



GUAM WATERWORKS AUTHORITY

"GOOD WATER ALWAYS"

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GUAM LEGISLATURE
155 Hesler Street
Hagåtña, Guam 96910

APR 28 2008

Honorable Speaker Won Pat,

Pursuant to Public Law 29-19, Chapter VI, Section 3 (b), and Chapter VII, Section 2 (a), please find attached the Guam Waterworks Authority's 2nd. Quarter Financial Reports, ending March 31, 2008.

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

GREG P. CRUZ

CHIEF FINANCIAL OFFICER

RECEIVED
OFFICE OF THE PUBLIC AUDITOR

DATE: 04/29/08

TIME: 11:59 am

BY: [Signature]

Office of the Speaker
Judith T. Won Pat, Ed. D.

Date: 4/29/08
Time: 11:30 -
Received by: [Signature]

GUAM WATERWORKS AUTHORITY
Balance Sheet -Unaudited
March 31, 2008

ASSETS	as of March 31, 2008	as of February 29, 2008	as of 31-Jan-08
Property, Plant and Equipment			
Utility Plant in Service:			
Water System	\$ 221,201,894	\$ 221,201,894	\$ 221,201,894
Wastewater System	\$ 189,769,331	\$ 189,769,331	\$ 189,769,331
Non Utility Property	\$ 15,511,860	\$ 15,511,860	\$ 15,511,860
Construction Work in Progress	\$ 35,113,662	\$ 34,666,063	\$ 32,192,309
Total Property, Plant and Equipment	\$ 461,596,747	\$ 461,149,148	\$ 458,675,394
Less Accumulated Depreciation	\$ (199,989,766)	\$ (199,130,981)	\$ (198,151,579)
Net Property, Plant and Equipment	\$ 261,606,981	\$ 262,018,167	\$ 260,523,815
Current Assets:			
Cash			
Unrestricted	\$ 692,806	\$ 1,105,241	\$ 156,353
Restricted Funds:			
Debt Service Reserve Fund -Bond 2005	\$ 7,673,691	\$ 7,665,151	\$ 7,653,070
Capitalized Interest and Principal Funds Held by Trustee for Debt Payment-Bond 2005	\$ 2,903,556	\$ 2,261,490	\$ 1,615,685
Construction Funds by Held by Trustee-Bond 2005	\$ 37,526,348	\$ 39,647,465	\$ 39,882,840
Other Restricted Funds	\$ 9,495,911	\$ 8,811,936	\$ 10,861,543
Total Cash	\$ 58,292,311	\$ 59,495,283	\$ 58,553,806
Accounts Receivables			
Accounts Receivable-trade	\$ 23,971,503	\$ 23,976,721	\$ 22,147,404
Accounts Receivable, Federal/Other	\$ 1,050,984	\$ 1,160,360	\$ 1,031,071
Total Trade Receivables	\$ 25,022,487	\$ 25,137,081	\$ 23,178,476
Less: Accum. Provision for Uncollectible Accounts	\$ (16,380,326)	\$ (16,296,993)	\$ (16,213,660)
Accounts Receivables-net	\$ 8,642,161	\$ 8,840,088	\$ 6,964,816
Materials & Supplies Inventory, Net of Allowance for for Obsolescence	\$ 2,089,300	\$ 2,014,909	\$ 2,013,917
Other Current Assets:			
Unamortized Debt Issuance Cost & Other Assets	\$ 2,930,139	\$ 2,938,832	\$ 2,903,003
Total Current Assets	\$ 71,953,911	\$ 73,289,112	\$ 70,435,541
TOTAL ASSETS	\$ 333,560,892	\$ 335,307,279	\$ 330,959,356
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities:			
Current Portion:			
-United States Navy	\$ 450,000	\$ 450,000	\$ 450,000
-Guam Power Authority	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000
-Bond 2005	\$ 2,355,000	\$ 2,355,000	\$ 2,355,000
Accounts Payable Trade	\$ 6,424,471	\$ 6,252,259	\$ 4,255,254
Accrued Payroll and Employee Benefits	\$ 597,370	\$ 548,342	\$ 490,567
Accrued Interest and Other payable	\$ 2,354,796	\$ 1,655,660	\$ 1,378,686
Current Portion of Employee Annual Leave	\$ 535,641	\$ 535,641	\$ 535,641
Contractor's & Rtn Payable/Bid & Escrow Deposits	\$ 1,656,681	\$ 4,022,646	\$ 3,269,930
Customer Deposits	\$ 1,772,067	\$ 1,778,725	\$ 1,673,303
Total Current Liabilities	\$ 18,246,025	\$ 19,698,273	\$ 16,508,382
Long Term Debt:			
Bond 2005	\$ 102,144,170	\$ 102,154,183	\$ 102,164,196
United States Navy	\$ 6,424,471	\$ 6,461,235	\$ 6,576,529
Guam Power Authority	\$ 4,225,055	\$ 4,499,889	\$ 4,695,491
Employee Annual Leave, Less Current Portion	\$ 1,022,819	\$ 1,022,819	\$ 1,022,819
Retirement Fund Deferred Contributions	\$ 6,826,388	\$ 6,726,388	\$ 6,626,388
Accrued Retirees Supplemental & Medical Ins.	\$ 1,545,409	\$ 1,596,042	\$ 1,646,674
Advances for Construction	\$ 167,429	\$ 167,344	\$ 167,344
Other Deferred Credits	\$ 1,214,979	\$ 1,214,976	\$ 1,214,976
TOTAL LIABILITIES	\$ 141,816,745	\$ 143,541,148	\$ 140,622,798
RETAINED EARNINGS	\$ 191,744,147	\$ 191,766,131	\$ 190,336,558
TOTAL LIAB AND RETAINED EARNINGS	\$ 333,560,892	\$ 335,307,280	\$ 330,959,356
	\$ 0	\$ 0	\$ (0)

