

SUFFOLK COUNTY WATER AUTHORITY

BRIGHTWATERS, N. Y.

INTERIM REPORT

FOR THE
PERIOD ENDED DECEMBER 31, 1951

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SUFFOLK COUNTY WATER AUTHORITY

BRIGHTWATERS, N. Y.

AUTHORITY MEMBERS

W. KINGSLAND MACY - - - - - Chairman

FRANK J. SMITH - - - - - Secretary

CARLL S. BURR, JR. - - - - - Treasurer

DAVID L. GLICKMAN - - - - - Counsel

ROBERT C. WHEELER - - - - - Consulting Engineer

STONE & WEBSTER ENGINEERING
CORPORATION, BOSTON - - - - - Advisory Engineer

N. F. FENN - - - - - General Manager

LEONARD NEWMAN - - - - - Chief Accountant

SUFFOLK COUNTY WATER AUTHORITY

NEW YORK

PUBLICLY OWNED FOR PUBLIC SERVICE

The Suffolk County Water Authority acquired the properties of the South Bay Consolidated Water Company, Inc. by condemnation on May 31, 1951. The Authority has established a general administrative office at North Windsor Avenue, Brightwaters, Long Island, where the executive, engineering and accounting staffs are now located.

The Authority adopted the same rates and essentially the same rules for water service as were in effect by the former Company at the date of acquisition of the properties.

Included in the Income Statement is a tabulation of comparative statistics reflecting the continued growth of the business during the past year. Incoming orders for new services are being received at about the same rate as last year, and the number of customers served by the Authority is increasing as additional mains are constructed, particularly in large scale housing developments in the Authority's territory. It is probable that more than 1,000 new services will be added to the system during 1952.

Foreseeing that the demand for water service during the summer of 1952 will probably exceed that of any previous year, the Members of the Authority recently adopted a \$65,000 plant improvement budget for new wells, pumps and auxiliary equipment. It is planned to progress this program as rapidly as possible in order that the new facilities will be available to meet the peak loads of 1952.

Total expenditures for all capital improvements for the seven months ended December 31, 1951, including mains constructed under terms of refunding contracts with developers, amounted to \$159,839.

All statements included in the Balance Sheet and income account are as reflected on the books of the Company and/or Authority. They have not been verified by an independent audit of certified public accountants.

The Authority has entered into a new contract for a term of one and one-half years from December 16, 1951 for all its Union employees at a substantial increase in wage rates, in consideration of the fact that these employees did not receive any increase during the preceding two years. Comparable increases were given to non-Union employees and the management staff. The new wage rates, which are in line with other water utilities on Long Island, will result in increased operating costs. Notwithstanding, the Members of the Authority have expressed their determination to make every effort to maintain the present rate structure.

W. KINGSLAND MACY, *Chairman*,
FRANK J. SMITH, *Secretary*,
CARLL S. BURR, JR., *Treasurer*.

February 28, 1952

SUFFOLK COUNTY WA

BALANCE SHEET AS OF

Assets and Other Debits

FIXED ASSETS:

Water Plant and Equipment (see note below)	\$7,652,750.52	
Construction Work in Progress	105,068.68	\$7,757,819.20

CURRENT AND ACCRUED ASSETS:

Cash Funds on Hand	1,700.00	
Cash on Deposit—Working Funds	153,837.55	
Cash on Deposit with Fiscal Agent— Revenue Fund	257,334.87	
Cash on Deposit with Fiscal Agent— General Fund	157,826.15	
Cash on Deposit with Fiscal Agent— Debt Service Reserve Fund	163,064.28	\$ 733,762.85
Accounts Receivable	72,285.48	
Accrued Utility Revenue	75,974.23	
Materials and Supplies	99,065.30	
Prepaid Insurance	6,502.24	
Special Deposits	1,349.99	\$ 255,177.24

DEFERRED DEBITS:

Expenses in connection with Public Service Hearing	1,064.41	
Miscellaneous	845.52	\$ 1,909.93
Total		\$8,748,669.22

ATER AUTHORITY

DECEMBER 31, 1951

Liabilities and Other Credits

LONG TERM DEBT:

Series A Bonds	\$8,000,000.00
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CURRENT AND ACCRUED LIABILITIES:

Accounts Payable	\$ 57,079.43	
Customers Deposits	111,442.25	
Accrued Interest	25,573.71	\$ 194,095.39

DEFERRED CREDITS:

Customers Advances for Construction .	364,194.20	
Unearned Revenue	36,371.11	
Miscellaneous Unadjusted Credits	2,885.60	
Other Accrued Liabilities	3,339.95	\$ 406,790.86

RESERVES:

Depreciation—Water Plant	\$ 19,863.19
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SURPLUS:

Capital Surplus	7,960.65	
Earned Surplus (Included in "Debt Service Reserve Fund")	119,959.13	\$ 127,919.78
Total		<u>\$8,748,669.22</u>

Note: Water Plant and Equipment—Appraisal by Stone & Webster Engineering Corporation dated December 31, 1949 states reproduction cost new at \$11,496,143.00 and new less depreciation at \$8,564,330.00.

SUFFOLK COUNTY WATER AUTHORITY

INCOME STATEMENT

	7 Months Ended Dec. 31st		Year Ended Dec. 31st	
	1951	1950 (1)	1951(2)	1950(1)
OPERATING REVENUE	\$506,845	\$461,507	\$815,908	\$752,604
OPERATING REVENUE DEDUCTIONS:				
Operating Expenses	164,778	132,461	264,755	223,224
Maintenance Expenses	25,012	22,942	47,684	43,819
Provision for Depreciation (3) ..	22,096	40,833	51,263	70,000
General Taxes	None	85,893	61,162	142,600
Total Deductions	\$211,886	\$282,129	\$424,864	\$479,643
NET OPERATING INCOME ...	<u>\$294,959</u>	<u>\$179,378</u>	<u>\$391,044</u>	<u>\$272,961</u>

NOTES TO INCOME STATEMENT

- 1—Net Operating Income Statement for 7 months ended December 31, 1950 and for the year 1950 were taken from reports of the South Bay Consolidated Water Company, Inc.
- 2—Net Operating Income Statement for year 1951 is a consolidation of the figures of South Bay Consolidated Water Company, Inc. for the first 5 months of that year and the figure of the Water Authority for the last 7 months. The Authority acquired the properties on May 31, 1951.
- 3—Provision for depreciation of the properties of the Authority for 7 months ended December 31, 1951 is estimated and subject to review by Engineers and Accountants before the final amount is fixed.

Bond Interest at annual rate of $3\frac{3}{4}\%$ on Series A Bonds of Authority. Interest paid to December 1, 1951 and accrued to December 31, 1951 in accordance with terms of Bond Resolution. After June 1, 1953 interest rate is reduced to $2\frac{3}{4}\%$.

COMPARATIVE STATISTICS

For Authority as of Dec. 31, 1951, compared with South Bay Water Co.
as of Dec. 31, 1950.

	1951	1950
Active Services	20,978	19,772
Meters in Service	21,394	20,170
Public & Private Fire Hydrants	3,211	3,193
Delivered to System (Million Gallons) (12 Mos.) ..	1,614	1,604
Miles of Mains in Service	413.5	407.7