

PROPERTY OF
Investors Agency, Inc.
52 WALL STREET
NEW YORK CITY

MAR 13 1907

1499

Sculler
pan
n/c

1906-1909,

1937-1945

NEW YORK AND RICHMOND GAS COMPANY.

ANNUAL REPORT. (Lachs 1942)

1906.

Stapleton, Borough of Richmond, City of New York.

February 4, 1907.

*To the Stockholders of the
New York and Richmond Gas Co.*

Your Directors beg to submit herewith the following report, and the annexed financial statement for the year ended December 31st, 1906.

The Gross Earnings for the year show an increase of 11.9 per cent over the previous year, there was an increase in expenses of operation, maintenance, taxes and insurance of 22.1 per cent, an increase in volume of gas manufactured and sold of 16.2 per cent.

Higher Costs of Labor, of raw materials and supplies and extra work upon distribution system, together with the onerous features of the new law regulating the business, are accountable for the increased operating and maintenance account.

During the year there was no increase in the capital stock, or bond account. The depreciation, Sinking Fund reserve and surplus accounts were increased 20.25 per cent.

The extensive improvements, extensions and additions to the Company's system, including completion of New Coal Gas Plant, has brought the property to a most modern and efficient standard capable of not only supplying the present demands satisfactorily, but of being further extended to meet whatever growth of business the territory may offer.

The uses of gas for both fuel and lighting purposes have been extended.

The relations of the Company with its employees and the public are most cordial and satisfactory, and the outlook for improving these conditions and further extending and increasing the business is most encouraging.

It has not been deemed advisable to increase the past dividend rate of 2 per cent.

Respectfully submitted,

THOS. O. HORTON,

Secretary.

By order of the Board of Directors.

New York and Richmond Gas Company.

Statement of Earnings for the Year Ending December 31, 1906.

Total Earnings	\$225,173.85
Operating Expenses, including Maintenance, Taxes and Insurance	133,124.75
Net Earnings from Operation	92,049.10
Interest on Bonds	61,250.00
Net Profit	<u>\$ 30,799.10</u>

Assets and Liabilities December 31, 1906.

ASSETS.

Plant	\$2,757,517.67	
Miscellaneous	14,467.85	2,771,985.52

AVAILABLE ASSETS.

Accounts Receivable	40,920.89	
Material on Hand	24,254.61	
Cash on Hand	20,131.67	85,307.17
		<u>\$2,857,292.69</u>

LIABILITIES.

CAPITAL STOCK.

Authorized	\$1,500,000.00	
Unissued	16,800.00	\$1,483,200.00

BONDS.

Authorized	\$1,500,000.00	
Unsold	275,000.00	1,225,000.00
		2,708,200.00

CURRENT LIABILITIES.

Accounts Payable	35,399.21	
Bond Interest Accrued	10,208.34	
Taxes Accrued	4,009.31	49,616.86

Tax and other Reserves	9,117.50	
Depreciation, Sinking Fund Reserve and Surplus Dec. 31, 1906	90,358.33	99,475.83
		<u>\$2,857,292.69</u>

We have carefully examined the accounts of the New York & Richmond Gas Company, and certify that the foregoing statements of earnings for the year ending December 31, 1906, and Assets and Liabilities as of December 31, 1906, are correct.

VOLLUM, FERNLEY & VOLLUM,
Certified Public Accountants.

MAR - 4 1908

1499
PROPERTY OF
THE INVESTORS AGENCY, Inc.
52 WALL ST.,
NEW YORK CITY,

NEW YORK AND RICHMOND
GAS COMPANY
ANNUAL REPORT
1907

Stapleton, N. Y., February 3rd, 1908.

TO THE STOCKHOLDERS

of the NEW YORK AND RICHMOND GAS CO.:

Your Directors beg to submit herewith the following report, and the annexed financial statement for the year ended December 31st, 1907.

The year shows increases over the previous year of 16.43 per cent. in gas sales, 13.72 per cent in gross earnings, expenses of operation, maintenance, taxes and insurance of 18.87 per cent. and Net Profit after providing for Fixed Charges, of 11.52 per cent.

There were declared and paid during the year 1907 the usual Dividends of 2 per cent.

High costs of material and labor and the States onerous exactions continued, and have been responsible for the increased costs of operation during 1907.

During the year there was an increase of \$16,800 in the Capital Stock; the Bond Account was increased \$89,000.00 which were sold to reimburse the Company on account for the cost of extensions and additions to its plant and system. Surplus reserves increased 3.60 per cent.

The property has been maintained at a most modern and efficient standard; considerable extensions and additions made and is capable of supplying the present and prospective demands satisfactorily. The use of gas continues to increase and develop.

The relations of the Company with its employees and the public are most cordial and satisfactory, and the outlook for improving these conditions and further extending and increasing the business is most encouraging.

Respectfully submitted,

T. O. HORTON,

Secretary.

By order of the Board of Directors.

NEW YORK AND RICHMOND GAS COMPANY

Statement of Earnings for the Year Ending December 31, 1907.

Total Earnings	\$256,053.31
Operating Expenses, including Maintenance, Taxes and Insurance.....	158,245.68
Net Earnings from Operation...	\$97,807.63
Interest on Bonds.....	63,459.97
Net Profits	\$34,347.66

Assets and Liabilities, December 31, 1907.

Assets.

Plant.....	\$2,843,254 59	
Miscellaneous.....	18,266.68	\$2,861,521.27

Available Assets.

Accounts receivable:—		
Due from New York City....	\$10,294.05	
Customers Accounts.....	38,833.31	\$49,127.36
Materials on hand	22,079.90	
Cash.....	64,229.13	135,436.39
		\$2,996,957.66

Liabilities.

Capital Stock.....		1,500,000.00
Bonds Authorized.....	\$1,500,000.00	
Unsold.....	186,000.00	1,314,000.00

Current Liabilities.

Accounts Payable	\$29,660.26	
Bills Payable.....	30,000.00	
Bond Interest Accrued	10,950.00	
Taxes Accrued.....	14,809.31	85,419.57
Reserve Accounts.....		3,912.62
Surplus Reserves Dec. 31, 1907.....		93,625.47
		\$2,996,957.66

We have carefully examined the accounts of the New York and Richmond Gas Company, and certify that the foregoing statements of earnings for the year ending December 31, 1907, and Assets and Liabilities as of December 31, 1907, are correct.

VOLLUM, FERNLEY & VOLLUM

Certified Public Accountants.

Philadelphia, Penna.

PROPERTY OF
THE INVESTORS AGENCY, INC.
55 WALL ST.,
NEW YORK CITY.
MAR 8 - 1909

1499

FIFTY-SECOND
ANNUAL REPORT

NEW YORK AND RICHMOND
GAS CO.

NEW YORK CITY

FOR

The Year Ending December 31st, 1908

FIFTY-SECOND
ANNUAL REPORT

NEW YORK AND RICHMOND
GAS CO.

NEW YORK CITY

FOR

The Year Ending December 31st, 1908

New York and Richmond Gas Co.

