



**Guam Power Authority
Statements of Net Assets**

	Unaudited May 2008	Audited September 2007	Change from Sept 30 2007
ASSETS			
Utility plant at cost:			
Electric plant in service	\$829,487,108	\$ 820,604,242	\$ 8,882,866
Construction work in progress	<u>20,907,597</u>	<u>20,357,412</u>	<u>550,185</u>
	850,394,705	840,961,654	9,433,051
Less: Accumulated depreciation	<u>(323,912,028)</u>	<u>(306,590,389)</u>	<u>(17,321,639)</u>
Total utility plant at cost	<u>526,482,677</u>	<u>534,371,265</u>	<u>(7,888,588)</u>
Restricted funds			
Reserve funds held by trustee			
Revenue bonds	27,488,253	27,488,252	1
Self insurance fund	<u>1,224,829</u>	<u>1,032,629</u>	<u>192,200</u>
Total restricted funds	<u>28,713,082</u>	<u>28,520,881</u>	<u>192,201</u>
Funds identified for special purposes			
Interest and principal funds			
held by Trustee for debt repayment	8,120,127	18,696,315	(10,576,188)
Bond Funds held by Trustee	20,757,057	19,343,598	1,413,459
Reserve funds for LC (Fuel/others)	25,103	25,087	16
Reserve funds held by GPA			
Bond indenture funds held by GPA	<u>13,821,409</u>	<u>25,325,621</u>	<u>(11,504,212)</u>
Total cash reserves	<u>42,723,696</u>	<u>63,390,621</u>	<u>(20,666,925)</u>
Accounts receivable (net of allowance)	49,394,925	50,820,041	(1,425,116)
Materials and supplies	13,150,496	12,421,030	729,466
Fuel oil	26,797,907	33,583,554	(6,785,647)
Deferred fuel cost - current portion	2,842,915	2,141,464	701,451
Prepaid expenses	<u>2,289,060</u>	<u>791,208</u>	<u>1,497,852</u>
Total current assets	<u>137,198,999</u>	<u>163,147,918</u>	<u>(25,948,919)</u>
Other assets			
Long term receivables, net	15,432,427	15,432,427	0
Regulatory asset	3,970,992	3,970,992	0
Unamortized costs	5,009,692	5,202,613	(192,921)
Non current deferred fuel costs	0	0	0
Deferred asset	3,558,838	3,665,072	(106,234)
Other assets	<u>1,697,099</u>	<u>1,823,358</u>	<u>(126,259)</u>
Total other assets	<u>29,669,048</u>	<u>30,094,461</u>	<u>(425,414)</u>
Total Assets	\$722,063,806	\$ 756,134,526	\$(34,070,721)

GUAM POWER AUTHORITY
Statements of Net Assets, Continued

	Unaudited May 2008	Audited September 2007	Change from Sept 30 2007
LIABILITIES AND NET ASSETS			
Current liabilities			
Current portion, debt			
Revenue bonds, Series A	\$ 7,080,000	\$ 6,770,000	\$ 310,000
Accrued bond interest	3,862,000	10,570,649	(6,708,649)
Current obligation under capital lease	6,304,899	6,304,899	0
Accounts payable			
Operations & fuel oil	11,307,163	27,996,006	(16,688,843)
Accrued payroll & benefits	570,649	1,123,991	(553,342)
Current portion of employees' annual leave	1,322,960	1,138,408	184,552
Bid bond and customers' deposits	4,818,955	4,480,789	338,166
Interest payable on customers' deposit	702,338	701,718	620
Deferred credit - self insurance	2,413,159	1,337,850	1,075,309
Current portion, Deferred payment agreement	124,659	1,101,681	(977,022)
TCP- short term notes payable	<u>20,000,000</u>	<u>20,000,000</u>	<u>0</u>
Total current liabilities	<u>58,506,782</u>	<u>81,525,991</u>	<u>(23,019,209)</u>
Deferred credit - repurchase agreement	13,043,060	13,432,405	(389,345)
Employee annual leave, less current portion	2,059,231	2,059,231	0
Unfunded retirement deferred contributions	10,016,295	10,016,295	0
Obligation under capital lease (less current portion)	128,152,685	132,270,762	(4,118,077)
Long term debt, less current maturities	368,537,008	374,825,390	(6,288,382)
Total liabilities	<u>580,315,061</u>	<u>614,130,074</u>	<u>(33,815,013)</u>
Commitments and contingencies			
Net assets			
Invested in capital assets, net of related debt	17,073,166	14,946,742	2,126,424
Restricted	49,190,472	52,555,465	(3,364,993)
Unrestricted	<u>75,485,107</u>	<u>74,502,243</u>	<u>982,864</u>
Total net assets	<u>141,748,745</u>	<u>142,004,450</u>	<u>(255,705)</u>
Total liabilities and net assets	\$722,063,806	\$ 756,134,526	\$(34,070,720)

