

**GUAM POWER AUTHORITY**  
**Balance sheets**

<b>ASSETS</b>	<b>Unaudited August 2007</b>	<b>Audited September 2006</b>	<b>Change from Sept 30 2006</b>
<b>Utility plant at cost:</b>			
Electric plant in service	\$ 818,471,436	\$ 809,869,967	\$ 8,601,469
Construction work in progress	<u>19,650,632</u>	<u>25,869,073</u>	<u>(6,218,441)</u>
	838,122,068	835,739,040	2,383,028
Less: Accumulated depreciation	<u>(303,757,023)</u>	<u>(284,111,333)</u>	<u>(19,645,690)</u>
<b>Total utility plant at cost</b>	<b><u>534,365,045</u></b>	<b><u>551,627,707</u></b>	<b><u>(17,262,662)</u></b>
<b>Restricted funds</b>			
Reserve funds held by trustee			
Revenue bonds	27,488,252	27,488,252	0
Self insurance fund	<u>2,138,258</u>	<u>2,140,544</u>	<u>(2,286)</u>
<b>Total restricted funds</b>	<b><u>29,626,510</u></b>	<b><u>29,628,796</u></b>	<b><u>(2,286)</u></b>
<b>Funds identified for special purposes</b>			
Interest and principal funds			
held by Trustee for debt repayment	16,064,454	17,941,919	(1,877,465)
Bond Funds held by Trustee	19,014,100	21,806,712	(2,792,612)
Reserve funds for LC (Fuel/others)	25,074	24,995	79
Reserve funds held by GPA			
Bond indenture funds held by GPA	<u>26,214,934</u>	<u>17,053,812</u>	<u>9,161,122</u>
<b>Total cash reserves</b>	<b><u>61,318,562</u></b>	<b><u>56,827,438</u></b>	<b><u>4,491,124</u></b>
<b>Accounts receivable (net of allowance)</b>	<b>48,741,500</b>	<b>48,371,628</b>	<b>369,872</b>
<b>Materials and supplies</b>	<b>12,273,137</b>	<b>13,421,025</b>	<b>(1,147,888)</b>
<b>Fuel oil</b>	<b>30,669,805</b>	<b>29,500,641</b>	<b>1,169,164</b>
<b>Deferred fuel cost - current portion</b>	<b>0</b>	<b>1,172,177</b>	<b>(1,172,177)</b>
<b>Prepaid expenses</b>	<b><u>1,067,107</u></b>	<b><u>1,188,592</u></b>	<b><u>(121,485)</u></b>
<b>Total current assets</b>	<b><u>154,070,111</u></b>	<b><u>150,481,501</u></b>	<b><u>3,588,610</u></b>
<b>Other assets</b>			
Long term notes receivable	22,798,621	23,014,226	(215,605)
Long term accounts receivable	6,776,352	6,776,352	0
Regulatory asset	3,970,992	0	3,970,992
Unamortized costs	6,443,385	5,491,991	951,394
Non current deferred fuel costs	4,441,454	7,397,262	(2,955,808)
Deferred asset	3,678,351	3,824,423	(146,072)
Other assets	<u>1,844,925</u>	<u>1,951,194</u>	<u>(106,269)</u>
<b>Total other assets</b>	<b><u>49,954,080</u></b>	<b><u>48,455,448</u></b>	<b><u>1,498,632</u></b>
<b>Total Assets</b>	<b><u>\$ 768,015,746</u></b>	<b><u>\$780,193,452</u></b>	<b><u>\$ (12,177,706)</u></b>