DIRECTORS

J. HULL BROWNING,	New York.
R. L. FORREST,	Philadelphia.
THOS. O. HORTON,	New York.
F. H. SHELTON,	Philadelphia.
C. B. VAN NOSTRAND,	New York.

OFFICERS

THOS. O. HORTON,	<i>President,</i>	Stapleton, New York City.
WILLIAM J. WELSH,	<i>Vice-President,</i>	“ “ “
HERBERT M. HOLMES,	<i>Treasurer,</i>	“ “ “
EDWARD B. FIELIS,	<i>Secretary,</i>	“ “ “
F. H. SHELTON,	<i>Engineer,</i>	Philadelphia.

Annual Meeting First Monday in February, at Stapleton,
New York City

Stapleton, N. Y. City, February, 1st, 1909.

TO THE STOCKHOLDERS

of the NEW YORK AND RICHMOND GAS CO.:

Your Directors beg to submit herewith the following report, and the annexed financial statement for the year ending December 31st, 1908.

During the year the Public Service Commission established a uniform system of accounts for all the Gas Companies in New York City, and the accounts of your Company are kept in accordance therewith.

While general business depression has prevailed throughout the year, gas sales increased 7.1 per cent., and improved operating conditions caused the expenses of operation to be reduced with resultant increase in Net Profits after providing for Fixed Charges, of 43.87 per cent.

The policy of efficient and satisfactory service to the public has been continued and your property has been maintained to the uniformly high standard of previous years and its capacity and efficiency greatly increased.

The regular dividends of 1% February and 1% August were declared and paid; \$14,304.37 was written off of assets, leaving, at the year end, surplus reserves of \$98,310.94.

The bond account was increased \$149,000.00 which were sold to re-imburse the Company on account, for the cost of additions and extensions to the Plant and System.

In pursuance of the comprehensive plans devised several years ago for ultimate works capacity of 5,000,000 cubic feet per day, as the steadily increasing business requires, your officers under favorable material and labor conditions have carried through to completion Extensions and Additions to the Plant including water gas generating apparatus, purifiers, station meter and auxiliary apparatus, which together with new and enlarged buildings have brought the Works capacity to 2,400,000 cubic feet per day. There is also under contract a new gas holder which upon completion during the coming months will provide a total holder capacity of 1,400,000 cubic feet. The distributing system has been brought to a total of 83.8 miles of mains; 7,725 services and 9,455 customers meters; while the various domestic and industrial gas appliances installed for customers now number over 7,200.

The relations of your Company with its employees and the public are most cordial and satisfactory, there is no litigation pending or threatening, and the outlook for extending and increasing the business is most encouraging.

Respectfully submitted,

THOS. O. HORTON,

President.

By order of the Board of Directors.

Statement of Earnings for the Year Ending December 31st, 1908.

Total Earnings.....	\$264,851.70
Operating Expenses, including Maintenance, Taxes and Insurance	147,711.70
Net Earnings from Operation.....	117,140.00
Interest on Bonds.....	67,688.31
Net Profit.....	\$ 49,451.69

Assets and Liabilities, December 31, 1908.

Assets.

Plant	\$2,927,217.51	
Miscellaneous.....	6,837.88	\$2,934,055.39

Available Assets.

Accounts Receivable:—		
Due from New York City....	\$10,576.49	
Customers Accounts.....	27,717.91	38,294.40
Stores and Fuel.....	26,548.32	
Cash	127,801.20	192,643.92
		<u>\$3,126,699.31</u>

Liabilities.

Capital Stock	\$1,500,000.00
---------------------	----------------

Bond Account.

Authorized.....	\$1,500,000.00	
Unsold	37,000.00	1,463,000.00
		<u>\$2,963,000.00</u>

Current Liabilities.

Accounts Payable.....	\$ 29,175.67	
Taxes Accrued	19,609.31	
Bond Interest Accrued.....	12,191.64	60,976.62
Reserve Accounts.....		4,411.75
Surplus Reserves Dec. 31, 1908.....		98,310.94
		<u>\$3,126,699.31</u>

We have carefully examined the accounts of the New York and Richmond Gas Company, and certify that the foregoing statements of Earnings for the year ending December 31, 1908, and Assets and Liabilities as of December 31, 1908, are correct.

VOLLUM, FERNLEY, VOLLUM & RORER.

Certified Public Accountants, Philadelphia.

B 25 1910

FIFTY-THIRD
ANNUAL REPORT

NEW YORK AND RICHMOND
GAS Co.
NEW YORK CITY

FOR

The Year Ending December 31st, 1909

NEW YORK & RICHMOND GAS COMPANY

Statement of Earnings for six months ending June 30, 1909.

Total Earnings	-----	\$129,209.35
Operating Expenses, including		
Maintenance, Taxes and Insurance		77,247.87

Net Earnings from Operation		51,961.48
Interest on Bonds		36,948.50

Net Profits		15,012.98

Assets and Liabilities--June 30, 1909.

A S S E T S

Plant	\$2,973,077.56	
Miscellaneous	4,591.99	\$2,977,669.55

Available Assets

Accounts Receivable		
Customers Accounts	29,339.72	
Materials on hand	29,687.00	
Cash	93,260.61	152,287.33

Estimated balance

28,100.43

Operating Accounts

Available Balance

Available Balance

Available Balance

Plans

Assets and Liabilities--June 30, 1903

Net Profit

Net Earnings from Operations

Operating Expenses, including

Total Earnings

Statement of Earnings for six months ending June 30, 1903

NEW YORK & BOSTON CAN COMPANY

4,591.98 25,508.45

48,225,027.25

1-2-3-4-5-6

12,012.05

35,346.30

21,381.45

21,381.45

412,809.25

with last year's accomplishments.

made January 1, 1903, a comparison with Public-Service Commission schedule which was put in effect in accordance (signed) Volium, Secretary, Volium & Horer.

Philadelphia, Pa.
Certified Public Accountants,
Volium & Horer.

1903, are correct.

six months ending June 30, 1903, and Assets and Liabilities as of June 30, Gas Company, and certify that the foregoing statement of earnings for the

We have carefully examined the accounts of the New York and Richmond

FIFTY-THIRD ANNUAL REPORT

NEW YORK AND RICHMOND GAS CO.

NEW YORK

1903

For Ending December 31, 1902

Surplus Reserves June 30, 1903
Reserve Accounts
Texas Account
Bond Interest Account
Accounts Payable

June 30, 1903

\$3,153,258.88	
30,311.44	
2,318.38	
40,754.08	
15,131.68	
38,586.08	

Current Liabilities

Unsold Bonds Authorized Capital Stock

1,483,000.00	\$3,983,000.00
--------------	----------------

\$1,500,000.00

PLATE LETTERS

L I A B I L I T I E S

=====

Capital Stock		\$1,500,000.00	
Bonds Authorized	\$1,550,000.00		
Unsold	37,000.00	1,463,000.00	\$2,963,000.00

Current Liabilities

Accounts Payable	36,526.09	
Bond Interest Accrued	12,191.66	
Taxes Accrued	22,009.31	70,727.06
Reserve Accounts		5,318.38
Surplus Reserves, June 30, 1909		90,911.44
		<u>\$3,129,956.88</u>

=====

We have carefully examined the accounts of the New York and Richmond Gas Company, and certify that the foregoing statement of Earnings for the six months ending June 30, 1909, and Assets and Liabilities as of June 30, 1909, are correct.