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

	May 31		% of change Inc (dec)	Eight Months Ending May 31		% of change Inc (dec)
	Unaudited 2008	Audited 2007		Unaudited 2008	Audited 2007	
Revenues						
Sales of electricity	\$ 33,365,107	\$ 25,134,539	33	\$ 235,251,525	\$ 196,198,319	20
Miscellaneous	<u>120,800</u>	<u>175,515</u>	<u>(31)</u>	<u>2,164,893</u>	<u>1,381,054</u>	<u>57</u>
Total revenues	33,485,907	25,310,054	32	237,416,418	197,579,373	77
Operating and maintenance expenses						
Production fuel	21,222,906	14,259,802	49	146,845,406	110,448,159	33
Other production	<u>2,176,542</u>	<u>1,201,864</u>	<u>81</u>	<u>12,990,761</u>	<u>11,176,458</u>	<u>16</u>
	<u>23,399,448</u>	<u>15,461,666</u>	<u>51</u>	<u>159,836,167</u>	<u>121,624,617</u>	<u>31</u>
Depreciation	2,229,117	2,194,297	2	17,834,732	17,593,574	1
Energy conversion cost	1,626,640	1,552,930	5	12,639,346	12,177,662	4
Transmission & distribution	971,912	708,983	37	6,035,438	5,591,580	8
Customer accounting	293,564	216,176	36	2,337,195	1,862,597	25
Administrative & general	<u>1,832,942</u>	<u>2,053,095</u>	<u>(11)</u>	<u>14,785,782</u>	<u>15,024,924</u>	<u>(2)</u>
Total operating and maintenance expenses	<u>30,353,623</u>	<u>22,187,147</u>	<u>37</u>	<u>213,468,659</u>	<u>173,874,954</u>	<u>23</u>
Operating income	<u>3,132,284</u>	<u>3,122,907</u>	<u>0</u>	<u>23,947,759</u>	<u>23,704,419</u>	<u>1</u>
Other income (expenses)						
Interest income	248,035	316,721	(22)	2,398,311	2,599,878	(8)
Interest expense	<u>(3,199,459)</u>	<u>(3,745,072)</u>	<u>(15)</u>	<u>(25,758,567)</u>	<u>(26,892,384)</u>	<u>(4)</u>
Allowance for funds used during construction	50,809	41,542	22	473,560	350,633	35
COLA/Supplemental annuities	0	0	N/A	<u>(2,006,013)</u>	<u>(1,030,906)</u>	N/A
Inventory losses	0	0	N/A	<u>(169,636)</u>	0	N/A
Gain on regulatory asset	0	0	N/A	0	0	N/A
Losses due to typhoon/earthquake	0	0	N/A	0	636,534	0
Other	<u>(127,359)</u>	<u>(136,346)</u>	<u>(7)</u>	<u>(1,138,639)</u>	<u>(1,090,768)</u>	<u>4</u>
Total other income (expenses)	<u>(3,027,974)</u>	<u>(3,523,155)</u>	<u>(14)</u>	<u>(26,200,984)</u>	<u>(25,427,013)</u>	<u>3</u>
Income (loss) before capital contributions	<u>104,310</u>	<u>(400,248)</u>	<u>(126)</u>	<u>(2,253,225)</u>	<u>(1,722,594)</u>	<u>31</u>
Capital contributions	<u>181,001</u>	<u>0</u>	<u>N/A</u>	<u>1,997,524</u>	<u>679,861</u>	<u>N/A</u>
Increase (decrease) in net assets	<u>285,311</u>	<u>(400,248)</u>	<u>(171)</u>	<u>(255,701)</u>	<u>(1,042,733)</u>	<u>(75)</u>
Total net assets at beginning of period	<u>141,463,434</u>	<u>149,463,207</u>	<u>N/A</u>	<u>142,004,446</u>	<u>150,105,692</u>	<u>(5)</u>
Total net assets at end of period	<u>\$ 141,748,745</u>	<u>\$149,062,959</u>	<u>(5)</u>	<u>\$ 141,748,745</u>	<u>\$ 149,062,959</u>	<u>(5)</u>

