

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

	October 31		% of change Inc (dec)	One month Ending October 31		% of change Inc (dec)
	Unaudited 2006	Unaudited 2005		Unaudited 2006	Unaudited 2005	
<b>Revenues</b>						
Sales of electricity	\$ 25,085,775	\$ 24,540,065	2	\$ 25,085,775	\$ 24,540,065	2
Miscellaneous	<u>228,704</u>	<u>28,136</u>	<u>713</u>	<u>228,704</u>	<u>28,136</u>	<u>713</u>
Total revenues	25,314,479	24,568,201	3	25,314,479	24,568,201	715
<b>Operating and maintenance expenses</b>						
Production fuel	14,225,496	12,338,092	15	14,225,496	12,338,092	15
Other production	<u>1,388,164</u>	<u>1,326,114</u>	<u>5</u>	<u>1,388,164</u>	<u>1,326,114</u>	<u>5</u>
	<u>15,613,660</u>	<u>13,664,206</u>	<u>14</u>	<u>15,613,660</u>	<u>13,664,206</u>	<u>14</u>
Depreciation	2,239,201	2,134,801	5	2,239,201	2,134,801	5
Energy conversion cost	1,475,286	1,542,107	(4)	1,475,286	1,542,107	(4)
Transmission & distribution	763,414	796,303	(4)	763,414	796,303	(4)
Customer accounting	255,626	185,604	38	255,626	185,604	38
Administrative & general	<u>2,809,254</u>	<u>2,254,315</u>	<u>25</u>	<u>2,809,254</u>	<u>2,254,315</u>	<u>25</u>
Total operating and maintenance expenses	<u>23,156,441</u>	<u>20,577,336</u>	<u>13</u>	<u>23,156,441</u>	<u>20,577,336</u>	<u>13</u>
<b>Operating income</b>	<b><u>2,158,038</u></b>	<b><u>3,990,865</u></b>	<b><u>(46)</u></b>	<b><u>2,158,038</u></b>	<b><u>3,990,865</u></b>	<b><u>(46)</u></b>
<b>Other income (expenses)</b>						
Interest income	289,200	302,800	(4)	289,200	302,800	(4)
Interest expense	(3,268,024)	(3,375,797)	(3)	(3,268,024)	(3,375,797)	(3)
Allowance for funds used during construction	40,466	56,154	(28)	40,466	56,154	(28)
CONSULTING FEES EXPENSE	0	0		0	0	
Consulting fees expense	0	0	N/A	0	0	N/A
COLA/Supplemental annuities	0	0	N/A	0	0	N/A
Losses due to typhoon/earthquake	29,070	(32,504)	N/A	29,070	(32,504)	(189)
Other	<u>(136,346)</u>	<u>(209,646)</u>	<u>(35)</u>	<u>(136,346)</u>	<u>(209,646)</u>	<u>(35)</u>
Total other income (expenses)	<u>(3,045,634)</u>	<u>(3,258,993)</u>	<u>(7)</u>	<u>(3,045,634)</u>	<u>(3,258,993)</u>	<u>(7)</u>
<b>Income (loss) before capital contributions</b>	<b><u>(887,596)</u></b>	<b>731,872</b>	<b><u>(221)</u></b>	<b><u>(887,596)</u></b>	<b>731,872</b>	<b><u>(221)</u></b>
<b>Capital contributions</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>Increase (decrease) in net assets</b>	<b><u>(887,596)</u></b>	<b>731,872</b>	<b><u>(221)</u></b>	<b><u>(887,596)</u></b>	<b>731,872</b>	<b><u>(221)</u></b>
<b>Total net assets at beginning of period</b>	<b><u>152,068,374</u></b>	<b><u>150,424,196</u></b>	<b>1</b>	<b><u>152,068,374</u></b>	<b><u>150,424,196</u></b>	<b>1</b>
<b>Total net assets at end of period</b>	<b><u>\$ 151,180,778</u></b>	<b><u>\$ 151,156,068</u></b>	<b>0</b>	<b><u>\$ 151,180,778</u></b>	<b><u>\$ 151,156,068</u></b>	<b>0</b>

