



GUAM WATERWORKS AUTHORITY

"GOOD WATER ALWAYS"

Post Office Box 3010, Hagåtña, Guam 96932

Phone: (671) 647-2583 Fax: (671) 646-2590

SEPTEMBER 28, 2007

RECEIVED
OFFICE OF THE PUBLIC AUDITOR

DATE: 10/1/07

TIME: 1:15p

BY: gut

GUAM LEGISLATURE
155 Hesler Street
Hagåtña, Guam 96910

Honorable Speaker Forbers,

Pursuant to PL 28-150, for the 4th quarter ending September 30, 2007, of Fiscal year 2007, the Guam Waterworks Authority did not make a disbursement for payments of any Prior Fiscal year obligation.

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

GILDA MAFNAS
CONTROLLER

Office of the Speaker

MARK FORBES

Date: 10/1/07

Time: _____

Rec'd by: Janice

Print Name: _____

Cc: Greg Cruz, CFO



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GUAM LEGISLATURE
155 Hesler Street
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29 OCT 2007

Office of the Speaker

MARK FORBES

Date: 10/29/07

Time: 3:00

Rec'd by: Li Quichodoy

Print Name: Li Quichodoy

Honorable Speaker Forbes,

Pursuant to Public Law 28-150, Chapter VI, Section 2, please find attached the Guam Waterworks Authority's 4th. Quarter Financial Reports, ending September 30, 2007.

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

GREG P. CRUZ

CHIEF FINANCIAL OFFICER

GPC/grc

RECEIVED
OFFICE OF THE PUBLIC AUDITOR

DATE: 10/29/07

TIME: 3:05 PM

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GUAM WATERWORKS AUTHORITY
Balance Sheet -Unaudited
September 30, 2007

<u>ASSETS</u>	UNAUDITED 30-Sep-07	AUDITED 30-Sep-06	CHANGE
Property, Plant and Equipment			
Utility Plant in Service:			
Water System	216,326,413	206,765,134	9,561,279
Wastewater System	178,658,425	178,016,326	642,099
Non Utility Property	15,508,651	15,135,569	373,082
Construction Work in Progress	40,242,782	26,715,078	13,527,704
Total Property, Plant and Equipment	450,736,271	426,632,107	24,104,164
Less Accumulated Depreciation	(196,526,313)	(187,029,319)	(9,496,994)
Net Property, Plant and Equipment	254,209,958	239,602,788	14,607,170
Current Assets:			
Cash			
Unrestricted	6,367,949	2,368,633	3,999,316
Restricted Funds:			
Debt Service Reserve Fund -Bond 2005	7,685,596	7,768,966	(83,370)
Capitalized Interest and Principal Funds Held by Trustee for Debt Payment-Bond 2005	0	6,110,068	(6,110,068)
Construction Funds by Held by Trustee-Bond 2005	47,053,565	62,018,462	(14,964,897)
Other Restricted Funds	5,154,353	5,109,008	45,345
Total Cash	66,261,463	83,375,137	(17,113,674)
Accounts Receivable-Trade, Net	6,475,264	6,529,377	(54,113)
Accounts Receivable, Federal/Other	931,468	878,033	53,435
Materials & Supplies Inventory, Net of Allowance for for Obsolescence of \$380,426	2,149,149	2,294,529	(145,380)
Other Current Assets:			
Unamortized Debt Issuance Cost & Other Assets	2,978,306	3,172,265	(193,959)
Total Current Assets	78,795,650	96,249,341	(17,453,691)
TOTAL ASSETS	333,005,608	335,852,129	(2,846,521)
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities:			
Current Portion:			
-United States Navy	450,000	456,817	(6,817)
-Guam Power Authority	2,100,000	2,174,890	(74,890)
-Bond 2005	2,355,000		
Accounts Payable Trade	4,152,907	5,254,279	(1,101,372)
Accrued Payroll and Employee Benefits	598,214	551,728	46,486
Accrued Interest and Other payable	2,696,103	2,350,397	345,706
Current Portion of Employee Annual Leave	455,105	455,105	0
Contractor's & Rtn Payable/Bid & Escrow Deposits	3,083,823	1,653,415	1,430,408
Customer Deposits	1,736,002	1,507,419	228,583
Total Current Liabilities	17,627,154	14,404,050	868,104
Long Term Debt:			
United States Navy	6,891,415	7,102,685	(411,270)
Guam Power Authority	5,201,226	7,389,911	(2,188,685)
Bond 2005	102,204,246	104,679,397	(2,475,151)
Employee Annual Leave, Less Current Portion	1,068,307	1,068,307	0
Retirement Fund Deferred Contributions	6,726,855	5,476,855	1,250,000
Accrued Retirees Supplemental & Medical Ins.	1,689,275	1,630,795	58,480
Advances for Construction	166,809	165,435	1,374
Other Deferred Credits	1,289,050	1,289,050	1,289,050
TOTAL LIABILITIES	142,664,337	143,206,485	(542,148)
RETAINED EARNINGS	190,341,271	192,645,644	(2,304,373)
TOTAL LIAB AND RETAINED EARNINGS	333,005,608	335,852,129	(2,846,521)