NOTE:- Owing to the change in Accounts which was put in effect in accordance with ~~Public Service Commission~~ requirements (January 1, 1909), a comparison with last year is impracticable.

(Signed) Vollum, Fernley, Vollum & Rorer.
Certified Public Accountants,
Philadelphia, Pa.

FIFTY-THIRD
ANNUAL REPORT

NEW YORK AND RICHMOND
GAS CO.

NEW YORK CITY

FOR

The Year Ending December 31st, 1909

New York and Richmond Gas Co.

DIRECTORS

J. HULL BROWNING,	New York.
R. L. FORREST,	Philadelphia.
THOS. O. HORTON,	New York.
F. H. SHELTON,	Philadelphia.
C. B. VAN NOSTRAND,	New York.

OFFICERS

THOS. O. HORTON,	<i>President,</i>	Stapleton, New York City.
WILLIAM J. WELSH,	<i>Vice President,</i>	" " " "
HERBERT M. HOLMES,	<i>Treasurer,</i>	" " " "
EDWARD B. FIELIS,	<i>Secretary,</i>	" " " "
F. H. SHELTON,	<i>Engineer,</i>	Philadelphia.

Annual Meeting First Monday in February, at Stapleton,
New York City.

Stapleton, N. Y. City, February, 7th, 1910.

TO THE STOCKHOLDERS

of the NEW YORK AND RICHMOND GAS CO.:

Your Directors beg to herewith submit the following report and the annexed exhibit furnished by the Certified Public Accountants of the Company's operations and balance sheet for the year ending December 31, 1909.

The after panic effects have been particularly felt in this Borough during the past year, general business depression continuing, nevertheless gas sales increased 8.9 per cent.

The operations of the company during the year 1909 were conducted conformably to the system of the Public Service Commission, established during the latter part of 1908, and we are without definite comparisons of value. Fixed charges were increased 8.7 per cent as result of the new investment in plant, from which full return could not yet be expected.

During the year the regular dividends of 1% February and 1% August were declared and paid; the total amount of Amortization charged against operations was \$15,000.00; and \$9,176.31 was written off of assets. There were no changes in the Capital Stock or Bond accounts

No departure has been permitted from the established policy of giving efficient and satisfactory service to the public, and the property has been maintained in every respect to the best standards of modern practice.

The new gas holder of 1,000,000 cubic feet capacity, noted in last year's report as under contract, was completed in December; and, with its connections and auxiliaries, together with new governor and house, constituted the year's largest item of addition to works. There was also added an additional exhauster; and with the completion of the new purifier plant, the two buildings previously used for that purpose became available. One was equipped as new shop for repair and testing of meters; greatly improving the conditions in this important department, and making available the space previously occupied in the building housing the stores; the other will provide for all the works' engines and machinery eventually being housed in one place. The rated capacity of the plant being now about 2,500,000 cubic feet, or more than double present output, no further new works construction of moment would appear to be required for some time to come.

The distribution system has been enlarged and extended to keep pace with the steady growth of the territory; which growth is expected to continue to increase in an increasing ratio. Including especial installations for certain sections where growth is particularly rapid, the system of distribution as a whole has been increased until at the year end there were 88 55 miles of mains, 8236 services and 10,471 customers meters; while general domestic and industrial gas using appliances total over 7890.

There were no accidents to either persons or property, no litigation, and the relations of the company with its employees and the public continue most cordial and satisfactory.

Respectfully submitted,

THOS. O. HORTON,
President.

By order of the Board of Directors.

CONDENSED STATEMENT
NEW YORK AND RICHMOND GAS CO.

Statement of Earnings for the Year Ending December 31st, 1909.

Total Earnings.....	\$281,883.22
Operating Expenses, including Maintenance, Taxes and Insurance.....	159,432.13
Net Earnings from Operation.....	122,451.09
Interest on Bonds and Floating Indebtedness.....	73,920.06
Net Profit.....	\$ 48,531.03

Assets and Liabilities, December 31, 1909.

Assets.

Plant.....	\$3,029,825.04	
Miscellaneous.....	7,740.56	\$3,037,565.60
Available Assets.		
Stores and Fuel.....	19,961.79	
Customers Accounts.....	34,987.47	
Cash.....	53,221.35	108,170.61
		\$3,145,736.21

Liabilities.

Current Liabilities.		
Accounts Payable.....	32,734.76	
Taxes Accrued.....	24,409.31	
Bond Interest Accrued.....	12,191.66	69,335.73
Reserve Accounts.....		6,020.37
Surplus Reserve.....		107,380.11
		\$182,736.21
Capital Stock.....	\$1,500,000.00	

Bond Account.

Authorized.....	\$1,500,000.00		
Unsold.....	37,000.00	1,463,000.00	2,963,000.00
			\$3,145,736.21

We have carefully examined the accounts of the New York and Richmond Gas Company, and certify that the foregoing statements of Earnings for the year ending December 31, 1909, and Assets and Liabilities as of December 31, 1909, are correct.

VOLLUM, FERNLEY, VOLLUM & RORER.

Certified Public Accountants,
907-912 Betz Building,
Philadelphia, Pa.

AUG 20 1942

1499
Marvyn Scudder
Financial Library

1937

815

EIGHTY FIRST

ANNUAL REPORT

* *

NEW YORK AND RICHMOND GAS COMPANY

* *

Staten Island

New York City

* *

FOR YEAR ENDING DECEMBER 31st, 1937

This annual report or any statement contained herein, is not furnished in connection with any offering of securities of the Company, nor for the purpose of promoting, influencing or effecting the sale or purchase of its securities.

NEW YORK AND RICHMOND GAS COMPANY

691 BAY STREET

STATEN ISLAND, NEW YORK

To the Stockholders of New York and Richmond Gas Company:

There is submitted herewith the Annual Report of your Company including Income Statement for the twelve months ending December 31, 1937, and Balance Sheet as of December 31, 1937, together with Accountants' Certificate.

General

Net income for the year shows a decrease of \$18,961.65, as compared with the previous year and a decrease of \$89,071.37 when compared with the year ending December 31, 1935.

These decreases are due primarily to rate reductions ordered by the Public Service Commission effective October 1, 1935 to residential consumers and October 1, 1936 to non-residential consumers. In addition to the rate reductions, increased taxes and increased cost of materials contributed to the reduction in Net Income.

Expenditures during 1937 for construction, were made out of current funds, a practice necessarily followed for some years past. Consequently, the Company did not have available cash to pay dividends on the outstanding Preferred Stock normally due July and October 1, 1937 and January 1, 1938. There are now five quarterly payments in arrears, including the dividend due January 1, 1938.

Operations

Taxes for 1937 amounted to \$192,215.48 and absorbed 16.6 cents of every dollar paid by our customers for gas. Taxes now represent 22.5 cents in the cost of every thousand cubic feet of gas sold.

