

GUAM WATERWORKS AUTHORITY
Balance Sheet -Unaudited
June 30, 2007

<u>ASSETS</u>	June 30, 2007	AUDITED 30-Sep-06	CHANGE
Property, Plant and Equipment			
Utility Plant in Service:			
Water System	206,765,134	206,765,134	0
Wastewater System	178,030,822	178,016,326	14,496
Non Utility Property	15,252,659	15,135,569	117,090
Construction Work in Progress	45,938,366	26,715,078	19,223,288
Total Property, Plant and Equipment	445,986,981	426,632,107	19,354,874
Less Accumulated Depreciation	(194,124,342)	(187,029,319)	(7,095,023)
Net Property, Plant and Equipment	251,862,639	239,602,788	12,259,851
Current Assets:			
Cash			
Unrestricted	5,933,144	2,368,633	3,564,511
Restricted Funds:			
Debt Service Reserve Fund -Bond 2005	7,822,044	7,768,966	53,078
Capitalized Interest and Principal Funds Held by Trustee for Debt Payment-Bond 2005	2,312,450	6,110,068	(3,797,618)
Construction Funds by Held by Trustee-Bond 2005	51,404,122	62,018,462	(10,614,340)
Other Restricted Funds	3,365,667	5,109,008	(1,743,341)
Total Cash	70,837,428	83,375,137	(12,537,709)
Accounts Receivable-Trade, Net	7,641,605	6,529,377	1,112,228
Accounts Receivable, Federal/Other	1,200,637	878,033	322,604
Materials & Supplies Inventory, Net of Allowance for for Obsolescence of \$380,426	2,790,009	2,294,529	495,480
Other Current Assets:			
Unamortized Debt Issuance Cost & Other Assets	3,152,230	3,172,265	(20,035)
Total Current Assets	85,621,909	96,249,341	(10,627,432)
TOTAL ASSETS	337,484,548	335,852,129	1,632,419
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities:			
Current Portion:			
-United States Navy	550,000	456,817	93,183
-Guam Power Authority	2,100,000	2,174,890	(74,890)
Accounts Payable Trade	4,636,622	5,254,279	(617,657)
Accrued Payroll and Employee Benefits	242,260	551,728	(309,468)
Accrued Interest and Other payable	3,937,750	2,350,397	1,587,353
Current Portion of Employee Annual Leave	455,105	455,105	0
Contractor's & Rtn Payable/Bid & Escrow Deposits	3,283,823	1,653,415	1,630,408
Customer Deposits	1,892,559	1,507,419	385,140
Total Current Liabilities	17,098,119	14,404,050	2,694,069
Long Term Debt:			
Bond 2005	104,589,284	104,679,397	(90,113)
United States Navy	6,667,305	7,102,685	(435,380)
Guam Power Authority	5,675,332	7,389,911	(1,714,579)
Employee Annual Leave, Less Current Portion	1,068,307	1,068,307	0
Retirement Fund Deferred Contributions	5,476,855	5,476,855	0
Accrued Retirees Supplemental & Medical Ins.	1,629,029	1,630,795	(1,766)
Advances for Construction	166,418	165,435	983
Other Deferred Credits	1,289,050	1,289,050	1,289,050
TOTAL LIABILITIES	143,659,698	143,206,485	453,213
RETAINED EARNINGS	193,824,850	192,645,644	1,179,206
TOTAL LIAB AND RETAINED EARNINGS	337,484,548	335,852,129	1,632,419

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings (Unaudited)
For nine months ended June 30, 2007

