



GUAM WATERWORKS AUTHORITY

"GOOD WATER ALWAYS"

Post Office Box 3010, Hagåtña, Guam 96932

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OCT 29 2008

GUAM LEGISLATURE
155 Hesler Street
Hagåtña, Guam 96910

Honorable Speaker Won Pat,

Pursuant to Public Law 29-19, Chapter VI, Section 3, and Chapter VII, Section 2, please find attached the Guam Waterworks Authority's 4th. Quarter Financial Reports, ending September 30, 2008.

Should you have any questions, please call my office at 647-2583.


GREG P. CRUZ
CHIEF FINANCIAL OFFICER

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GUAM WATERWORKS AUTHORITY			
Balance Sheet -Unaudited			
As of September 30, 2008			
ASSETS	30-Sep-08	31-Aug-08	30-Jul-08
Property, Plant and Equipment			
Land	\$ 64,288	\$ 64,288	\$ 64,288
Utility Plant in Service:			
Water System	\$ 226,320,580	\$ 221,243,140	\$ 221,251,894
Wastewater System	\$ 189,816,326	\$ 189,769,331	\$ 190,748,623
Non Utility Property	\$ 16,668,060	\$ 16,474,060	\$ 15,511,860
Construction Work in Progress	\$ 40,066,872	\$ 43,349,836	\$ 39,307,915
Total Property, Plant and Equipment	\$ 472,936,126	\$ 470,900,654	\$ 466,884,579
Less Accumulated Depreciation	\$ (205,490,662)	\$ (204,291,016)	\$ (203,381,586)
Net Property, Plant and Equipment	\$ 267,445,464	\$ 266,609,638	\$ 263,502,993
Current Assets:			
Cash			
Unrestricted	\$ 1,199,526	\$ 896,161	\$ 7,432
Restricted Funds:			
Debt Service Reserve Fund -Bond 2005	\$ 7,645,814	\$ 7,639,604	\$ 7,633,237
Capitalized Interest and Principal Funds Held by Trustee for Debt Payment-Bond 2005	\$ 1,955,074	\$ 1,311,375	\$ 668,385
Construction Funds by Held by Trustee-Bond 2005	\$ 29,327,982	\$ 33,535,697	\$ 34,396,654
Other Restricted Funds	\$ 6,253,700	\$ 6,874,546	\$ 8,122,835
Total Cash	\$ 46,382,096	\$ 50,257,383	\$ 50,828,543
Accounts Receivables			
Accounts Receivable-trade	\$ 22,418,134	\$ 23,095,200	\$ 22,947,672
Accounts Receivable, Federal/Other	\$ 1,309,832	\$ 1,134,907	\$ 1,345,439
Total Trade Receivables	\$ 23,727,966	\$ 24,230,107	\$ 24,293,111
Less: Accum. Provision for Uncollectible Accounts	\$ (16,880,326)	\$ (16,796,993)	\$ (16,713,660)
Accounts Receivables-net	\$ 6,847,640	\$ 7,433,114	\$ 7,579,452
Materials & Supplies Inventory, Net of Allowance for for Obsolescence	\$ 2,059,153	\$ 2,206,769	\$ 2,347,263
Other Current Assets:			
Unamortized Debt Issuance Cost & Other Assets	\$ 2,855,635	\$ 2,863,076	\$ 2,871,769
Total Current Assets	\$ 58,144,524	\$ 62,760,342	\$ 63,627,026
TOTAL ASSETS	\$ 325,589,988	\$ 329,369,980	\$ 327,130,019
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities:			
Current Portion:			
-United States Navy	\$ 903,671	\$ 450,000	\$ 450,000
-Guam Power Authority	\$ 2,488,150	\$ 2,100,000	\$ 2,100,000
-Bond 2005	\$ 2,450,000	\$ 2,355,000	\$ 2,355,000
Accounts Payable Trade	\$ 4,114,686	\$ 4,722,937	\$ 4,866,462
Accrued Payroll and Employee Benefits	\$ 679,512	\$ 569,122	\$ 481,621
Accrued Interest and Other payable	\$ 2,481,493	\$ 2,006,066	\$ 1,416,336
Current Portion of Employee Annual Leave	\$ 535,641	\$ 535,641	\$ 535,641
Contractor's & Rtn Payable/Bid & Escrow Deposits	\$ 2,999,328	\$ 5,618,835	\$ 2,995,743
Customer Deposits	\$ 1,524,667	\$ 1,978,368	\$ 1,969,333
Total Current Liabilities	\$ 18,177,148	\$ 20,335,970	\$ 17,170,136
Long Term Debt:			
Bond 2005	\$ 100,124,095	\$ 100,229,108	\$ 100,239,120
Guam Power Authority	\$ 2,721,135	\$ 3,248,210	\$ 3,466,984
Employee Annual Leave, Less Current Portion	\$ 1,022,819	\$ 1,022,819	\$ 1,022,819
Retirement Fund Deferred Contributions	\$ 7,076,388	\$ 7,076,388	\$ 7,226,388
Accrued Retirees Supplemental & Medical Ins.	\$ 1,236,418	\$ 1,292,246	\$ 1,342,879
Advances for Construction	\$ 167,767	\$ 167,724	\$ 167,636
Other Deferred Credits	\$ 1,214,976	\$ 1,214,976	\$ 1,214,976
TOTAL LIABILITIES	\$ 137,476,176	\$ 140,815,262	\$ 138,116,518
RETAINED EARNINGS	\$ 188,113,812	\$ 188,554,718	\$ 189,013,501