The average price of coke purchased was 26 cents per ton higher than in 1936 and oil was 6/10 of a cent per gallon higher than the preceding year. Economies effected during the year and a higher return for residuals sold partially offset the increased cost of materials.

Construction

During the year the following necessary property additions were made:

Distribution System.....	\$123,319.80
Plant	\$ 22,738.37

The additions to distribution system consist of:

26,141 ft. of various size Gas Mains	
449 " " " Services	
1,039 " " " Meters	

The aggregate completed additions to Fixed Capital amounted to \$146,058.17. Retirements of property amounted to \$67,146.23 leaving net additions of \$78,911.94.

Business Development

In order to stimulate the use of gas, concerted efforts in the sale of gas consuming appliances were continued during the year, resulting in the following sales and installations:

	Increase Over 1936
1,417 Gas Ranges	12%
639 Gas Refrigerators	33%
461 Gas Water Heaters	70%
70 Gas Househeating Systems	3%
132 Miscellaneous Appliances....	—

Gas sales for the year amounted to 853,154,000 cubic feet as compared with 846,020,000 cubic feet for 1936 and 817,924,000 cubic feet for 1935.

On December 31, 1937, your Company's distribution system consisted of 296.9 miles of various size gas mains. Active meters numbered 31,581, showing an increase of 429 for the year.

Respectfully submitted,

JOHN KOHOUT, President.

March 7, 1938.

HASKINS & SELLS
Certified Public Accountants

67 Broad Street
New York

ACCOUNTANTS' CERTIFICATE

New York and Richmond Gas Company

We have made an examination of the balance sheet of New York and Richmond Gas Company as of December 31, 1937 and of the statement of income and surplus for the year 1937. In connection therewith, we examined or tested accounting records of the Company and other supporting evidence; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions. The physical quantities and condition of the inventories were certified to us by an official of the Company.

The retirement provisions as made by the Company do not contemplate the amortization of fixed capital over any estimated duration of physical property. A reserve, to provide for actual retirements of property when they occur, has been created through accruals from income based on a rate of $3\frac{1}{2}\%$ per 1,000 cubic feet of gas sold. Credits have also been made to the reserve for the proceeds of sale of land and of condemnation awards, and the cost of land so disposed of has been charged to the reserve. Costs so charged in 1937 exceeded the related proceeds of sale by \$19,803.07.

In our opinion, based upon our examination and subject to the adequacy of the retirement reserve provided as commented upon in the preceding paragraph, the accompanying balance sheet and related statement of income and surplus fairly present, in accordance with accepted principles of accounting consistently followed by the Company, its financial condition at December 31, 1937 and the results of its operations for the year ended that date.

HASKINS & SELLS.

New York,
February 28, 1938.

NEW YORK AND RICHMOND GAS COMPANY

STATEMENT OF INCOME AND SURPLUS

For The Year Ended December 31, 1937

	Amount	Ratio to Operating Revenue %
OPERATING REVENUE—SALES OF GAS		
(less cash discounts, \$62,612.70).....	\$1,156,368.23	100.00
OPERATING EXPENSES, INCLUDING TAXES:		
Production	\$ 246,362.78	21.30
Transmission and distribution	80,184.13	6.93
Maintenance	71,351.78	6.17
Commercial	65,977.27	5.71
General and miscellaneous	123,637.43	10.69
New business	93,333.11	8.07
Taxes, other than Federal income tax.....	186,715.48	16.15
Provision for Federal income tax.....	5,500.00	.48
Total.....	\$ 873,061.98	75.50
Less net profit on sale of appliances (*).....	10,599.88	.92
Operating expenses, including taxes—net.....	\$ 862,462.10	74.58
OPERATING INCOME BEFORE PROVISION		
FOR RETIREMENTS	\$ 293,906.13	25.42
PROVISION FOR RETIREMENTS.....	29,860.39	2.58
NET OPERATING INCOME.....	\$ 264,045.74	22.84
OTHER INCOME—RENT	956.27	.08
GROSS INCOME	\$ 265,002.01	22.92
INCOME CHARGES:		
Interest:		
First mortgage bonds.....	\$ 127,500.00	11.03
Consumers' deposits	16,299.17	1.41
Note payable	1,825.00	.16
Taxes	340.58	.02
Federal and State income tax on bond interest.....	1,371.04	.12
Total.....	\$ 147,335.79	12.74
NET INCOME	\$ 117,666.22	10.18

SURPLUS CREDITS:

Adjustment of prior year's accrual for public liability and compensation insurance	\$ 2,737.59
Adjustment of prior year's accrual for Federal income tax..	1,930.81
Reversal of unused operating reserves created out of prior year's income	1,156.92
Total.....	\$ 5,825.32

GROSS SURPLUS	\$ 123,491.54
---------------------	---------------

SURPLUS CHARGES:

Write-off of unamortized portion of rate case expenses....	\$ 47,629.19
Write-off of costs incurred in connection with proposed financing	4,374.11
Total.....	\$ 52,003.30

SURPLUS FOR THE YEAR BEFORE CHARGING

DIVIDENDS	\$ 71,488.24
-----------------	--------------

ONE QUARTERLY DIVIDEND ON 6% CUMULATIVE
PREFERRED STOCK

28,953.00

SURPLUS FOR THE YEAR.....	\$ 42,535.24
---------------------------	--------------

SURPLUS, JANUARY 1, 1937.....	1,099,684.59
-------------------------------	--------------

SURPLUS, DECEMBER 31, 1937.....	<u>\$1,142,219.83</u>
---------------------------------	-----------------------

NOTES:—No charge has been made against income on account of amortization of debt discount and expense, the unamortized balance of which was written off in 1929 against surplus. The portion of the debt discount and expense which would have been amortized as a charge against income of the year 1937, if the entire amount had not previously been written off, is \$8,249.10.

*—Net profit on sales of appliances consists of:

Net sales	\$219,002.15
Cost of sales.....	150,832.25
Gross profit	\$ 68,169.90
Selling and other related expenses.....	57,570.02
Net profit	<u>\$ 10,599.88</u>

NEW YORK AND RICHMOND GAS COMPANY

(Incorporated in New York)

BALANCE SHEET, DECEMBER 31, 1937

ASSETS

FIXED CAPITAL (including intangibles)—book value.....\$6,811,178.80

CURRENT ASSETS:

Cash\$ 33,498.79

Accounts receivable:

Gas consumers\$ 92,337.09

Gas burning appliances:

Time sales (including amounts not due
within one year)..... 118,903.32

Other sales 12,264.00

Miscellaneous 718.83

Total.....\$224,223.24

Less reserve for doubtful accounts..... 8,374.59 215,848.65

Inventory, at cost or less:

Gas burning appliances.....\$ 35,978.65

Material and supplies..... 69,691.11 105,669.76

Total current assets..... 355,017.20

DEFERRED CHARGES:

Prepaid insurance\$ 9,269.95

Prepaid interest on notes payable..... 365.00

Advances to employees..... 539.86

Other deferred charges..... 140.00

Total deferred charges..... 10,314.81

INVESTMENT IN LAND NOT USED IN OPERATIONS..... 115,514.03

TOTAL.....\$7,292,024.84

LIABILITIES

CAPITAL STOCK:

