

GUAM WATERWORKS AUTHORITY

"Good Water Always"

Post Office Box 3010, Hagatna, Guam 96932

Phone: (671) 647-2583 Fax: (671) 646-2594

2009 JUL 31 PM 3:18
RW

JUL 30 2009

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

30-09-0951

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

Date: 7/31/09
Time: 1:30
Received by: [Signature]

Dear Speaker Won Pat,

Pursuant to Public Law 29-113, Chapter VII, Section 2, please find attached the Guam Waterworks Authority's 3rd. Quarter Financial Reports, ending June 30, 2009.

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


GREG P. CRUZ
CHIEF FINANCIAL OFFICER

GUAM WATERWORKS AUTHORITY
Balance Sheet - (Unaudited)
For 3rd. Quarter ending June 30, 2009

ASSETS	as of 30-Apr-09	as of 31-May-09	as of 30-Jun-09
Property, Plant and Equipment			
Land	\$ 64,288	\$ 64,288	\$ 64,288
Utility Plant in Service:			
Water System	\$ 228,393,125	\$ 228,393,125	\$ 228,393,125
Wastewater System	\$ 190,752,749	\$ 190,752,749	\$ 190,752,749
Non Utility Property	\$ 17,092,571	\$ 17,092,571	\$ 17,092,571
Construction Work in Progress	\$ 47,381,426	\$ 50,039,871	\$ 53,324,731
Total Property, Plant and Equipment	\$ 483,684,159	\$ 486,342,605	\$ 489,627,464
Less Accumulated Depreciation	\$ (211,526,374)	\$ (212,453,579)	\$ (213,380,785)
Net Property, Plant and Equipment	\$ 272,157,786	\$ 273,889,025	\$ 276,246,679
Current Assets:			
Cash			
Unrestricted	\$ 352,614	\$ 659,354	\$ 619,204
Restricted Funds:			
Bond Reserve Fund - Bond 2005	\$ 7,708,949	\$ 7,709,058	\$ 7,709,058
Debt Service Fund - Bond 2005	\$ 3,561,256	\$ 4,197,480	\$ 4,833,657
Construction Funds by Held by Trustee-Bond 2005	\$ 22,416,030	\$ 22,346,090	\$ 18,396,021
Other Restricted Funds	\$ 5,712,395	\$ 4,828,097	\$ 5,277,486
Total Cash	\$ 39,751,244	\$ 39,740,079	\$ 36,835,426
Accounts Receivables			
Accounts Receivable-trade	\$ 22,309,316	\$ 22,678,802	\$ 22,269,722
Accounts Receivable, Federal/Other	\$ 1,025,568	\$ 2,488,817	\$ 1,910,157
Total Trade Receivables	\$ 23,334,884	\$ 25,167,619	\$ 24,179,879
Less: Accum. Provision for Uncollectible Accounts	\$ (17,146,129)	\$ (17,196,129)	\$ (17,246,129)
Accounts Receivables-net	\$ 6,188,755	\$ 7,971,490	\$ 6,933,750
Materials & Supplies Inventory, Net of Allowance for for Obsolescence	\$ 2,558,938	\$ 2,632,125	\$ 2,461,460
Other Current Assets:			
Unamortized Debt Issuance Cost & Other Assets	\$ 2,794,785	\$ 2,786,093	\$ 2,777,400
Total Current Assets	\$ 51,293,722	\$ 53,129,786	\$ 49,008,036
TOTAL ASSETS	\$ 323,451,508	\$ 327,018,811	\$ 325,254,715
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities:			
Current Portion:			
-United States Navy	\$ 990,003	\$ 990,003	\$ 990,003
-Guam Power Authority	\$ 2,375,092	\$ 2,375,092	\$ 2,375,092
-Bond 2005	\$ 2,473,750	\$ 2,473,750	\$ 2,473,750
Accounts Payable Trade	\$ 5,824,884	\$ 5,818,975	\$ 5,462,099
Accrued Payroll and Employee Benefits	\$ 352,219	\$ 429,564	\$ 533,741
Accrued Interest and Other payable	\$ 2,719,724	\$ 3,499,417	\$ 3,678,074
Current Portion of Employee Annual Leave	\$ 642,987	\$ 642,987	\$ 642,987
Contractor's & Rtn Payable/Bid & Escrow Deposits	\$ 3,924,812	\$ 6,104,050	\$ 4,442,980
Customer Deposits	\$ 1,651,636	\$ 1,831,371	\$ 1,827,039
Total Current Liabilities	\$ 20,955,106	\$ 24,165,208	\$ 22,425,765
Long Term Debt:			
Bond 2005	\$ 100,030,257	\$ 100,020,245	\$ 100,010,232
United States Navy	\$ 5,328,990	\$ 5,087,482	\$ 4,953,023
Guam Power Authority	\$ 1,992,482	\$ 1,929,102	\$ 1,861,888
Employee Annual Leave, Less Current Portion	\$ 1,152,240	\$ 1,152,240	\$ 1,152,240
Retirement Fund Deferred Contributions	\$ 7,676,388	\$ 7,759,721	\$ 7,843,055
Accrued Retirees Supplemental & Medical Ins.	\$ 529,721	\$ 338,235	\$ 304,317
Advances for Construction	\$ 168,034	\$ 168,078	\$ 168,168
Other Deferred Credits	\$ 1,626,010	\$ 1,463,786	\$ 1,477,909
TOTAL LIABILITIES	\$ 139,459,228	\$ 142,084,096	\$ 140,196,596
RETAINED EARNINGS	\$ 183,992,280	\$ 184,934,714	\$ 185,058,119
TOTAL LIAB AND RETAINED EARNINGS	\$ 323,451,508	\$ 327,018,811	\$ 325,254,715