Guam Waterworks Authority		
Statement of Cash Flows		
FY 2007	Sept '07	YTD 30-Sep-07
Increase (decrease) in cash		
Cash flows from operating activities:		
Cash received from customers	3,705,955	46,757,721
Cash payments to suppliers for goods and services	(1,922,440)	(23,594,237)
Cash payments to contractors (increase in liab.)	1,213,971	1,430,408
Cash payments to employees for services	(1,005,623)	(13,280,586)
Net cash provided by operating activities	1,991,863	11,313,306
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	(201,136)	1,391,884
Acquisition of utility plant	(2,190,651)	(24,102,789)
Repayment of Long Term Debt	(202,926)	(2,607,854)
Interest expense	(668,402)	(6,303,913)
Net cash provided by (used in) capital and related financing activities	(3,263,115)	(31,622,672)
Cash flows from investing activities:		
Transfers from (to) restricted fund	529,506	21,112,990
Interest income received	195,644	3,195,693
Net cash provided by investing activities	725,150	24,308,683
Net increase (decrease) in cash	(546,102)	3,999,317
Unrestricted cash at beginning of the year	6,914,052	2,368,633
Unrestricted cash at end of year	6,367,950	6,367,950
Reconciliation of operating loss to net cash provided by operating activities:		
Operating Income (loss)	(1,017,188)	(1,808,466)
Adjustments to reconcile operating loss to net cash provided		
by operating activities:		
Depreciation expense	837,116	9,496,993
Bad debt expense	150,000	1,800,017
Recovered revenues		
Other Expense/income	83,675	1,220,430
(Increase) decrease in assets:		
Advances to GPA		
Accounts receivable	(271,280)	(1,799,341)
Materials and supplies inventory	255,296	145,380
Long-term receivable		
Other Assets		
Increase (decrease) in liabilities:		
Accounts payable	1,876,598	674,742
Accrued payroll	149,009	104,968
Employees' annual leave		
Accrued supplemental annuities/COLA		
Customer deposits	(221,363)	228,584
Other liabilities		
Retirement fund deferred contributions	150,000	1,250,000
DCRS sick leave liability		
Net cash provided by operating activities	1,991,863	11,313,307

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings (Unaudited)
For fiscal year ended September 30, 2007

	YTD ACTUAL		Variance (unfavorable)
	Sept. 07	Sept. 06	
OPERATING REVENUES			
Total Water	26,922,499	24,458,099	10.08%
Total Wastewater	15,336,312	14,631,593	4.82%
GPA/Navy Surcharge	3,514,028	3,440,123	2.15%
Retiree Surcharge	1,535,105	1,337,847	14.74%
Fire Hydrant	259,020	259,020	0.00%
Meter Replacement Revenues			0.00%
Other	761,514	820,354	-7.17%
TOTAL OPERATING REVENUES	48,328,478	44,947,036	7.52%
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	2,811,799	5,017,247	43.96%
Power Purchases	11,996,569	10,497,255	-14.28%
	14,808,368	15,514,502	4.55%
Salaries and wages	10,537,938	10,052,143	-4.83%
Pension and Benefits	4,097,616	3,993,616	-2.60%
Chemicals	1,000,799	581,654	-72.06%
Materials & Supplies	2,850,966	2,601,892	-9.57%
Contractual-Accounting	667,002	473,223	-40.95%
Contractual-Legal	12,500	972	-100.00%
Contractual-Testing	126,054	287,232	56.11%
Contractual-Other	1,641,143	2,160,959	24.05%
PMC-Management Fee	712,770		-100.00%
Training	240,401	245,932	2.25%
Transportation	539,045	440,001	-22.51%
Equipment Rental	743,860	1,029,483	27.74%
Telephone and Communication	170,864	105,008	-62.72%
Claims	173,707	245,879	29.35%
Insurance		(7,279)	100.00%
Advertising	171,550	65,389	-162.35%
Regulatory	199,186	291,397	31.64%
Bad Debts Provision	1,800,017	3,214,713	44.01%
Miscellaneous	146,166	161,786	9.65%
Depreciation	9,496,993	9,370,313	-1.35%
TOTAL OPERATING AND MAINTENANCE EXPENSES	50,136,945	50,828,815	1.36%
OPERATING INCOME (LOSS)	(1,808,467)	(5,881,779)	69.25%
OTHER INCOME(EXPENSE):			
Grants from US & Local Government	1,391,884	649,207	114.40%
Grants from Government of Guam		300,000	-100.00%
Other Income (Expense)	27,086	25,566	100.00%
Retiree Supp. Benefits & Medical Ins.	(875,201)	(898,260)	2.57%
Interest/Investment Income	3,195,693	3,209,682	-0.44%
Amort. Of Debt Disc. & Exp.	(68,262)	(1,492,448)	95.43%
AFUDC	2,136,807	1,368,485	56.14%
Interest Expense	(6,303,913)	(5,577,844)	-13.02%
	(495,906)	(2,415,612)	79.47%
NET INC (DEC) IN RETAINED EARNINGS	(2,304,373)	(8,297,391)	72.23%
RETAINED EARNINGS, BEGINNING OF YEAR	192,645,644	200,743,035	
RETAINED EARNINGS, END OF YEAR	190,341,271	192,445,644	