Six per cent cumulative preferred—\$100.00 par (callable at \$107.50)—authorized, 30,000 shares; issued and outstanding, 19,302 shares.....	\$1,930,200.00
Common—no par value—authorized and outstanding (including 540 shares represented by 54 shares of old common of \$100.00 par not presented for exchange), 150,000 shares	1,500,000.00
Total Capital Stock.....	\$3,430,200.00

FIRST REFUNDING 6% MORTGAGE BONDS, DUE MAY 1, 1951.... 2,125,000.00

CURRENT LIABILITIES:

Note payable to bank.....	\$ 45,000.00
Accounts payable	62,131.26
Taxes accrued and payable.....	22,380.80
Accrued bond interest.....	21,250.00
Accrued interest on consumers' deposits.....	16,361.86
Former consumers' deposits unclaimed.....	12,941.30
Refundable main extension deposits.....	5,453.16
Accrued public liability insurance.....	1,489.17
Accrued legal and audit fees.....	2,074.92
Total (exclusive of consumers' deposits).....	\$ 189,082.47
Consumers' deposits	268,645.00
Total current liabilities.....	457,727.47

RESERVES:

Retirement of fixed capital.....	\$ 70,215.78
Contributions for extensions.....	61,545.12
Operating reserve—tools and implements.....	5,116.64
Total reserves.....	136,877.54

SURPLUS 1,142,219.83

TOTAL.....\$7,292,024.84

NOTE:—At December 31, 1937 dividends in arrears on the six per cent cumulative preferred stock amounted to \$144,765.00, not reflected in the above statement.

Directors

D. R. J. ARNOLD

JACOB H. GOETZ

JOHN KOHOUT

WILLIAM P. LOUGH

EDWARD L. LOVE

JOSEPH H. MALOY

* *

Officers

PRESIDENT & TREASURER.....JOHN KOHOUT

VICE PRESIDENT.....JOSEPH H. MALOY

SECRETARYAUGUST MULLER

ASSISTANT SECRETARY.....RUDOLPH A. WEISS

AUG 20 1942

1499
Marvyn Scudder
Financial Library

1938

82nd
**EIGHTY SECOND
ANNUAL REPORT**

* *

NEW YORK AND RICHMOND GAS COMPANY

* *

**Staten Island
New York City**

* *

FOR YEAR ENDING DECEMBER 31st, 1938

This annual report or any statement contained herein, is not furnished in connection with any offering of securities of the Company, nor for the purpose of promoting, influencing or effecting the sale or purchase of its securities.

NEW YORK AND RICHMOND GAS COMPANY

691 BAY STREET

STATEN ISLAND, NEW YORK

To the Stockholders of New York and Richmond Gas Company:

There is submitted herewith the Annual Report of your Company, including a Summary Income Statement for the twelve months ending December 31, 1938 and Balance Sheet as of December 31, 1938, together with Accountants' Certificate.

General

Net income for the year shows an increase of \$46,121.68, as compared with the previous year, and an increase of \$27,160.03, when compared with the year ending December 31, 1936. The increase in net income for the past year is accounted for by increased sales amounting to \$29,847.96 and decreased expenses of \$16,273.72.

As in the past eight years, expenditures for necessary extensions and additions to property were made out of current funds. While the Company's cash position has improved somewhat, no dividends were paid during the year. Including the dividend normally payable January 1st, 1939, there are nine quarterly dividend payments in arrears.

As a result of the proceedings before the Public Service Commission in Case No. 8700, the new Uniform System of Accounts, effective January 1, 1938, and the Continuing Property Record, prescribed by the Commission, your Company has made certain adjustments to its balance sheet accounts.

The following adjustments were made in December:

Asset Accounts:	Reduction	Increase
Fixed Assets (including property not used in operations).....	\$689,842.	
Liability Accounts:		
Depreciation Reserve	\$ 7,085.	
Contributions in Aid of Construction.....		\$270,188.
Surplus	952,945.	
Net Reduction	\$689,842.	

A further adjustment remains to be made by reducing the stated capital stock by the amount of \$650,000. and reducing Fixed Assets by a like amount. Your Company has taken steps to bring this final adjustment about by securing the approval of its stockholders, the Public Service Commission and the Securities and Exchange Commission to the proposed reduction of the capital represented by its common stock.

The Plant Accounts of the Company are now stated on the basis of original cost as defined by the new System of Accounts, namely, "the cost of such property to the person first devoting it to public service." That portion of the excess of the cost of the property to your Company over its "original cost" so defined, which has not been written off, is now carried in the asset account "Gas Plant Acquisition Adjustments."

In granting its permission to the proposed reduction of common capital the Securities and Exchange Commission attached certain conditions, among which the most important are:

1. The Commission's approval is required for future payments of dividends to stockholders;
2. Notice of any charges to Surplus is required to be given to that Commission, subject to its action; and
3. The Commission reserves its powers under Section II (b) (2) of the Holding Company Act with respect to the distribution of voting powers of the stock of your Company.

Operations

Taxes (exclusive of Federal Income Tax) for the year amounted to \$190,012.92 absorbing 16.02 cents of every dollar paid by our customers for gas, and represents 21.52 cents in the cost of every thousand cubic feet of gas sold. The Company experienced its maximum day's send-out of 4,114,000 cubic feet of gas on Thanksgiving Day, November 24th.

Construction

During the year the following necessary property additions and replacements were made:

Plant	\$ 7,419.20
Distribution System	85,370.97
General	5,806.52
	<hr/>
	\$98,596.69
Retirement of Property.....	24,748.92
	<hr/>
Net Additions	\$73,847.77

Business Development

Efforts along the lines of increasing the use of gas by the sale and installation of appliances using gas as a fuel were continued during the past year, resulting in the following sales:

- 428 Gas Refrigerators
- 1073 Gas Ranges
- 345 Gas Water Heaters
- 25 Gas Househeating Systems
- 148 Miscellaneous Appliances

Gas Sales for the year amounted to 882,856,300 cubic feet as compared with 853,154,300 cubic feet for 1937, an increase of 3.48%.

On December 31, 1938, your Company had in service 298.78 miles of various size gas mains and 31,939 active meters.

Respectfully submitted,

JOHN KOHOUT, President.

March 6, 1939.

HASKINS & SELLS
Certified Public Accountants

67 Broad Street
New York

ACCOUNTANTS' CERTIFICATE

New York and Richmond Gas Company:

We have made an examination of the balance sheet of New York and Richmond Gas Company as of December 31, 1938 and of the related statement of income and surplus for the year 1938. In connection therewith, we examined or tested accounting records of the Company and other supporting evidence; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

The reserve for depreciation and the year's provision for that reserve do not reflect a basis contemplating the amortization of the investment in plant property over any estimated period of its duration, but represent such lesser amounts as were provided on the basis explained in balance sheet footnote No. 2.

In our opinion, based upon the examination outlined in the foregoing and except as set forth in the preceding paragraph, the accompanying balance sheet and related statement of income and surplus fairly present, in accordance with accepted principles of accounting consistently followed by the Company, its financial condition at December 31, 1938 and the results of its operations for the year ended that date.