GUAM WATERWORKS AUTHORITY					
Statement of Operations and Retained Earnings (Unaudited)					
For 4th Quarter July-08 - Sept-08					
	YTD Actual	Actual	MTD Actual	MTD Actual	MTD Actual
	FY 2008	July-08 - Sept-08	Sep-08	Aug-08	Jul-08
OPERATING REVENUES					
Total Water	29,788,135	\$ 6,539,335	2,355,798	2,369,445	\$ 1,814,092
Total Wastewater	17,015,790	\$ 4,101,648	1,329,479	1,429,120	\$ 1,343,049
GPA/Navy Surcharge	3,466,617	\$ 759,153	260,293	266,372	\$ 232,488
Retiree Surcharge	1,504,950	\$ 329,454	112,965	115,606	\$ 100,883
Fire Hydrant	259,020	\$ 64,755	21,585	21,585	\$ 21,585
Other	990,693	\$ 261,766	72,797	137,059	\$ 51,910
TOTAL OPERATING REVENUES	53,025,205	\$ 12,056,111	4,152,917	4,339,186	\$ 3,564,008
OPERATING AND MAINTENANCE EXPENSES					
Water Purchases	4,408,514	\$ 1,347,889	457,867	409,128	\$ 480,894
Power Purchases	14,615,005	\$ 3,492,514	827,433	1,321,462	\$ 1,343,619
	19,023,519	\$ 4,840,403	1,285,300	1,730,590	\$ 1,824,513
Salaries and wages	12,347,872	\$ 3,074,184	1,037,477	1,049,299	\$ 987,408
Pension and Benefits	3,315,104	\$ 832,258	278,521	274,474	\$ 279,263
Unfunded Retirement Liability	850,000	\$ (38,175)		(150,000)	\$ 111,825
Chemicals	978,600	\$ 249,605	86,091	63,514	\$ 100,000
Materials & Supplies	1,766,551	\$ 601,678	252,443	127,890	\$ 221,345
Contractual-Audit, Meter Reading & Computer Maint.	438,063	\$ 120,703	28,093	36,572	\$ 56,038
Contractual-Legal	0	\$ -	0	0	\$ -
Contractual-Lab	272,820	\$ 118,819	11,381	35,945	\$ 71,493
Contractual-Other	1,403,806	\$ 548,537	309,297	173,791	\$ 65,448
PMC-Management Fee	995,528	\$ 249,601	83,200	83,200	\$ 83,200
Training	343,170	\$ 171,928	53,770	101,447	\$ 16,711
Equipment Rental/Transportation Expense	1,251,907	\$ 284,296	94,296	87,930	\$ 102,070
Telephone and Communication	161,996	\$ 37,173	13,150	11,894	\$ 12,129
Claims	138,541	\$ 36,269	14,241	556	\$ 21,472
Insurance	0	\$ -	0	0	\$ -
Advertising	277,614	\$ 72,274	19,885	22,367	\$ 30,022
Building Rental	0	\$ -	0	0	\$ -
Regulatory	205,534	\$ 49,157	22,761	26,396	\$ -
Bad Debts Provision	1,000,000	\$ 250,000	83,333	83,333	\$ 83,333
Miscellaneous	256,731	\$ (138,074)	48,636	9,443	\$ (196,153)
Depreciation	10,676,795	\$ 2,910,964	1,199,646	860,217	\$ 851,101
Capitalized Labor	(300,135)	\$ (232,517)	(103,096)	(128,932)	\$ (489)
TOTAL OPERATING AND MAINTENANCE EXPENSES	55,404,016	14,039,082	4,818,426	4,499,926	4,720,730
OPERATING INCOME (LOSS)	(2,378,811)	(1,982,971)	(665,509)	(160,740)	(1,156,722)
OTHER INCOME(EXPENSE):					
		\$ -			\$ -
Grants from US & Local Government	2,195,719	\$ 751,900	476,079	275,821	\$ -
Grants from Government of Guam	507,277	\$ 147,683	0	147,683	\$ -
Other Income (Expense)		\$ (59,116)	0	(311,446)	\$ 252,330
Recoveries	997,278	\$ 68,215	45,050	21,218	\$ 1,947
Management Fees	0	\$ -	0	0	\$ -
Retiree Supp.Benefits & Medical Ins.	(1,630,817)	\$ (404,740)	(131,450)	(136,645)	\$ (136,645)
Interest/Investment Income	1,763,765	\$ 226,179	71,103	73,580	\$ 81,496
Amort. Of Debt Disc.& Exp.	8,050	\$ 33,960	31,320	1,320	\$ 1,320
AFUDC	2,120,806	\$ 668,345	220,770	224,203	\$ 223,371
Interest Expense	(6,182,047)	\$ (1,527,811)	(504,990)	(509,183)	\$ (513,638)
	(219,969)	\$ (95,385)	207,882	(213,449)	\$ (89,819)
NET INC (DEC) IN RETAINED EARNINGS	(2,598,780)	(2,078,356)	(457,627)	(374,189)	(1,246,541)
RETAINED EARNINGS, BEGINNING OF YEAR	\$190,712,592				
RETAINED EARNINGS, END OF YEAR	\$188,113,812				