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings (Unaudited)
For 2nd Quarter January 08 - March 08

	YTD Actual Oct 07 - Mar 08	Actual Jan-08 - Mar-08	MTD Actual Mar-08	MTD Actual Feb. 08	MTD Actual Jan. 08
OPERATING REVENUES					
Total Water	\$ 16,127,922	\$ 8,750,506	\$ 2,338,551	\$ 3,587,464	\$ 2,824,491
Total Wastewater	\$ 8,685,820	\$ 4,563,691	\$ 1,323,680	\$ 1,785,583	\$ 1,454,428
GPA/Navy Surcharge	\$ 1,867,402	\$ 921,981	\$ 273,303	\$ 331,841	\$ 316,838
Retiree Surcharge	\$ 810,598	\$ 400,183	\$ 116,576	\$ 144,063	\$ 137,544
Fire Hydrant	\$ 129,510	\$ 64,755	\$ 21,585	\$ 21,585	\$ 21,585
Other	\$ 438,066	\$ 214,304	\$ 64,815	\$ 71,662	\$ 77,828
TOTAL OPERATING REVENUES	\$ 28,059,318	\$ 14,915,421	\$ 4,140,510	\$ 5,942,198	\$ 4,832,714
OPERATING AND MAINTENANCE EXPENSES					
Water Purchases	\$ 1,942,322	\$ 964,473	\$ 303,837	\$ 351,361	\$ 309,275
Power Purchases	\$ 6,920,119	\$ 3,404,179	\$ 1,110,964	\$ 1,238,023	\$ 1,055,192
	\$ 8,862,441	\$ 4,368,652	\$ 1,414,802	\$ 1,589,384	\$ 1,364,466
Salaries and wages	\$ 6,122,259	\$ 3,053,683	\$ 985,505	\$ 1,101,844	\$ 966,334
Pension and Benefits	\$ 1,626,441	\$ 813,763	\$ 264,425	\$ 268,239	\$ 281,100
Chemicals	\$ 476,007	\$ 211,003	\$ 81,688	\$ 130,131	\$ (816)
Materials & Supplies	\$ 961,426	\$ 474,336	\$ 148,056	\$ 133,963	\$ 192,318
Contractual-Audit, Meter Reading & Computer Maint.	\$ 214,246	\$ 125,320	\$ 29,118	\$ 32,739	\$ 63,463
Contractual-Legal	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual-Lab	\$ 75,812	\$ 55,199	\$ 29,435	\$ 20,501	\$ 5,263
Contractual-Other	\$ 561,363	\$ 312,090	\$ 101,567	\$ 79,836	\$ 130,688
PMC-Management Fee	\$ 494,679	\$ 251,876	\$ 83,200	\$ 87,741	\$ 80,934
Training	\$ 98,957	\$ 84,086	\$ 28,080	\$ 45,218	\$ 10,788
Equipment Rental/Transportation Expense	\$ 553,040	\$ 258,149	\$ 87,841	\$ 136,068	\$ 34,240
Telephone and Communication	\$ 81,148	\$ 39,479	\$ 15,443	\$ 12,439	\$ 11,597
Claims	\$ 80,718	\$ 62,394	\$ 13,863	\$ 7,892	\$ 40,840
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ 103,767	\$ 62,760	\$ 12,788	\$ 25,580	\$ 24,392
Building Rental	\$ -	\$ -	\$ -	\$ -	\$ -
Regulatory	\$ 131,080	\$ 11,070	\$ -	\$ 11,070	\$ -
Bad Debts Provision	\$ 500,000	\$ 250,000	\$ 83,333	\$ 83,333	\$ 83,333
Miscellaneous	\$ 226,290	\$ 178,510	\$ 147,752	\$ 10,170	\$ 20,588
Depreciation	\$ 5,175,653	\$ 2,672,561	\$ 858,785	\$ 979,402	\$ 834,374
Capitalized Labor	\$ (55,533)	\$ (47,679)	\$ -	\$ (47,679)	\$ -
TOTAL OPERATING AND MAINTENANCE EXPENSES	\$ 26,289,794	\$ 13,237,253	\$ 4,385,480	\$ 4,707,871	\$ 4,143,901
OPERATING INCOME (LOSS)	\$ 1,769,524	\$ 1,678,168	\$ (244,971)	\$ 1,234,327	\$ 688,812
OTHER INCOME(EXPENSE):					
Grants from US & Local Government	\$ 572,625	\$ 532,072	\$ 292,897	\$ 101,657	\$ 137,518
Grants from Government of Guam	\$ 353,480	\$ 353,480	\$ 353,480	\$ -	\$ -
Other Income (Expense)	\$ -	\$ -	\$ -	\$ -	\$ -
Recoveries	\$ 919,008	\$ 887,989	\$ 5,427	\$ 882,725	\$ (164)
Unfunded Retirement Liability	\$ (600,000)	\$ (300,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Retiree Supp. Benefits & Medical Ins.	\$ (816,141)	\$ (409,936)	\$ (136,645)	\$ (136,645)	\$ (136,645)
Interest/Investment Income	\$ 1,222,435	\$ 569,994	\$ 105,585	\$ 185,007	\$ 279,402
Amort. Of Debt Disc. & Exp.	\$ (43,869)	\$ (25,602)	\$ (3,680)	\$ (18,241)	\$ (3,680)
AFUDC	\$ 779,621	\$ 232,658	\$ 195,009	\$ (154,568)	\$ 192,218
Interest Expense	\$ (3,125,129)	\$ (1,528,063)	\$ (489,083)	\$ (564,688)	\$ (474,292)
	\$ (737,969)	\$ 312,592	\$ 222,980	\$ 195,246	\$ (105,643)
NET INC (DEC) IN RETAINED EARNINGS	\$ 1,031,555	\$ 1,990,761	\$ (21,981)	\$ 1,429,573	\$ 583,169
RETAINED EARNINGS, BEGINNING OF YEAR	\$ 190,712,592				
RETAINED EARNINGS, END OF PERIOD	\$ 191,744,147				