HASKINS & SELLS.

New York,
February 28, 1939.

NEW YORK AND RICHMOND GAS COMPANY

STATEMENT OF INCOME AND SURPLUS

For the Year Ended December 31, 1938

	Amount	Percentage of Operating Revenue
OPERATING REVENUE—Sales of gas (less cash discounts, \$63,386.72)	\$1,186,216.19	100.00
OPERATING REVENUE DEDUCTIONS:		
Production	263,819.01	22.24
Transmission	7,981.02	.67
Distribution	124,228.00	10.47
Customers' accounting and collection expense.....	73,401.52	6.19
Sales promotion (less net profit on sale of merchandise, *\$745.38)	77,554.73	6.54
Administrative and general	96,453.68	8.13
Provision for depreciation..... †	30,436.47	2.57
Taxes, other than Federal income and capital stock taxes	190,012.92	16.02
Total.....	\$ 863,887.35	72.83
NET OPERATING REVENUE	\$ 322,328.84	27.17
INCOME DEDUCTIONS:		
Interest:		
First mortgage bonds	\$ 127,500.00	10.75
Customers' deposits	16,388.05	1.38
Note payable	1,808.57	.15
Federal and State taxes assumed on bond interest payments	1,966.01	.16
Taxes and expenses in connection with property not used in operations (less rental income, \$1,360.00).....	1,029.68	.09
Provisions for Federal income and capital stock taxes....	9,848.63	.83
Total.....	\$ 158,540.94	13.36
NET INCOME	\$ 163,787.90	13.81

NET INCOME (Forward)\$163,787.90

SURPLUS, JANUARY 1, 1938, BEFORE

ADJUSTMENT\$1,142,219.83

LESS ADJUSTMENT OF PLANT PROPERTY

AND OTHER ACCOUNTS AS OF JAN-

UARY 1, 1938, TO CONFORM WITH

FINDINGS OF THE PUBLIC SERVICE

COMMISSION OF THE STATE OF NEW

YORK† 952,945.47

SURPLUS, JANUARY 1, 1938, AS ADJUSTED..... 189,274.36

SURPLUS, DECEMBER 31, 1938.....† \$ 353,062.26

NOTES: No charge has been made against income on account of amortization of debt discount and expense, the unamortized balance of which was written off in 1929 against surplus. The portion which would have been amortized as a charge against income of the year 1938, if the entire amount had not been previously written off, is \$8,249.10.

* Net profit on sales of appliance consists of:

Net sales\$169,958.28

Cost of sales 121,972.08

Gross profit\$ 47,986.20

Selling and other related expenses..... 47,240.82

Net profit\$ 745.38

† See balance sheet footnotes Nos. 1 and 2.

NEW YORK AND RICHMOND GAS COMPANY

(Incorporated in New York)

BALANCE SHEET, DECEMBER 31, 1938

ASSETS

PLANT, PROPERTY, AND EQUIPMENT (including intangibles)—

See Note 1\$6,136,493.29

OTHER PHYSICAL PROPERTY (not used in operations)..... 130,756.29

CURRENT ASSETS:

Cash (including working funds, \$1,700.00).....\$106,988.24

Accounts receivable:

Gas\$ 96,279.23

Merchandise—Time sales (including
amounts not due within one year)..... 118,894.28

Other 13,434.18

Total\$228,607.69

Less reserve for doubtful accounts..... 12,372.69 216,235.00

Inventories (book inventories at cost or less):

Fuel and residual by-product.....\$ 43,503.84

Materials and supplies 30,374.27

Merchandise 31,238.08 105,116.19

Total current assets..... 428,339.43

DEFERRED CHARGES:

Prepaid insurance\$ 8,331.28

Prepaid interest on note payable..... 336.01

Other 140.00

Total deferred charges..... 8,807.29

CAPITAL STOCK EXPENSE 53,877.76

TOTAL\$6,758,274.06

LIABILITIES

CAPITAL STOCK:

Six per cent. cumulative preferred—\$100.00 par (callable at \$107.50)—authorized, 30,000 shares; outstanding, 19,302 shares	\$1,930,200.00
Common— no par value—authorized and outstanding (including 540 shares represented by 54 shares of old common of \$100.00 par not presented for exchange), 150,000 shares—See Note 1.....	1,500,000.00
Total capital stock—See Note 1.....	\$3,430,200.00

FIRST REFUNDING 6% MORTGAGE BONDS, DUE MAY 1, 1951.... 2,125,000.00

CURRENT LIABILITIES:

Note payable to bank.....	\$ 42,000.00	
Accounts payable	49,182.66	
Taxes accrued and payable.....	31,525.39	
Accrued bond interest	21,250.00	
Accrued interest on customers' deposits.....	18,797.22	
Former customers' deposits unclaimed.....	9,599.80	
Refundable main extension deposits.....	5,274.16	
Miscellaneous	862.00	
Total (exclusive of customers' deposits)	178,491.23	
Customers' deposits	\$ 271,310.00	
Total current liabilities.....		449,801.23

RESERVES:

Depreciation—See Note 2.....	\$ 66,231.58	
Operating reserve—tools and implements.....	979.09	
Total reserves		67,210.67

CONTRIBUTIONS IN AID OF CONSTRUCTION.....	332,999.90
SURPLUS—See Note 1.....	353,062.26
TOTAL	<u>\$6,758,274.06</u>

NOTE: The footnotes on page 8 are an integral part of this statement and should be considered in connection therewith.

Notes:

1. In order to conform with the findings of the Public Service Commission of the State of New York, as set forth in an opinion dated November 14, 1938, the Company has undertaken to make certain adjustments of its balance sheet accounts. The effect of the adjustments made in 1938 was as follows:

Plant property—decrease	\$ 758,962.71
Contributions in aid of construction—increase.....	270,188.38
Total	<u>\$1,029,151.09</u>
Reserve for depreciation—decrease.....	\$ 7,085.60
Other physical property—increase.....	15,242.26
Unamortized capital stock expense—increase.....	53,877.76
Surplus—decrease	<u>952,945.47</u>
Total	<u>\$1,029,151.09</u>

An amount of \$1,050,000.00 included in Plant Property on the books of the Company and in the balance sheet, remains to be disposed of. The Company proposes to reduce the stated value of its common capital stock by \$650,000.00 without change in the number of outstanding shares, and to apply such amount in reduction of Plant Property. Permission for this reduction was granted by the Securities and Exchange Commission, pursuant to sections 6 and 7 of the Public Utility Holding Company Act of 1935, on February 17, 1939. The disposition of the remaining \$400,000.00 has not yet been determined.

The order of the Securities and Exchange Commission granting permission for the reduction in common capital stock was made subject to the conditions that "No charge (other than one required by the New York Commission) shall be made to the surplus account unless said charge first be authorized by the Board of Directors and subsequent to such authorization notice of the making of such charge be given to this Commission; in which event the Commission reserves jurisdiction, after notice and opportunity for hearing, to disapprove such charge on the basis of the record herein and any additional evidence that may be adduced by any interested party; and in the event that the Commission shall, within twenty days, notify declarant to show cause why such charge should not be disapproved, the charge in question shall not be made until expressly authorized by order of this Commission: Provided, however, that in no event, until further order of the Commission, shall the declarant pay any dividends on any of its stocks unless it has filed with this Commission under Section 12 (c) of the Act and the applicable rules and regulations thereunder an application for approval of the payment of such dividends and except in conformity with the order of the Commission issued in respect thereof."

