



GUAM WATERWORKS AUTHORITY

"GOOD WATER ALWAYS"

Post Office Box 3010, Hagåtña, Guam 96932

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

OCT 29 2008

GUAM LEGISLATURE

155 Hesler Street

Hagåtña, Guam 96910

Honorable Speaker Won Pat,

Pursuant to Public Law 29-19, Chapter VI, Section 5, please find attached is the Guam Waterworks Authority's Revenues and Expenditures report for the month ending September 30, 2008.

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

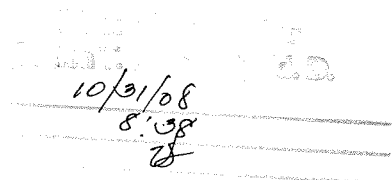

GREG P. CRUZ
CHIEF FINANCIAL OFFICER

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OFFICE OF THE PUBLIC AUDITOR

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GUAM WATERWORKS AUTHORITY
Balance Sheet -Unaudited
September 30, 2008

<u>ASSETS</u>	September 30, 2008	AUDITED 30-Sep-07	Increase (Decrease)
Property, Plant and Equipment			
Land	64,288	0	64,288
Utility Plant in Service:			
Water System	226,320,580	221,201,894	5,118,686
Wastewater System	189,816,326	189,769,331	46,995
Non Utility Property	16,668,060	15,511,860	1,156,200
Construction Work in Progress	40,066,872	22,730,312	17,336,560
Total Property, Plant and Equipment	472,936,126	449,213,397	23,722,729
Less Accumulated Depreciation	(205,490,662)	(194,814,113)	10,676,549
Net Property, Plant and Equipment	267,445,464	254,399,284	13,046,180
Current Assets:			
Cash			
Unrestricted	1,199,526	980,849	218,677
Restricted Funds:			
Debt Service Reserve Fund -Bond 2005	7,645,814	7,685,596	(39,782)
Capitalized Interest and Principal Funds Held by Trustee for Debt Payment-Bond 2005	1,955,074	1,932,412	22,662
Construction Funds by Held by Trustee-Bond 2005	29,327,982	47,053,565	(17,725,583)
Other Restricted Funds	6,253,700	8,528,222	(2,274,522)
Total Cash	46,382,096	66,180,644	(19,798,548)
Accounts Receivables			
Accounts Receivable-trade	22,418,134	22,578,758	(160,624)
Accounts Receivable, Federal/Other	1,309,832	1,078,333	231,499
Total Trade Receivables	23,727,966	23,657,091	70,875
Less: Accum. Provision for Uncollectible Accounts	(16,880,326)	(15,880,326)	1,000,000
Accounts Receivables-net	6,847,640	7,776,765	(929,125)
Materials & Supplies Inventory, Net of Allowance for for Obsolescence	2,059,153	2,207,701	(148,548)
Other Current Assets:			
Unamortized Debt Issuance Cost & Other Assets	2,855,635	3,007,697	(152,062)
Total Current Assets	58,144,524	79,172,806	(21,028,282)
TOTAL ASSETS	325,589,988	333,572,090	(7,982,102)
<u>LIABILITIES AND RETAINED EARNINGS</u>			
Current Liabilities:			
Current Portion:			
-United States Navy	903,671	450,000	453,671
-Guam Power Authority	2,488,150	2,100,000	388,150
-Bond 2005	2,450,000	2,355,000	95,000
Accounts Payable Trade	4,114,686	5,164,936	(1,050,250)
Accrued Payroll and Employee Benefits	679,512	593,965	85,547
Accrued Interest and Other payable	2,481,493	2,542,003	(60,510)
Current Portion of Employee Annual Leave	535,641	535,641	0
Contractor's & Rtn Payable/Bid & Escrow Deposits	2,999,328	3,151,411	(152,083)
Customer Deposits	1,524,667	1,580,286	(55,619)
Total Current Liabilities	18,177,148	18,473,242	(296,094)
Long Term Debt:			
Bond 2005	100,124,095	102,204,246	(2,080,151)
United States Navy	5,735,430	6,653,582	(918,152)
Guam Power Authority	2,721,135	5,201,226	(2,480,091)
Employee Annual Leave, Less Current Portion	1,022,819	1,022,819	0
Retirement Fund Deferred Contributions	7,076,388	6,226,388	850,000
Accrued Retirees Supplemental & Medical Ins.	1,236,418	1,696,208	(459,790)
Advances for Construction	167,767	166,809	958
Other Deferred Credits	1,214,976	1,214,979	(3)
TOTAL LIABILITIES	137,476,176	142,859,498	(5,383,322)
RETAINED EARNINGS	188,113,812	190,712,592	(2,598,780)
TOTAL LIAB AND RETAINED EARNINGS	325,589,988	333,572,090	(7,982,102)