**Guam Power Authority
Statement of Cash Flows
May 31, 2008**

	Month Ending 5/31/2008	YTD Ending 5/31/2008
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	\$34,961,396	238,891,907
Cash payments to suppliers and employees for goods and services	<u>29,682,384</u>	<u>211,919,749</u>
Net cash provided by operating activities	\$5,279,012	26,972,158
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	<u>248,035</u>	<u>2,398,311</u>
	248,035	2,398,311
Cash flows from non-capital financing activities		
Interest paid on short term debt	(57,479)	(639,028)
Funds for LC payments	-	(16)
Provision for self insurance funds	<u>(2,461)</u>	<u>(192,200)</u>
Net cash provided by noncapital financing activities	(59,940)	(831,244)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(499,012)	(9,946,142)
Principal paid on bonds and other long-term debt	-	(6,770,000)
Interest paid on bonds(net of capitalized interest)	50,809	(20,082,548)
Interest paid on capital lease obligations	(1,390,659)	(11,271,459)
Interest & principal funds held by trustee	(2,290,063)	10,576,188
Bond funds held by trustee	(71,588)	(1,413,459)
Additional grant from US Government	181,001	1,997,524
Principal payment on capital lease obligations	(533,034)	(4,118,077)
Debt issuance costs/loss on defeasance	<u>123,067</u>	<u>984,536</u>
Net cash provided by(used in) capital and related financing activities	(4,429,479)	(40,043,436)
Net (decrease) increase in cash and cash equivalents	1,037,628	(11,504,211)
Cash and cash equivalents, beginning	<u>12,783,781</u>	<u>25,325,621</u>
Cash and cash equivalents, May 31, 2008	\$ 13,821,409	\$ 13,821,409

Guam Power Authority
Statement of Cash Flows, continued
May 31, 2008

	Month Ending 5/31/2008	YTD Ending 5/31/2008
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	\$3,130,430	\$23,947,751
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,229,116	17,834,731
Other expense	(127,358)	(3,314,287)
(Increase) decrease in assets:		
Accounts receivable	1,127,929	1,425,116
Materials and inventory	(35,593)	(729,466)
Fuel inventory	168,664	6,785,647
Deferred fuel costs	1,770,556	(701,451)
Prepaid expenses	(1,345,098)	(1,497,852)
Long term notes receivable	-	-
Long term accounts receivable	-	-
Regulatory asset	-	-
Unamortized costs	(40,120)	1
Deferred asset	-	106,234
Other assets	40,660	126,259
Increase (decrease) in liabilities:		
Accounts payable-operations	(990,831)	(16,688,843)
Customers deposits	(111)	338,166
Accrued payroll and employees' benefits	(913,311)	(553,342)
Deferred credit-self insurance funds	361,716	1,075,309
Deferred credit repurchase agreement	(48,668)	(389,345)
Deferred payment agreement	(124,091)	(977,022)
Employees' annual leave,current portion	75,122	184,552
Net cash provided by operating activities	\$5,279,012	\$26,972,158