2. The reserve for depreciation represents the balance at December 31, 1937 in the former reserve for retirement of fixed capital, less the excess of amounts charged off over provisions made during the year 1938. Accordingly that reserve, and the related provision for the year 1938, although shown as being for depreciation, do not purport to be on a basis contemplating the amortization of the investment in plant property over the period of its estimated duration but, as in former years, represent only a provision for actual retirements of property, when they occur, through accruals from income based on a rate of 3½ cents per thousand feet of gas sold. The amount thus provided for the year 1937 was \$82,126.27 less than the amount of depreciation claimed as a deduction for Federal income tax for that year. The new Uniform System of Accounts promulgated by the Public Service Commission of the State of New York, effective as of January 1, 1938, provides, among other things, for provisions for depreciation (in lieu of provisions for retirements) but pending further pertinent regulations of the Commission the Company has continued the basis previously in use. The Company is making a study to determine what procedure it should follow in providing for depreciation.
3. Dividends in arrears on the six per cent, cumulative preferred stock amounted to \$260,577.00 or \$13.50 a share at December 31, 1938.

NEW YORK AND RICHMOND GAS COMPANY

* *

Officers

President & Treasurer.....JOHN KOHOUT
Vice-President.....JOSEPH H. MALOY
SecretaryAUGUST MULLER
Assistant Secretary.....RUDOLPH A. WEISS

* *

Directors

D. R. J. ARNOLD
JACOB H. GOETZ
JOHN KOHOUT
WILLIAM P. LOUGH
EDWARD L. LOVE
JOSEPH H. MALOY

AUG 20 1942

Marvyn Scudder
Financial Library

1499

1939

83rd
**EIGHTY THIRD
ANNUAL REPORT**

* *

NEW YORK AND RICHMOND GAS COMPANY

* *

**Staten Island
New York City**

* *

For Year Ending December 31st, 1939

This annual report or any statement contained herein, is not furnished in connection with any offering of securities of the Company, nor for the purpose of promoting, influencing or effecting the sale or purchase of its securities.

NEW YORK AND RICHMOND GAS COMPANY

691 BAY STREET

STATEN ISLAND, NEW YORK

To the Stockholders of

New York and Richmond Gas Company:

There is submitted herewith the Annual Report of your Company, including a Summary Income Statement for the twelve months ending December 31, 1939 and Balance Sheet as of December 31, 1939, together with Accountants' Certificate.

General

Gross revenue for the year amounted to \$1,206,110.41 as compared with the previous year of \$1,186,216.19, an increase of \$19,894.22.

Net income for the year shows a decrease of \$15,884.88 due entirely to the increased appropriation to Depreciation Reserve amounting to \$69,095.37 for the year as compared with \$30,436.47 for the previous year, an increase of \$38,658.90.

As in the past nine years, expenditures for necessary extensions and additions to property were made out of current funds.

Bank Loans amounting to \$42,000.00 were paid during the year.

Operations

Gas produced for the year amounted to 965,550,000 cubic feet as compared with 947,871,000 cubic feet for the preceding year. Taxes (exclusive of Federal Income and Capital Stock Tax) for the year amounted to \$176,243.41, absorbing 14.61 cents of every dollar of revenue received and represents 19.33 cents in the cost of every thousand cubic feet of gas sold.

Construction

During the year, the following necessary property additions and replacements were made:

Production Plant	\$ 10,398.30
Transmission Plant	16,063.13
Distribution Plant	109,135.24
General Plant	17,248.59
Construction in Progress.....	2,804.87
<hr/>	
Total Additions	155,650.13
Property Retired	27,126.50
<hr/>	
Net Additions	<u>\$128,523.63</u>

Business Development

Efforts to increase the use of gas by the sale and installation of appliances using gas for fuel were continued during the past year resulting in the following sales:

357 Gas Refrigerators
1211 Gas Ranges
294 Gas Water Heaters
18 Gas Househeating Systems
71 Miscellaneous Appliances

Gas sales during the year amounted to 911,692,300 cubic feet as compared with 882,856,300 cubic feet sold during 1938.

On December 31, 1939, your company had in service 301.06 miles of various size gas mains and 32,328 active meters.

Personnel

At the end of the year, 223 permanent employees were on the payroll of the company. Following is a summary of their service periods:

50 years	1
40 years	1
35 years and over	3
30 years and over	3
25 years and over	4
20 years and over	28
15 years and over	36
10 years and over	49
5 years and over	39
Under 5 years	59

The Management wishes to express its appreciation of the willing cooperation of the employees of the company during the past year.

Respectfully submitted,

JOHN KOHOUT, President.

Dated, March 18, 1940.

HASKINS & SELLS
Certified Public Accountants

67 Broad Street
New York

ACCOUNTANTS' CERTIFICATE

New York and Richmond Gas Company:

We have examined the balance sheet of New York and Richmond Gas Company as of December 31, 1939 and the statement of income and surplus for the year ended that date, have reviewed the system of internal control and the accounting procedures of the Company, and have examined or tested its accounting records and other supporting evidence by methods and to the extent we deemed appropriate.

In order to conform with the findings of the Public Service Commission of the State of New York, an amount of \$1,050,000.00 included in plant property account on the books of the Company and in the accompanying balance sheet is to be disposed of, as explained in balance sheet Note 1.

In our opinion, subject to such adjustments as will be required in disposing of the \$1,050,000.00 mentioned in the preceding paragraph and to the adequacy of the provision and reserve for depreciation (computed as set forth in Note 2 to the balance sheet), as to which we are not in a position to express an opinion, the accompanying balance sheet and related statement of income and surplus fairly present the financial condition of the Company at December 31, 1939 and the results of its operations for the year ended that date, in conformity with generally accepted accounting principles followed by the Company on a basis consistent with that of the preceding year except as to the change in depreciation policy as set forth in Note 1 to the statement of income and surplus.

HASKINS & SELLS.

New York,
March 1, 1940.

