

Chugach Electric Association, Inc 3rd Quarter Operating Cash Flow Analysis

**Finance Committee Meeting
November 13, 2002**



Components of a Statement of Cash Flows

- **Operating Activities**

- Items of a “cash” nature that impact the Income Statement
 - Cash received from sales of electricity
 - Cash used for payments to suppliers and employees for purchases and expenses

Statements of Cash Flows - Cash from Operations

	Nine Months Ended Sept 30	
	2002	2001
<u>We received cash from:</u>		
Assignable margins	\$3,988,358	\$2,978,190
Depreciation & Amortization	18,862,947	18,678,752
Accounts Receivable	9,465,521	1,019,810
<u>We used cash for:</u>		
Prepayments/Materials & Supplies	(3,622,659)	(381,322)
Interest Expense	(5,318,532)	(4,458,649)
Fuel Expense/Other Accounts Payable	(10,813,630)	(4,558,523)
Financing Costs/Other Deferred	(14,088,216)	(4,517,572)
Other (Property Gains/Losses, AFUDC, etc)	(598,612)	(642,617)
Net cash used or provided by operating activities:	(2,124,823)	8,118,069

Cash from Operations Variance Analysis

- **Additional uses of cash in 2002**

- Premium paid for 2002 refinancing of the 1991 Series A Bonds
- Additional interest expense paid in 2002, accrued in 2001
- Additional fuel expense paid in 2002, accrued in 2001
- Prepayment to Alstom for parts not yet received
- Beluga Unit 8 Overhaul

- **Additional recovery of cash in 2002**

- Increased fuel cost recovery

Other Components of a Statement of Cash Flows

- **Investing Activities**

- Cash used in building assets (capital expenditures) or invested in other companies (CoBank, NRUCFC, etc)

	Nine Months Ended Sept 30	
	2002	2001
<u>We used cash for:</u>		
Extension and replacement of plant	(17,840,797)	(29,610,734)
Investments in associated organizations	(61,876)	(80,063)
Net cash used for investing activities:	(17,902,673)	(29,690,797)

Other Components of a Statement of Cash Flows

- **Financing Activities**

- Cash received from borrowing money from creditors, cash used to repay creditors and cash used to return patronage capital (capital credits)

	Nine Months Ended Sept 30	
	2002	2001
<u>We received cash from:</u>		
Long-term debt proceeds	180,000,000	150,000,000
<u>We used cash for:</u>		
Repayments of line of credit	0	(35,000,000)
Repayments of long-term debt	(159,719,945)	(88,930,350)
Retirement of patronage capital	(213,741)	(232,849)
Other (Construction advance and membership refunds)	(211,833)	(116,618)
Net cash provided by financing activities:	19,854,481	25,720,183

Summary Statements of Cash Flows

	Nine Months Ended Sept 30	
	2002	2001
Assignable margins	\$3,988,358	\$2,978,190
Net cash used or provided by operating activities:	(2,124,823)	8,118,069
Net cash used for investing activities:	(17,902,673)	(29,690,797)
Net cash provided by financing activities:	19,854,481	25,720,183
Net (decrease) increase in cash	(173,015)	4,147,455
<u>Cash at beginning of year</u>	<u>3,814,767</u>	<u>1,695,162</u>
<u>Cash at end of period</u>	<u>\$3,641,752</u>	<u>\$5,842,617</u>