

GUAM WATERWORKS AUTHORITY

"Good Water Always"

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DATE: 11/3/09

TIME: 1:55 pm

BY: WJR


Honorable Judith T. Won Pat
Speaker, Thirtieth Guam Legislature
155 Hesler Street
Hagåtña, Guam 96910

Dear Speaker Won Pat,

Pursuant to Public Law 29-113, Chapter VII, Section 2, please find attached the Guam Waterworks Authority's 4th. Quarter Financial Reports, ending September 30, 2009.

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


JOSEPH P. CLAVERIA
ASSISTANT CHIEF FINANCIAL OFFICER


Office of the Speaker
Judith T. Won Pat, Ed. D.
11/03/09

GUAM WATERWORKS AUTHORITY			
Balance Sheet -Unaudited			
For 4th. Quarter ending September 30, 2009			
	as of	as of	as of
	31-Jul-09	31-Aug-09	30-Sep-09
ASSETS			
Property, Plant and Equipment			
Land	\$ 64,288	\$ 64,288	\$ 64,288
Utility Plant in Service:			
Water System	\$ 228,393,125	\$ 228,484,847	\$ 230,093,080
Wastewater System	\$ 190,906,454	\$ 190,906,454	\$ 190,906,454
Non Utility Property	\$ 17,092,571	\$ 17,286,748	\$ 17,347,355
Construction Work in Progress	\$ 54,121,779	\$ 56,461,928	\$ 55,987,358
Total Property, Plant and Equipment	\$ 490,578,217	\$ 493,204,265	\$ 494,398,535
Less Accumulated Depreciation	\$ (214,241,438)	\$ (215,157,038)	\$ (216,078,744)
Net Property, Plant and Equipment	\$ 276,336,779	\$ 278,047,226	\$ 278,319,791
Current Assets:			
Cash			
Unrestricted	\$ 457,157	\$ 308,458	\$ 918,246
Restricted Funds:			
Bond Reserve Fund - Bond 2005	\$ 7,707,794	\$ 7,707,794	\$ 7,707,794
Debt Service Fund - Bond 2005	\$ 5,469,833	\$ 1,278,523	\$ 1,920,485
Construction Funds by Held by Trustee-Bond 2005	\$ 18,184,720	\$ 16,003,835	\$ 14,736,501
Other Restricted Funds	\$ 5,209,543	\$ 5,932,473	\$ 6,035,973
Total Cash	\$ 37,029,047	\$ 31,231,083	\$ 31,318,999
Accounts Receivables			
Accounts Receivable-trade	\$ 22,465,994	\$ 23,494,645	\$ 24,444,107
Accounts Receivable, Federal/Other	\$ 1,296,495	\$ 2,612,052	\$ 1,643,518
Total Trade Receivables	\$ 23,762,489	\$ 26,106,697	\$ 26,087,625
Less: Accum. Provision for Uncollectible Accounts	\$ (17,296,129)	\$ (17,346,129)	\$ (17,346,129)
Accounts Receivables-net	\$ 6,466,360	\$ 8,760,568	\$ 8,741,496
Materials & Supplies Inventory, Net of Allowance for for Obsolescence	\$ 2,447,645	\$ 2,485,513	\$ 2,765,329
Other Current Assets:			
Unamortized Debt Issuance Cost & Other Assets	\$ 2,768,707	\$ 2,760,014	\$ 2,729,147
Total Current Assets	\$ 48,711,759	\$ 45,237,179	\$ 45,554,971
TOTAL ASSETS	\$ 325,048,538	\$ 323,284,405	\$ 323,874,763
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities:			
Current Portion:			
-United States Navy	\$ 990,003	\$ 990,003	\$ 1,527,094
-Guam Power Authority	\$ 2,375,092	\$ 2,375,092	\$ 2,614,315
-Bond 2005	\$ 2,473,750	\$ 2,473,750	\$ 2,568,750
Accounts Payable Trade	\$ 5,103,894	\$ 5,553,392	\$ 6,871,801
Accrued Payroll and Employee Benefits	\$ 702,379	\$ 799,953	\$ 332,440
Accrued Interest and Other payable	\$ 4,227,297	\$ 2,048,227	\$ 2,461,562
Current Portion of Employee Annual Leave	\$ 642,987	\$ 642,987	\$ 642,987
Contractor's & Rtn Payable/Bid & Escrow Deposits	\$ 3,966,423	\$ 3,914,712	\$ 2,170,984
Customer Deposits	\$ 1,820,579	\$ 1,841,555	\$ 1,975,501
Total Current Liabilities	\$ 22,302,404	\$ 20,639,671	\$ 21,165,435
Long Term Debt:			
Bond 2005	\$ 100,000,220	\$ 98,030,207	\$ 97,925,194
United States Navy	\$ 4,828,166	\$ 4,828,166	\$ 4,032,990
Guam Power Authority	\$ 1,781,639	\$ 1,720,586	\$ 1,384,653
Employee Annual Leave, Less Current Portion	\$ 1,152,240	\$ 1,152,240	\$ 1,152,240
Retirement Fund Deferred Contributions	\$ 7,926,388	\$ 8,009,721	\$ 8,143,055
Accrued Retirees Supplemental & Medical Ins.	\$ 270,399	\$ 236,480	\$ 202,562
Advances for Construction	\$ 168,168	\$ 168,260	\$ 168,303
Other Deferred Credits	\$ 1,404,194	\$ 1,404,194	\$ 968,862
TOTAL LIABILITIES	\$ 139,833,817	\$ 136,189,525	\$ 135,143,294
RETAINED EARNINGS	\$ 185,214,721	\$ 187,094,881	\$ 188,731,469
TOTAL LIAB AND RETAINED EARNINGS	\$ 325,048,538	\$ 323,284,405	\$ 323,874,763