	YTD ACTUAL		Variance (unfavorable)
	Jun-07	Jun-06	
OPERATING REVENUES			
Total Water	19,854,009	18,348,436	8.21%
Total Wastewater	11,413,497	11,020,106	3.57%
GPA/Navy Surcharge	2,632,937	2,451,008	7.42%
Retiree Surcharge	1,152,450	914,446	26.03%
Fire Hydrant	194,265	194,265	0.00%
Meter Replacement Revenues	0	0	0.00%
Other	598,316	351,614	70.16%
TOTAL OPERATING REVENUES	35,845,473	33,279,876	7.71%
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	2,168,133	4,268,355	49.20%
Power Purchases	8,788,996	7,768,783	-13.13%
	10,957,128	12,037,138	8.97%
Salaries and wages	7,768,095	7,418,064	-4.72%
Pension and Benefits	2,108,086	2,084,012	-1.16%
Chemicals	771,289	300,190	-156.93%
Materials & Supplies	1,666,607	1,307,372	-27.48%
Contractual-Accounting	479,517	259,936	-84.48%
Contractual-Legal	1,500	1,021	-100.00%
Contractual-Testing	97,431	191,509	49.12%
Contractual-Other	1,176,555	1,061,338	-10.86%
PMC-Management Fee	496,946	0	-100.00%
Training	156,537	164,852	5.04%
Transportation	433,735	382,292	-13.46%
Equipment Rental	437,495	746,193	41.37%
Telephone and Communication	125,590	78,750	-59.48%
Claims	118,845	265,914	55.31%
Insurance	0	4,738	100.00%
Advertising	117,474	49,310	-138.23%
Regulatory	157,859	229,468	31.21%
Bad Debts Provision	562,517	487,494	-15.39%
Miscellaneous	107,992	127,318	15.18%
Depreciation	7,095,023	7,030,651	-0.92%
TOTAL OPERATING AND MAINTENANCE EXPENSES	34,836,220	34,227,559	-1.78%
OPERATING INCOME (LOSS)	1,009,253	(947,683)	206.50%
OTHER INCOME(EXPENSE):			
Grants from US & Local Government	967,250	1,331,262	-27.34%
Grants from Government of Guam	0	300,000	-100.00%
Other Expense	14,442	(935)	100.00%
Retiree Supp.Benefits & Medical Ins.	(617,683)	(1,502,235)	58.88%
Interest/Investment Income	2,643,533	2,219,991	19.08%
Amort. Of Debt Disc.& Exp.	(49,029)	(45,553)	-7.63%
AFUDC	1,863,550	900,259	107.00%
Interest Expense	(4,652,109)	(3,942,160)	-18.01%
	169,954	(739,370)	122.99%
NET INC (DEC) IN RETAINED EARNINGS	1,179,206	(1,687,053)	169.90%
RETAINED EARNINGS, BEGINNING OF YEAR	192,645,644	200,743,035	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings (Unaudited)
For nine months ended June 30, 2007

	Y T D A C T U A L		Variance
	Jun-07	Jun-06	(unfavorable)
RETAINED EARNINGS, END OF YEAR	<u><u>193,824,850</u></u>	<u><u>199,055,982</u></u>	

Guam Waterworks Authority		
Statement of Cash Flows		
FY 2007		YTD
	June 07	30-Jun-07
Increase (decrease) in cash		
Cash flows from operating activities:		
Cash received from customers	3,694,999	34,233,259
Cash payments to suppliers for goods and services	(904,898)	(15,617,004)
Cash payments to contractors (increase in liab.)	84,956	1,630,408
Cash payments to employees for services	(1,049,554)	(10,187,412)
Net cash provided by operating activities	1,825,503	10,059,251
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	0	967,250
Acquisition of utility plant	(1,793,082)	(19,353,891)
Repayment of Long Term Debt	(280,092)	(2,201,744)
Interest expense	(494,601)	(4,652,109)
Net cash provided by (used in) capital and related financing activities	(2,567,775)	(25,240,494)
Cash flows from investing activities:		
Transfers from (to) restricted fund	1,050,631	16,102,221
Interest income received	367,412	2,643,533
Net cash provided by investing activities	1,418,043	18,745,754
Net increase (decrease) in cash	675,771	3,564,511
Unrestricted cash at beginning of the year	5,257,373	2,368,633
Unrestricted cash at end of year	5,933,144	5,933,144
Reconciliation of operating loss to net cash provided by operating activities:		
Operating Income (loss)	149,747	1,009,253
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	782,373	7,095,023
Bad debt expense	62,500	562,517
Recovered revenues		
Other Expense/income	98,420	1,211,280
(Increase) decrease in assets:		
Advances to GPA		
Accounts receivable	(499,110)	(1,997,352)
Materials and supplies inventory	140,704	(495,480)
Long-term receivable		
Other Assets		
Increase (decrease) in liabilities:		
Accounts payable	877,011	2,600,104
Accrued payroll	77,773	(311,234)
Employees' annual leave		
Accrued supplemental annuities/COLA		
Customer deposits	136,085	385,140
Other liabilities		
Retirement fund deferred contributions		
DCRS sick leave liability		
Net cash provided by operating activities	1,825,503	10,059,251