</u>                      | <u>335,524,088</u>    | <u>7</u>                    |
| <b>Operating income</b>                           | <u>1,467,135</u>      | <u>(2,753,167)</u>    | <u>(153)</u>                | <u>36,739,821</u>                       | <u>30,815,073</u>     | <u>19</u>                   |
| <b>Other income (expenses)</b>                    |                       |                       |                             |   |                       |                             |
| Interest income                                   | 291,421               | (139,175)             | (309)                       | 1,779,178                               | 1,541,432             | 15                          |
| GIC Settlement                                    | 0                     | 0                     |                             | 5,173,671                               | 0                     |                             |
| Interest expense and amortization                 | (3,708,376)           | (5,903,140)           | (37)                        | (45,448,476)                            | (38,971,746)          | 17                          |
| Amortization                                      | (428,615)             | (185,175)             |                             | (2,319,007)                             | (1,651,046)           |                             |
| Allowance for funds used                          |                       |                       |                             |   |                       |                             |
| Recovery (losses) due to typhoon                  | 0                     | 0                     |                             | 0                                       | 0                     |                             |
| Other   | <u>(24,934)</u>       | <u>(24,933)</u>       |                             | <u>(299,206)</u>                        | <u>(327,683)</u>      | <u>(9)</u>                  |
| Total other income (expenses)                     | <u>(6,462,832)</u>    | <u>(6,252,423)</u>    | <u>3</u>                    | <u>(39,334,051)</u>                     | <u>(39,409,043)</u>   | <u>(0)</u>                  |
| <b>Income (loss) before capital contributions</b> | <u>(4,995,697)</u>    | <u>(9,005,590)</u>    | <u>(45)</u>                 | <u>(2,594,230)</u>                      | <u>(8,593,970)</u>    | <u>(70)</u>                 |
| <b>Capital contributions</b>                      | <u>935,617</u>        | <u>90,844</u>         |                             | <u>1,319,067</u>                        | <u>97,712</u>         |                             |
| <b>Increase (decrease) in net assets</b>          | <u>(4,060,080)</u>    | <u>(8,914,746)</u>    | <u>(54)</u>                 | <u>(1,275,163)</u>                      | <u>(8,496,258)</u>    | <u>(85)</u>                 |
| <b>Total net assets at beginning of period</b>    | <u>143,422,637</u>    | <u>148,792,873</u>    | <u>(4)</u>                  | <u>140,637,716</u>                      | <u>148,374,385</u>    | <u>(5)</u>                  |
| <b>Total net assets at end of period</b>          | <u>\$ 139,362,555</u> | <u>\$ 139,878,127</u> | <u>(0)</u>                  | <u>\$ 139,362,555</u>                   | <u>\$ 139,878,127</u> | <u>(0)</u>                  |