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

<b>ASSETS</b>	<b>Unaudited October 2006</b>	<b>Unaudited September 2006</b>	<b>Change from Sept 30 2006</b>
<b>Utility plant at cost:</b>			
Electric plant in service	\$ 811,384,383	\$ 811,390,812	\$ (6,429)
Construction work in progress	<u>26,784,082</u>	<u>26,156,613</u>	<u>627,469</u>
	838,168,465	837,547,425	621,040
Less: Accumulated depreciation	<u>(288,975,888)</u>	<u>(286,736,687)</u>	<u>(2,239,201)</u>
<b>Total utility plant at cost</b>	<b><u>549,192,577</u></b>	<b><u>550,810,738</u></b>	<b><u>(1,618,161)</u></b>
<b>Restricted funds</b>			
Reserve funds held by trustee			
Revenue bonds	27,488,252	27,488,252	0
Self insurance fund	<u>2,346,972</u>	<u>2,140,544</u>	<u>206,428</u>
<b>Total restricted funds</b>	<b><u>29,835,224</u></b>	<b><u>29,628,796</u></b>	<b><u>206,428</u></b>
<b>Funds identified for special purposes</b>			
Interest and principal funds			
held by Trustee for debt repayment	3,249,589	17,941,919	(14,692,330)
Bond Funds held by Trustee	21,717,350	21,806,712	(89,362)
Reserve funds for LC (Fuel/others)	24,995	24,995	0
Reserve funds held by GPA			
Bond indenture funds held by GPA	<u>12,636,873</u>	<u>16,800,748</u>	<u>(4,163,875)</u>
<b>Total cash reserves</b>	<b><u>37,628,807</u></b>	<b><u>56,574,374</u></b>	<b><u>(18,945,567)</u></b>
<b>Accounts receivable</b>			
Customers billed - private	30,756,656	32,164,244	(1,407,588)
Customers billed-government-current	3,965,050	3,914,582	50,468
Customers billed-government-past due	8,361,662	6,405,926	1,955,736
Navy billed - CSA	4,957,049	4,220,635	736,414
Accrued - unbilled	<u>7,160,509</u>	<u>6,621,203</u>	<u>539,306</u>
	55,200,926	53,326,590	1,874,336
Others	4,576,561	5,052,116	(475,555)
Current portion of long term receivables	4,522,535	4,719,986	(197,451)
Allowance for doubtful accounts	<u>(14,553,882)</u>	<u>(14,505,236)</u>	<u>(48,646)</u>
<b>Total accounts receivable</b>	<b><u>49,746,140</u></b>	<b><u>48,593,456</u></b>	<b><u>1,152,684</u></b>
<b>Materials and supplies</b>			
Fuel oil	<u>13,432,627</u>	<u>13,524,026</u>	<u>(91,399)</u>
Deferred fuel cost - current portion	<u>29,765,854</u>	<u>29,500,641</u>	<u>265,213</u>
Due from GWA	2,500,000	2,500,000	0
Prepaid expenses	210,591	210,591	0
	<u>540,306</u>	<u>1,188,592</u>	<u>(648,286)</u>
<b>Total current assets</b>	<b><u>133,824,325</u></b>	<b><u>152,091,680</u></b>	<b><u>(18,267,355)</u></b>
<b>Other assets</b>			
Long term notes receivable	22,994,079	22,994,079	0
Long term accounts receivable	6,942,453	6,942,453	0
Unamortized debt issuance costs	4,609,352	4,623,285	(13,933)
Unamortized Weber barge costs	858,525	868,706	(10,181)
Non current deferred fuel costs	9,842,645	7,373,060	2,469,585
Deferred asset	3,811,143	3,824,423	(13,280)
Other assets	<u>1,908,309</u>	<u>1,949,819</u>	<u>(41,510)</u>
<b>Total other assets</b>	<b><u>50,966,506</u></b>	<b><u>48,575,825</u></b>	<b><u>2,390,681</u></b>
<b>Total Assets</b>	<b><u>\$ 763,818,633</u></b>	<b><u>\$781,107,040</u></b>	<b><u>\$ (17,288,407)</u></b>