Guam Waterworks Authority				
Statement of Cash Flows				
Year Ended September 30, 2008	Year Ended			
	09/30/08	Sep-08	Aug-08	Jul-08
Increase (decrease) in cash				
Cash flows from operating activities:				
Cash received from customers	\$ 53,895,988	\$ 3,958,246	\$ 4,409,173	\$ 4,482,550
Cash payments to suppliers/contractors for goods and service	\$ (28,323,573)	\$ (2,293,089)	\$ (1,951,103)	\$ (4,840,210)
Cash payments to contractors	\$ (152,083)	\$ (2,619,506)	\$ 2,623,091	\$ 1,026,902
Cash payments to employees for services	\$ (17,359,852)	\$ (970,294)	\$ (1,582,025)	\$ (1,294,988)
Net cash provided by operating activities	\$ 8,060,480	\$ (1,924,643)	\$ 3,499,136	\$ (625,746)
Cash flows from non-capital financing activities:				
Operating grants received				
Net cash provided by non-capital financing activities				
Cash flows from capital and related financing activities:				
Contributed capital received	\$ 2,702,996	\$ 476,079	\$ 423,503	\$ -
Acquisition of utility plant	\$ (21,602,169)	\$ (1,814,701)	\$ (3,792,118)	\$ (1,271,813)
Repayment of Long Term Debt	\$ (4,541,573)	\$ (187,659)	\$ (266,544)	\$ (2,109,470)
Interest expense	\$ (6,182,047)	\$ (495,462)	\$ (509,183)	\$ (513,638)
Net cash provided by (used in) capital and related financing activities	\$ (29,622,793)	\$ (2,021,743)	\$ (4,144,342)	\$ (3,894,921)
Cash flows from investing activities:				
Transfers from (to) restricted fund	\$ 20,017,225	\$ 4,178,652	\$ 1,459,888	\$ 3,894,223
Interest income received	\$ 1,763,765	\$ 71,099	\$ 74,047	\$ 81,575
Net cash provided by investing activities	\$ 21,780,990	\$ 4,249,751	\$ 1,533,935	\$ 3,975,798
Net increase (decrease) in cash	\$ 218,677	\$ 303,365	\$ 888,729	\$ (544,869)
Unrestricted cash at beginning of the period	\$ 980,849	\$ 1,199,526	\$ 7,432	\$ 552,301
Unrestricted cash at end of year	\$ 1,199,526	\$ 1,199,526	\$ 896,161	\$ 7,432
Reconciliation of operating loss to net cash provided by operating activities:				
YTD Operating Income (loss)	\$ (2,378,811)	\$ (969,759)	\$ (993,472)	\$ (1,016,904)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation expense	\$ 10,676,795	\$ 1,199,646	\$ 909,676	\$ 851,101
Bad debt expense	\$ 1,000,000	\$ 83,333	\$ 83,334	\$ 83,333
Recovered revenues	\$ 997,276	\$ 68,320	\$ (254,382)	\$ 254,277
Other Expense/income	\$ (1,622,767)	\$ 188,046	\$ 576,499	\$ (235,325)
(Increase) decrease in assets:				
Advances to GPA				
Accounts receivable	\$ (70,875)	\$ 502,141	\$ 63,004	\$ 823,334
Materials and supplies inventory	\$ 148,547	\$ 147,615	\$ 140,494	\$ (308,544)
Long-term receivable				
Other Assets	\$ 152,062	\$ 7,441	\$ 8,691	\$ 8,695
Increase (decrease) in liabilities:				
Accounts payable	\$ (1,261,885)	\$ (2,752,287)	\$ 3,069,938	\$ (1,385,491)
Accrued payroll	\$ (374,243)	\$ 54,562	\$ 36,318	\$ 106,519
Employees' annual leave				
Accrued supplemental annuities/COLA				
Customer deposits	\$ (55,619)	\$ (453,701)	\$ 9,036	\$ 93,259
Other liabilities				
Retirement fund deferred contributions	\$ 850,000	\$ -	\$ (150,000)	\$ 100,000
DCRS sick leave liability				
Net cash provided by operating activities	\$ 8,060,480	\$ (1,924,643)	\$ 3,499,136	\$ (625,746)