Guam Waterworks Authority
Statement of Cash Flows (Unaudited)
FY 2008

	YTD Dec-07	Jan. 08	Feb-08	Mar-08	YTD Oct - 08 - Mar-08	Total 2nd Qtr Jan 08 - Mar 08	YTD Oct - 08 - Mar-08
Increase (decrease) in cash							
Cash flows from operating activities:							
Cash received from customers	\$ 13,801,977	\$ 4,746,266	\$ 4,089,015	\$ 5,167,453	\$ 27,804,711	\$ 14,002,734	\$ 27,804,711
Cash payments to suppliers for goods and services	\$ (4,936,473)	\$ (5,242,859)	\$ (85,575)	\$ (1,336,575)	\$ (11,601,482)	\$ (6,665,009)	\$ (11,601,482)
Cash payments to contractors	\$ 60,090	\$ 58,429	\$ 752,716	\$ (2,417,172)	\$ (1,545,937)	\$ (1,606,027)	\$ (1,545,937)
Cash payments to employees for services	\$ (4,513,856)	\$ (1,293,848)	\$ (1,501,005)	\$ (1,391,862)	\$ (8,700,571)	\$ (4,186,715)	\$ (8,700,571)
Net cash provided by operating activities	\$ 4,411,739	\$ (1,732,012)	\$ 3,255,151	\$ 21,844	\$ 5,956,721	\$ 1,544,983	\$ 5,956,721
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	\$ 40,550	\$ 137,521	\$ 101,654	\$ 646,377	\$ 926,102	\$ 885,552	\$ 926,102
Acquisition of utility plant	\$ (8,138,146)	\$ (580,137)	\$ (1,718,737)	\$ (1,166,090)	\$ (11,603,110)	\$ (3,464,964)	\$ (11,603,110)
Repayment of Long Term Debt	\$ (386,907)	\$ (235,931)	\$ (320,909)	\$ (321,605)	\$ (1,265,352)	\$ (878,445)	\$ (1,265,352)
Interest expense	\$ (1,597,065)	\$ (474,292)	\$ (564,688)	\$ (489,084)	\$ (3,125,129)	\$ (1,528,064)	\$ (3,125,129)
Net cash provided by (used in) capital and related financing activities	\$ (10,081,568)	\$ (1,152,839)	\$ (2,502,680)	\$ (1,330,402)	\$ (15,067,489)	\$ (4,985,921)	\$ (15,067,489)
Cash flows from investing activities:							
Transfers from (to) restricted fund	\$ 4,628,190	\$ 2,170,152	\$ 11,411	\$ 790,537	\$ 7,600,290	\$ 2,972,100	\$ 7,600,290
Interest income received	\$ 652,441	\$ 279,402	\$ 185,006	\$ 105,586	\$ 1,222,435	\$ 569,994	\$ 1,222,435
Net cash provided by investing activities	\$ 5,280,631	\$ 2,449,554	\$ 196,417	\$ 896,123	\$ 8,822,725	\$ 3,542,094	\$ 8,822,725
Net increase (decrease) in cash for the period	\$ (389,199)	\$ (435,297)	\$ 948,888	\$ (412,435)	\$ (288,043)	\$ 101,156	\$ (288,043)