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings (Unaudited)
For the third quarter ended June 30, 2009

	3rd quarter	Year to Date
	Apr. 09 - June 09	Oct. 08 - June 09
OPERATING REVENUES		
Total Water	\$ 6,874,710	\$ 20,556,420
Total Wastewater	\$ 5,045,286	\$ 13,712,159
TOTAL OPERATING REVENUES	\$ 11,919,996	\$ 34,268,579
OPERATING AND MAINTENANCE EXPENSES		
Water Purchases	\$ 1,383,684	\$ 3,695,626
Power Purchases	\$ 3,656,332	\$ 11,389,505
	\$ 5,040,016	\$ 15,085,131
Salaries and wages	\$ 2,956,019	\$ 9,277,843
Pension and Benefits	\$ 902,992	\$ 2,713,507
Chemicals	\$ 216,775	\$ 661,823
Materials & Supplies	\$ 581,418	\$ 1,367,959
Contractual-Audit, Meter Reading & Computer Maint.	\$ 33,822	\$ 109,450
Contractual-Legal	\$ -	\$ 14,553
Contractual-Lab	\$ 255,418	\$ 474,605
Contractual-Other	\$ 340,655	\$ 845,980
PMC-Management Fee	\$ 258,067	\$ 770,425
Training	\$ 29,812	\$ 87,265
Equipment Rental	\$ 30,272	\$ 163,127
Transportation Expense	\$ 103,455	\$ 305,558
Telephone and Communication	\$ 42,268	\$ 116,839
Claim/Insurance	\$ 20,858	\$ 88,595
Advertising	\$ 28,447	\$ 84,041
Regulatory	\$ 79,172	\$ 266,925
Bad Debts Provision	\$ 150,000	\$ 450,000
Miscellaneous	\$ 142,284	\$ 260,000
Depreciation	\$ 2,781,863	\$ 8,191,866
TOTAL OPERATING AND MAINTENANCE EXPENSES	\$ 13,993,614	\$ 41,335,493
OPERATING INCOME (LOSS)	\$ (2,073,618)	\$ (7,066,914)
OTHER INCOME(EXPENSE):		
Retiree Surcharge	\$ 355,775	\$ 991,552
Retiree Supp.Benefits & Medical Ins.	\$ (383,448)	\$ (1,150,342)
PUC,GPA/Navy Surcharge	\$ 819,024	\$ 2,284,122
Fire Hydrant	\$ -	\$ -
Other Oper. Revenue	\$ 205,597	\$ 766,437
Unfunded Retirement Liability	\$ (249,999)	\$ (766,666)
Grants from US & Local Government	\$ 2,288,456	\$ 3,034,614
Loss on Assets Disposal	\$ -	\$ (17,051)
Recoveries	\$ -	\$ 1,798
Interest/Investment Income	\$ 4,258	\$ 259,042
Prior Year's Adjustment	\$ -	\$ (464,699)
Amort. Of Debt Disc.& Exp.	\$ 3,960	\$ 4,785
AFUDC	\$ 770,759	\$ 2,268,018
Interest Expense	\$ (1,505,474)	\$ (4,526,420)
	\$ 2,308,908	\$ 2,685,190
NET INC (DEC) IN RETAINED EARNINGS FOR THE PERIOD	\$ 235,290	\$ (4,381,724)
RETAINED EARNINGS, BEGINNING OF PERIOD		\$ 189,439,843
RETAINED EARNINGS, END OF PERIOD		\$ 185,058,119