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<b><u>LIABILITIES AND NET ASSETS</u></b>	<b>Unaudited August 2007</b>	<b>Audited September 2006</b>	<b>Change from Sept 30 2006</b>
<b>Current liabilities</b>			
Current portion, debt			
Revenue bonds, Series A	\$ 6,770,000	\$ 6,480,000	\$ 290,000
Accrued bond interest	8,851,789	10,573,510	(1,721,721)
Current obligation under capital lease	5,589,841	5,589,841	0
Accounts payable			
Operations & fuel oil	27,459,112	34,528,730	(7,069,618)
Accrued payroll & benefits	919,576	1,089,336	(169,760)
Current portion of employees' annual leave	1,133,835	1,078,856	54,979
Bid bond and customers' deposits	4,381,963	3,858,707	523,256
Interest payable on customers' deposit	702,514	701,713	801
Deferred credit - self insurance	1,715,232	2,112,546	(397,314)
Current portion, Deferred credit repurchase agreement	584,018	584,018	0
TCP- short term notes payable	<u>20,000,000</u>	<u>20,000,000</u>	<u>0</u>
<b>Total current liabilities</b>	<b><u>78,107,880</u></b>	<b><u>86,597,257</u></b>	<b><u>(8,489,377)</u></b>
<b>Deferred credit - repurchase agreement (less current portion)</b>	<b>12,897,055</b>	<b>13,432,405</b>	<b>(535,350)</b>
<b>Employee annual leave, less current portion</b>	<b>1,969,683</b>	<b>1,969,683</b>	<b>0</b>
<b>Unfunded retirement deferred contributions</b>	<b>9,105,058</b>	<b>9,105,058</b>	<b>0</b>
<b>Obligation under capital lease (less current portion)</b>	<b>133,477,719</b>	<b>138,575,390</b>	<b>(5,097,671)</b>
<b>Long term debt, less current maturities</b>	<b>374,726,438</b>	<b>380,407,966</b>	<b>(5,681,528)</b>
<b>Total liabilities</b>	<b><u>610,283,833</u></b>	<b><u>630,087,759</u></b>	<b><u>(19,803,926)</u></b>
<b>Commitments and contingencies</b>			
<b>Net assets</b>			
Invested in capital assets, net of related debt	14,557,759	21,443,215	(6,885,456)
Restricted	50,548,227	53,968,114	(3,419,887)
Unrestricted	<u>92,625,927</u>	<u>74,694,363</u>	<u>17,931,564</u>
<b>Total net assets</b>	<b><u>157,731,913</u></b>	<b><u>150,105,692</u></b>	<b><u>7,626,221</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 768,015,746</u></b>	<b><u>\$780,193,452</u></b>	<b><u>\$ (12,177,706)</u></b>

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

	August 31		% of change Inc (dec)	Eleven Months Ending August 31		% of change Inc (dec)
	Unaudited 2007	Audited 2006		Unaudited 2007	Audited 2006	
<b>Revenues</b>						
Sales of electricity	\$ 27,577,823	\$ 24,456,012	13	\$ 279,628,524	\$ 263,404,047	6
Miscellaneous	175,399	293,596	(40)	2,003,189	1,545,752	30
Total revenues	27,753,222	24,749,608	12	281,631,713	264,949,799	36
<b>Operating and maintenance expenses</b>						
Production fuel	16,446,121	13,539,680	21	159,086,330	142,899,257	11
Other production	1,450,847	1,812,261	(20)	15,281,707	16,999,701	(10)
	17,896,968	15,351,941	17	174,368,037	159,898,958	9
Depreciation	2,203,547	2,094,488	5	24,205,257	23,165,227	4
Energy conversion cost	1,592,517	1,516,621	5	16,680,689	16,381,140	2
Transmission & distribution	1,002,791	743,089	35	7,871,961	9,662,613	(19)
Customer accounting	233,916	231,022	1	2,560,912	2,551,981	0
Administrative & general	1,643,916	1,815,110	(9)	20,238,646	19,725,762	3
Total operating and maintenance expenses	24,573,655	21,752,271	13	245,925,502	231,385,681	6
<b>Operating income</b>	<b>3,179,567</b>	<b>2,997,337</b>	<b>6</b>	<b>35,706,211</b>	<b>33,564,118</b>	<b>6</b>
<b>Other income (expenses)</b>						
Interest income	399,680	397,864	0	3,803,108	3,930,484	(3)
Interest expense	(3,248,655)	(3,306,178)	(2)	(36,379,569)	(36,031,680)	1
Allowance for funds used during construction	40,201	38,776	4	470,361	540,401	(13)
COLA/Supplemental annuities	0	0	N/A	(1,030,906)	(1,032,219)	N/A
Inventory losses	0	0	N/A	(100,882)	0	N/A
Gain on regulatory asset	0	0	N/A	4,500,000	0	N/A
Losses due to typhoon/earthquake	(36,010)	(98)	N/A	539,862	(241,127)	0
Other	(176,647)	(63,046)	180	(1,568,675)	(1,499,806)	5
Total other income (expenses)	(3,021,431)	(2,932,682)	3	(29,766,701)	(34,333,947)	(13)
<b>Income (loss) before capital contributions</b>	<b>158,136</b>	<b>64,655</b>	<b>145</b>	<b>5,939,510</b>	<b>(769,829)</b>	<b>(872)</b>
<b>Capital contributions</b>	<b>653,883</b>	<b>29,635</b>	<b>N/A</b>	<b>1,686,708</b>	<b>2,279,476</b>	<b>N/A</b>
<b>Increase (decrease) in net assets</b>	<b>812,019</b>	<b>94,290</b>	<b>761</b>	<b>7,626,218</b>	<b>1,509,647</b>	<b>405</b>
<b>Total net assets at beginning of period</b>	<b>156,919,891</b>	<b>151,839,553</b>	<b>N/A</b>	<b>150,105,692</b>	<b>150,424,196</b>	<b>(0)</b>
<b>Total net assets at end of period</b>	<b>\$ 157,731,910</b>	<b>\$ 151,933,843</b>	<b>4</b>	<b>\$ 157,731,910</b>	<b>\$ 151,933,843</b>	<b>4</b>