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings (Unaudited)
For Fiscal Year Ended September 30, 2009

	1st quarter Oct. 08 - Dec. 08	2nd quarter Jan.09 - March 09	3rd quarter Apr. 09 - June 09	4th quarter July 09- Sept. 09	Total FY 2009
OPERATING REVENUES					
Total Water	\$ 6,524,769	\$ 7,156,941	\$ 6,874,710	\$ 8,858,521	\$ 29,414,941
Total Wastewater	\$ 3,852,450	\$ 4,814,423	\$ 5,045,286	\$ 5,516,203	\$ 19,228,382
TOTAL OPERATING REVENUES	\$ 10,377,219	\$ 11,971,364	\$ 11,919,996	\$ 14,374,725	\$ 48,643,304
OPERATING AND MAINTENANCE EXPENSES					
Water Purchases	\$ 1,184,327	\$ 1,127,615	\$ 1,383,684	\$ 1,472,229	\$ 5,167,856
Power Purchases	\$ 4,003,036	\$ 3,730,137	\$ 3,656,332	\$ 3,581,614	\$ 14,971,119
	\$ 5,187,363	\$ 4,857,752	\$ 5,040,016	\$ 5,053,843	\$ 20,138,975
Salaries and wages	\$ 3,206,954	\$ 3,114,870	\$ 2,956,019	\$ 3,169,483	\$ 12,447,326
Pension and Benefits	\$ 911,650	\$ 898,865	\$ 902,992	\$ 908,583	\$ 3,622,091
Chemicals	\$ 154,892	\$ 290,156	\$ 216,775	\$ 285,900	\$ 947,724
Materials & Supplies	\$ 363,157	\$ 423,384	\$ 581,418	\$ 337,494	\$ 1,705,452
Contractual-Audit, Meter Reading & Computer Maint.	\$ 42,165	\$ 33,463	\$ 33,822	\$ 112,647	\$ 222,097
Contractual-Legal	\$ 13,133	\$ 1,420	\$ -	\$ 304,830	\$ 319,383
Contractual-Lab	\$ 169,571	\$ 49,616	\$ 255,418	\$ 102,248	\$ 576,853
Contractual-Other	\$ 257,987	\$ 247,338	\$ 340,655	\$ 323,785	\$ 1,169,766
PMC-Management Fee	\$ 253,163	\$ 259,195	\$ 258,067	\$ 256,590	\$ 1,027,015
Training	\$ 44,904	\$ 12,549	\$ 29,812	\$ 27,119	\$ 114,384
Equipment Rental	\$ 79,436	\$ 53,419	\$ 30,272	\$ 110,950	\$ 274,077
Transportation Expense	\$ 113,713	\$ 88,390	\$ 103,455	\$ 181,609	\$ 487,167
Telephone and Communication	\$ 33,685	\$ 40,886	\$ 42,268	\$ 42,789	\$ 169,628
Claim/Insurance	\$ 54,256	\$ 13,481	\$ 20,858	\$ 51,690	\$ 140,285
Advertising	\$ 29,674	\$ 25,920	\$ 28,447	\$ 74,345	\$ 158,386
Regulatory	\$ 85,217	\$ 102,536	\$ 79,172	\$ 167,374	\$ 434,299
Bad Debts Provision	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,010	\$ 600,010
Miscellaneous	\$ 63,592	\$ 54,124	\$ 142,284	\$ 74,899	\$ 334,899
Depreciation	\$ 3,225,000	\$ 2,185,003	\$ 2,781,863	\$ 2,697,958	\$ 10,889,824
TOTAL OPERATING AND MAINTENANCE EXPENSES	\$ 14,439,512	\$ 12,902,367	\$ 13,993,614	\$ 14,434,149	\$ 55,769,642
OPERATING INCOME (LOSS)	\$ (4,062,293)	\$ (931,003)	\$ (2,073,618)	\$ (59,424)	\$ (7,126,338)
OTHER INCOME(EXPENSE):					
Retiree Surcharge	\$ 324,058	\$ 311,720	\$ 355,775	\$ 498,685	\$ 1,490,238
Retiree Supp. Benefits & Medical Ins.	\$ (383,447)	\$ (383,447)	\$ (383,448)	\$ (383,447)	\$ (1,533,789)
PUC, GPA/Navv Surcharge	\$ 746,747	\$ 718,351	\$ 819,024	\$ 1,278,330	\$ 3,562,452
Fire Hydrant	\$ 64,755	\$ (64,755)	\$ -	\$ -	\$ -
Other Oper. Revenue	\$ 234,647	\$ 326,193	\$ 205,597	\$ 186,151	\$ 952,588
Unfunded Retirement Liability	\$ (266,667)	\$ (250,000)	\$ (249,999)	\$ (250,001)	\$ (1,016,667)
Grants from US & Local Government	\$ 429,287	\$ 316,871	\$ 2,288,456	\$ 3,147,850	\$ 6,182,464
Loss on Assets Disposal	\$ -	\$ (17,051)	\$ -	\$ (0)	\$ (17,051)
Recoveries	\$ 1,798	\$ -	\$ -	\$ 1,096	\$ 2,894
Interest/Investment Income	\$ 228,492	\$ 26,292	\$ 4,258	\$ (20,343)	\$ 238,699
Prior Year's Adjustment	\$ -	\$ (464,699)	\$ -	\$ 0	\$ (464,699)
Amort. Of Debt Disc. & Exp.	\$ (3,134)	\$ 3,959	\$ 3,960	\$ 3,959	\$ 8,744
AFUDC	\$ 746,445	\$ 750,814	\$ 770,759	\$ 767,619	\$ 3,035,636
Interest Expense	\$ (1,504,830)	\$ (1,516,116)	\$ (1,505,474)	\$ (1,497,125)	\$ (6,023,545)
	\$ 618,151	\$ (241,869)	\$ 2,308,908	\$ 3,732,774	\$ 6,417,964
NET INC (DEC) IN RETAINED EARNINGS FOR THE PERIOD	\$ (3,444,142)	\$ (1,172,872)	\$ 235,290	\$ 3,673,349	\$ (708,374)