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

<b>LIABILITIES AND NET ASSETS</b>	<b>Unaudited October 2006</b>	<b>Unaudited 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
Short term debt	0	0	0
Accrued bond interest	1,835,719	10,573,510	(8,737,791)
Accrued short term debt interest	0	0	0
Amount due to navy	0	0	0
Others	0	0	0
Current obligation under capital lease	4,956,995	4,956,995	0
Accounts payable			
Operations & fuel oil	33,444,947	34,756,258	(1,311,311)
Accrued payroll & benefits	2,147,816	1,901,297	246,519
Current portion of employees' annual leave	1,475,835	1,467,646	8,189
Accrued COLA and supplemental benefits	0	0	0
Bid bond and customers' deposits	4,052,467	3,988,621	63,846
Interest payable on customers' deposit	702,540	701,713	827
Deferred credit - self insurance	2,311,745	2,112,546	199,199
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>78,282,082</u></b>	<b><u>87,522,604</u></b>	<b><u>(9,240,522)</u></b>
<b>Deferred credit - repurchase agreement (less current portion)</b>	<b>13,383,737</b>	<b>13,432,405</b>	<b>(48,668)</b>
<b>Employee annual leave, less current portion</b>	<b>749,573</b>	<b>749,573</b>	<b>0</b>
<b>Unfunded retirement deferred contributions</b>	<b>7,717,882</b>	<b>7,717,882</b>	<b>0</b>
<b>Obligation under capital lease (less current portion)</b>	<b>138,767,663</b>	<b>139,208,236</b>	<b>(440,573)</b>
<b>Long term debt, less current maturities</b>	<b>373,736,918</b>	<b>380,407,966</b>	<b>(6,671,048)</b>
<b>Others</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b><u>612,637,855</u></b>	<b><u>629,038,666</u></b>	<b><u>(16,400,811)</u></b>
<b>Commitments and contingencies</b>			
<b>Net assets</b>			
Invested in capital assets, net of related debt	25,819,527	20,626,248	5,193,279
Restricted	47,831,569	53,669,822	(5,838,252)
Unrestricted	<u>77,529,682</u>	<u>77,772,304</u>	<u>(242,623)</u>
<b>Total net assets</b>	<b><u>151,180,778</u></b>	<b><u>152,068,374</u></b>	<b><u>(887,596)</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 763,818,633</u></b>	<b><u>\$781,107,040</u></b>	<b><u>\$ (17,288,407)</u></b>

**Guam Power Authority  
Statement of Cash Flows  
October 31, 2006**

	<b>Month Ending <u>10/31/2006</u></b>	<b>YTD Ending <u>10/31/2006</u></b>
<b>Increase(decrease) in cash and cash equivalents</b>		
Cash flows from operating activities:		
Cash received from customers	\$25,314,479	25,314,479
Cash payments to suppliers and employees for goods and services	<u>24,959,749</u>	<u>24,959,749</u>
Net cash provided by operating activities	\$354,730	354,730
Cash flows from investing activities:		
Decrease in bond reserve funds	-	-
Interest and dividends on investments and bank accounts	<u>289,200</u>	<u>289,200</u>
Net cash provided by investing activities	289,200	289,200
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	(19,418)	(19,418)
Funds for LC payments	-	-
Provision for self insurance funds	<u>(206,427)</u>	<u>(206,427)</u>
Net cash provided by noncapital financing activities	(225,845)	(225,845)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(621,042)	(621,041)
Principal paid on bonds and other long-term debt	(6,480,000)	(6,480,000)
Interest paid on bonds(net of capitalized interest)	(10,461,985)	(10,461,985)
Interest paid on capital lease obligations	(1,483,119)	(1,483,119)
Interest & principal funds held by trustee	14,692,330	14,692,330
Bond funds held by trustee	89,362	89,362
Additional grant from US Government	-	-
Principal payment on capital lease obligations	(440,573)	(440,573)
Proceeds from capital related short-term debt	-	-
Deferred credits-repurchase agreement-Working Capital Funds	-	-
Debt issuance costs/loss on defeasance	<u>123,066</u>	<u>123,066</u>
Net cash provided by(used in) capital and related financing activities	(4,581,961)	(4,581,960)
Net (decrease) increase in cash and cash equivalents	(4,163,876)	(4,163,875)
Cash and cash equivalents, beginning	<u>16,800,748</u>	<u>16,800,748</u>
<b>Cash and cash equivalents, October 31, 2006</b>	<b><u>\$ 12,636,873</u></b>	<b><u>\$ 12,636,873</u></b>

**Guam Power Authority  
Statement of Cash Flows  
October 31, 2006**

	<b>Month Ending <u>10/31/2006</u></b>	<b>YTD Ending <u>10/31/2006</u></b>
<b>Reconciliation of operating earnings to net cash provided by operating activities:</b>		
Operating earnings net of depreciation expense and excluding interest income	\$2,357,237	\$2,357,237
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,239,201	2,239,201
Other expense	(107,276)	(107,276)
(Increase) decrease in assets:		
Accounts receivable	(1,152,684)	(1,152,684)
Materials and inventory	91,399	91,399
Fuel inventory	(265,213)	(265,213)
Deferred fuel costs	(2,469,585)	(2,469,585)
Prepaid expenses	648,286	648,286
Long term notes receivable	-	-
Long term accounts receivable	-	-
Deferred asset	13,280	13,280
Other assets	41,510	41,510
Increase (decrease) in liabilities:		
Accounts payable-operations	(1,311,311)	(1,311,311)
Customers deposits	63,846	63,846
Accrued payroll and employees' benefits	246,519	246,519
Deferred credit-self insurance funds	-	-
Deferred credit repurchase agreement	(48,668)	(48,668)
Employees' annual leave,current portion	8,189	8,189
 <b>Net cash provided by operating activities</b>	<b>\$354,730</b>	<b>\$354,730</b>