Unrestricted cash at beg. of period	\$ 980,849	\$ 591,650	\$ 156,353	\$ 1,105,241	\$ 980,849	\$ 591,650	\$ 980,849
Unrestricted cash at end. of period	\$ 591,650	\$ 156,353	\$ 1,105,241	\$ 692,806	\$ 692,806	\$ 692,806	\$ 692,806
Reconciliation of operating loss to net cash provided by operating activities:							
Operating income (loss)	\$ 91,355	\$ 688,812	\$ 1,234,328	\$ (244,971)	\$ 1,769,524	\$ 1,678,169	\$ 1,769,524
Adjustments to reconcile operating loss to net cash provided by operating activities:							
Depreciation expense	\$ 2,503,092	\$ 834,374	\$ 979,402	\$ 858,785	\$ 5,175,653	\$ 2,672,561	\$ 5,175,653
Bad debt expense	\$ 250,000	\$ 83,333	\$ 83,334	\$ 83,333	\$ 500,000	\$ 250,000	\$ 500,000
Recovered revenues	\$ -	\$ -	\$ -	\$ 919,008	\$ 919,008	\$ 919,008	\$ 919,008
Other Expense/income	\$ (693,452)	\$ (240,490)	\$ (265,742)	\$ (240,326)	\$ (1,460,010)	\$ (766,558)	\$ (1,460,010)
(Increase) decrease in assets:							
Advances to GPA							
Accounts receivable	\$ 667,023	\$ (188,407)	\$ (1,958,606)	\$ 114,594	\$ (1,365,396)	\$ (2,032,419)	\$ (1,365,396)
Materials and supplies inventory	\$ 150,143	\$ 43,641	\$ (992)	\$ (74,391)	\$ 118,401	\$ (31,742)	\$ 118,401
Long-term receivable							
Other Assets	\$ 26,079	\$ 78,615	\$ (35,829)	\$ 8,693	\$ 77,558	\$ 51,479	\$ 77,558
Increase (decrease) in liabilities:							
Accounts payable	\$ 1,373,446	\$ (3,327,926)	\$ 3,026,695	\$ (1,494,618)	\$ (422,403)	\$ (1,795,849)	\$ (422,403)
Accrued payroll	\$ (247,005)	\$ 94,073	\$ 7,143	\$ (1,605)	\$ (147,394)	\$ 99,611	\$ (147,394)
Employees' annual leave							
Accrued supplemental annuities/COLA	\$ (8,942)	\$ 101,962	\$ 105,419	\$ (6,658)	\$ 191,781	\$ 200,723	\$ 191,781
Customer deposits							
Other liabilities	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 600,000	\$ 300,000	\$ 600,000
Retirement fund deferred contributions							
DCRS sick leave liability							
Net cash provided by operating activities	\$ 4,411,739	\$ (1,732,013)	\$ 3,255,152	\$ 21,844	\$ 5,956,722	\$ 1,544,983	\$ 5,956,722