Guam Waterworks Authority			
Statement of Cash Flows (Unaudited)			
	Ten Months	Eleven Months	Fiscal Year
	Ended	Ended	Ended
	July 31, 2009	August 31, 2009	Sept. 30, 2009
Increase (decrease) in cash			
Cash flows from operating activities:			
Cash received from customers	\$ 43,520,147	\$ 46,679,686	\$ 52,993,782
Cash payments to suppliers/contractors for goods and services	\$ (19,290,009)	\$ (23,473,371)	\$ (27,017,364)
Cash payments to employees for services	\$ (15,083,384)	\$ (16,475,340)	\$ (18,394,263)
Net cash provided by operating activities	\$ 9,146,754	\$ 6,730,975	\$ 7,582,155
Cash flows from capital and related financing activities:			
Contributed capital received	\$ 3,590,971	\$ 5,119,025	\$ 6,182,464
Acquisition of utility plant	\$ (15,119,683)	\$ (17,489,227)	\$ (18,429,505)
Repayment of Long Term Debt	\$ (1,973,611)	\$ (4,004,678)	\$ (4,369,484)
Interest expense	\$ (5,012,986)	\$ (5,523,085)	\$ (6,023,545)
Net cash provided by (used in) capital and related financing activities	\$ (18,515,309)	\$ (21,897,965)	\$ (22,640,070)
Cash flows from investing activities:			
Transfers from (to) restricted fund	\$ 8,610,817	\$ 14,260,082	\$ 14,781,954
Interest income received	\$ 259,387	\$ 259,658	\$ 238,699
Net cash provided by investing activities	\$ 8,870,204	\$ 14,519,940	\$ 15,020,653
Net increase (decrease) in cash	\$ (498,351)	\$ (647,050)	\$ (37,262)
Unrestricted cash at beginning of the year	\$ 955,508	\$ 955,508	\$ 955,508
Unrestricted cash at end of year	\$ 457,157	\$ 308,458	\$ 918,246
Reconciliation of operating loss to net cash provided by operating activities:			
Operating Income (loss)	\$ (7,434,167)	\$ (7,183,768)	\$ (7,126,338)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Surcharges and Other Income	\$ 4,448,538	\$ 5,013,200	\$ 6,005,277
Depreciation expense	\$ 9,052,518	\$ 9,968,118	\$ 10,889,824
Bad debt expense	\$ 500,000	\$ 550,010	\$ 600,010
Recovered revenues/Inventory Adjustment	\$ 1,798	\$ 1,798	\$ 2,894
Other Expense/income	\$ (2,603,803)	\$ (2,813,632)	\$ (3,023,462)
(Increase) decrease in assets:			
Accounts receivable	\$ 847,030	\$ (1,497,188)	\$ (1,528,116)
Materials and supplies inventory	\$ (31,195)	\$ (69,063)	\$ (348,879)
Other Assets	\$ 86,928	\$ 95,621	\$ 126,488
Increase (decrease) in liabilities:			
Accounts payable, Contractors & Retention and Escrow Deposit	\$ 3,649,294	\$ 1,868,102	\$ 1,420,831
Accrued payroll	\$ (403,281)	\$ (339,626)	\$ (841,057)
Customer deposits	\$ 183,094	\$ 204,070	\$ 338,016
Retirement fund deferred contributions	\$ 850,000	\$ 933,333	\$ 1,066,667
Net cash provided by operating activities	\$ 9,146,754	\$ 6,730,975	\$ 7,582,155