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings (Unaudited)
For Fiscal Year Ended September 30, 2008

	YTD Actual Sep-08	YTD Actual Sep-07	Percent Change
OPERATING REVENUES			
Total Water	29,788,135	26,356,034	13.02%
Total Wastewater	17,015,790	15,377,957	10.65%
GPA/Navy Surcharge	3,466,617	3,514,028	-1.35%
Retiree Surcharge	1,504,950	1,535,105	-1.96%
Fire Hydrant	259,020	259,020	0.00%
Other	990,693	653,098	51.69%
TOTAL OPERATING REVENUES	53,025,205	47,695,242	11.18%
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	4,408,514	2,820,954	56.28%
Power Purchases	14,615,005	11,914,539	22.67%
	19,023,519	14,735,493	29.10%
Salaries and wages	12,347,872	10,720,606	15.18%
Pension and Benefits	3,315,104	2,847,616	16.42%
Unfunded Retirement Liability	850,000	749,533	13.40%
Chemicals	978,600	1,000,799	-2.22%
Materials & Supplies	1,766,551	2,288,907	-22.82%
Contractual-Audit, Meter Reading & Comp	438,063	809,615	-45.89%
Contractual-Legal	0	0	0.00%
Contractual-Lab	272,820	126,054	116.43%
Contractual-Other	1,403,806	1,772,324	-20.79%
PMC-Management Fee	995,528	728,408	36.67%
Training	343,170	240,401	42.75%
Equipment Rental/Transportation Expense	1,251,907	1,282,905	-2.42%
Telephone and Communication	161,996	170,864	-5.19%
Claims	138,541	306,577	-54.81%
Insurance	0	0	0.00%
Advertising	277,614	171,550	61.83%
Building Rental	0	0	0.00%
Regulatory	205,534	199,186	3.19%
Bad Debts Provision	1,000,000	859,601	16.33%
Miscellaneous	256,731	206,259	24.47%
Depreciation	10,676,795	9,748,542	9.52%
Capitalized Labor	(300,135)	(130,291)	130.36%
TOTAL OPERATING AND MAINTENANCE EXPENSES	55,404,016	48,834,949	13.45%
OPERATING INCOME (LOSS)	(2,378,811)	(1,139,707)	108.72%
OTHER INCOME(EXPENSE):			
Grants from US & Local Government	2,195,719	1,656,861	32.52%
Grants from Government of Guam	507,277	0	100.00%
Other Income (Expense)	0	27,086	-100.00%
Loss on Assets Disposal	0	(15,476)	
Loss on Inventory Writedown	0	(614,161)	
Recoveries	997,278	0	100.00%
Management Fees	0	0	0.00%
Retiree Supp.Benefits & Medical Ins.	(1,630,817)	(875,201)	86.34%
Interest/Investment Income	1,763,765	3,225,083	-45.31%
Amort. Of Debt Disc.& Exp.	8,050	(68,262)	-111.79%
AFUDC	2,120,806	2,136,807	-0.75%
Interest Expense	(6,182,047)	(6,266,080)	-1.34%
	(219,969)	(793,343)	-72.27%
NET INC (DEC) IN RETAINED EARNINGS	(2,598,780)	(1,933,050)	34.44%
RETAINED EARNINGS, BEGINNING OF YEAR	190,712,592	192,645,642	
RETAINED EARNINGS, END OF YEAR	188,113,812	190,712,592	