**Guam Waterworks Authority
Statement of Cash Flows**

	Seven months Ended Apr. 30, 2009	Eight months Ended May 30, 2009	Nine months Ended June 30, 2009
Increase (decrease) in cash			
Cash flows from operating activities:			
Cash received from customers	\$ 30,399,810	\$ 33,302,162	\$ 38,466,984
Cash payments to suppliers/contractors for goods and services	\$ (13,242,869)	\$ (12,881,738)	\$ (16,677,554)
Cash payments to employees for services	\$ (10,797,068)	\$ (12,267,792)	\$ (13,674,908)
Net cash provided by operating activities	\$ 6,359,873	\$ 8,152,632	\$ 8,114,522
Cash flows from capital and related financing activities:			
Contributed capital received	\$ 740,627	\$ 2,170,214	\$ 3,034,613
Acquisition of utility plant	\$ (8,997,045)	\$ (11,398,450)	\$ (14,426,055)
Repayment of Long Term Debt	\$ (1,231,907)	\$ (1,546,807)	\$ (1,758,493)
Interest expense	\$ (3,515,614)	\$ (4,034,137)	\$ (4,526,419)
Net cash provided by (used in) capital and related financing activities	\$ (13,003,939)	\$ (14,809,180)	\$ (17,676,354)
Cash flows from investing activities:			
Transfers from (to) restricted fund	\$ 5,784,077	\$ 6,101,982	\$ 8,966,485
Interest income received	\$ 257,095	\$ 258,412	\$ 259,043
Net cash provided by investing activities	\$ 6,041,172	\$ 6,360,394	\$ 9,225,528
Net increase (decrease) in cash	\$ (602,894)	\$ (296,154)	\$ (336,304)
Unrestricted cash at beginning of the year	\$ 955,508	\$ 955,508	\$ 955,508
Unrestricted cash at end of year	\$ 352,614	\$ 659,354	\$ 619,204
Reconciliation of operating loss to net cash provided by operating activities:			
Operating Income (loss)	\$ (5,761,433)	\$ (6,275,195)	\$ (7,066,912)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Surcharges and Other Income	\$ 3,050,557	\$ 3,547,162	\$ 4,042,112
Depreciation expense	\$ 6,337,454	\$ 7,264,659	\$ 8,191,865
Bad debt expense	\$ 350,000	\$ 400,000	\$ 450,000
Recovered revenues/Inventory Adjustment		\$ 1,798	\$ 1,798
Other Expense/income	\$ (1,972,517)	\$ (2,184,144)	\$ (2,393,974)
(Increase) decrease in assets:			
Accounts receivable	\$ 1,274,635	\$ (558,100)	\$ 429,640
Materials and supplies inventory	\$ (142,488)	\$ (215,675)	\$ (45,010)
Other Assets	\$ 60,850	\$ 69,542	\$ 78,235
Increase (decrease) in liabilities:			
Accounts payable	\$ 3,042,784	\$ 5,833,624	\$ 4,008,548
Accrued payroll	\$ (494,119)	\$ (608,260)	\$ (538,001)
Customer deposits	\$ 14,150	\$ 193,888	\$ 189,554
Retirement fund deferred contributions	\$ 600,000	\$ 683,333	\$ 766,667
Net cash provided by operating activities	\$ 6,359,873	\$ 8,152,632	\$ 8,114,522