NEW YORK AND RICHMOND GAS COMPANY

STATEMENT OF INCOME AND SURPLUS

For the Year Ended December 31, 1939

	Amount	Percentage of Operating Revenue
OPERATING REVENUE—Sales of gas (less cash discounts, \$64,429.52)	\$1,206,110.41	100.00
OPERATING REVENUE DEDUCTIONS:		
Production expenses	\$ 278,088.77	23.06
Transmission expenses	8,472.33	.70
Distribution expenses	118,413.85	9.82
Customers' accounting and collection expenses.....	66,469.87	5.51
Sales promotion expenses (including loss on sales of merchandise, \$5,662.85)	76,469.71	6.34
Administrative and general expenses	101,460.47	8.41
Provision for depreciation (see Note 1).....	69,095.37	5.73
Taxes (other than taxes shown below as income deductions)	176,243.41	14.61
Total.....	\$ 894,713.78	74.18
NET OPERATING REVENUE	\$ 311,396.63	25.82
INCOME DEDUCTIONS:		
Interest:		
First mortgage bonds	\$ 127,500.00	10.57
Customers' deposits	17,519.25	1.45
Note payable	336.01	.03
Federal and State taxes assumed on bond interest payments	1,976.60	.17
Taxes and expenses in connection with property not used in operations (less rental income, \$1,450.00).....	514.75	.04
Provision for Federal income and capital stock taxes.....	15,647.00	1.30
Total.....	\$ 163,493.61	13.56
NET INCOME	\$ 147,903.02	12.26
SURPLUS, JANUARY 1, 1939.....	353,062.26	
SURPLUS, DECEMBER 31, 1939(see balance sheet Note 1) \$	500,965.28	

NOTE: The notes on the next page are an integral part of this statement and should be considered in connection therewith.

NEW YORK AND RICHMOND GAS COMPANY

Notes to Statement of Income and Surplus for the Year Ended December 31, 1939

NOTES:

1. As explained in balance sheet Note 2 provision for depreciation of plant, property and equipment was made prior to 1939 on the basis of $3\frac{1}{2}$ cents per thousand cubic feet of gas sold, and for the year 1939 on the basis of approximately 1.4% a year applied to the balance in the property account at the beginning of the year, exclusive of intangibles and non-depreciable property. As a result of this change in the basis of computation, the amount of depreciation charged to income for the year 1939 is approximately \$38,000.00 in excess of the amount which would have been charged on the former basis. These provisions have not been computed on a basis contemplating the amortization of the investment in plant property over the period of its estimated life.
2. In 1929, the balance of the unamortized bond discount and expense applicable to the Company's first mortgage bonds was written off against surplus. If this had not been done, and the bond discount and expense had been amortized over the life of the bonds, the unamortized balance thereof at December 31, 1939 would have amounted to \$93,489.76, the surplus at that date would have been correspondingly increased, and the net income for the year 1939 would have been reduced \$8,249.10.

NEW YORK AND RICHMOND GAS COMPANY

(Incorporated in New York)

BALANCE SHEET, DECEMBER 31, 1939

ASSETS

PLANT, PROPERTY, AND EQUIPMENT (including intangibles)—	
See Note 1	\$6,265,016.92
OTHER PHYSICAL PROPERTY (not used in operations).....	130,756.29
CURRENT ASSETS:	
Cash (including working funds, \$2,000.00).....	\$165,905.07
Accounts receivable:	
Gas	\$104,068.74
Merchandise—Time sales (including amounts not due within one year).....	58,786.44
Other	10,728.51
Total	\$173,583.69
Less reserve for doubtful accounts.....	11,988.02 161,595.67
Inventories (book inventories at cost or less):	
Fuels, and residual by-product.....	\$ 39,018.21
Materials and supplies.....	39,392.78
Merchandise	33,492.58 111,903.57
Special deposit	1,000.00
Total current assets.....	440,404.31
DEFERRED CHARGES:	
Prepaid insurance	\$ 13,581.23
Other	347.44
Total deferred charges.....	13,928.67
CAPITAL STOCK EXPENSE.....	53,877.76
TOTAL	\$6,903,983.95

LIABILITIES

CAPITAL STOCK:

Six per cent cumulative preferred—\$100.00 par (callable at \$107.50); authorized, 30,000 shares; outstanding, 19,302 shares	\$1,930,200.00
Common—no par value; authorized and outstanding (including 540 shares represented by 54 shares of old common of \$100.00 par not presented for exchange), 150,000 shares—See Note 1.....	1,500,000.00
Total capital stock.....	\$3,430,200.00

FIRST REFUNDING 6% MORTGAGE BONDS, DUE MAY 1, 1951..... 2,125,000.00

CURRENT LIABILITIES:

Accounts payable	\$ 34,458.13
Taxes accrued and payable (including taxes collected from customers and employees, \$11,309.71).....	38,047.31
Accrued bond interest	21,250.00
Accrued interest on customers' deposits.....	19,537.98
Refundable main extension deposits.....	6,836.86
Miscellaneous	13,789.19
Total (exclusive of customers' deposits).....	\$133,919.47
Customers' deposits	274,530.00
Total current liabilities	408,449.47

RESERVE FOR DEPRECIATION—See Note 2..... 105,062.50

CONTRIBUTIONS IN AID OF CONSTRUCTION..... 334,306.70

SURPLUS—See Note 1 500,965.28

TOTAL
\$6,903,983.95

NOTE: The notes on the next page are an integral part of this statement and should be considered in connection therewith.

NEW YORK AND RICHMOND GAS COMPANY

Notes to Balance Sheet, December 31, 1939

1. In order to conform with the findings of the Public Service Commission of the State of New York, as set forth in an opinion dated November 14, 1938, the Company during the year 1938, among other things, reduced the book value of plant, property, and equipment in the amount of \$758,962.71. Under such findings, an additional amount of \$1,050,000.00 (included in plant, property, and equipment on the books and in the above statement) remains to be disposed of. The Company proposes to dispose of \$650,000.00 of this amount through a corresponding reduction in the stated value of its common capital stock. Permission for such a reduction in the common capital stock was granted by the Securities and Exchange Commission on February 17, 1939, pursuant to sections 6 and 7 of the Public Utility Holding Company Act of 1935. The disposition of the remaining \$400,000.00 has not yet been determined.

The order of the Securities and Exchange Commission granting permission for the reduction in common capital stock was made subject to the condition that "No charge (other than one required by the New York Commission) shall be made to the surplus account unless said charge first be authorized by the Board of Directors and subsequent to such authorization notice of the making of such charge be given to this Commission, in which event the Commission reserves jurisdiction, after notice and opportunity for hearing, to disapprove such charge on the basis of the record herein and any additional evidence that may be adduced by any interested party; and in the event that the Commission shall, within twenty days, notify declarant to show cause why such charge should not be disapproved, the charge in question shall not be made until expressly authorized by order of this Commission: Provided, however, that in no event, until further order of this Commission, shall the declarant pay any dividends on any of its stocks unless it has filed with this Commission under Section 12 (c) of the Act and the applicable rules and regulations thereunder an application for approval of the payment of such dividends and except in conformity with the order of the Commission issued in respect thereof".

2. The reserve for depreciation represents the excess of provisions made over property retirements charged thereto. Prior to 1939, the provision for depreciation was based on $3\frac{1}{2}$ cents per thousand cubic feet of gas sold and for the year 1939 was based on approximately 1.4% a year applied to the balance in the property account at the beginning of the year, exclusive of intangibles and non-depreciable property. The amounts thus provided have not been computed on a basis contemplating the amortization of the investment in plant property over the period of its estimated life, but were intended to provide for the retirements of property when they occur. In the opinion of the management of the Company, the provisions made, together with expenditures for maintenance, have been sufficient to maintain the physical properties in a condition to render adequate service. The Uniform System of Accounts promulgated by the Public Service Commission of the State of New York, effective as of January 1, 1938, prescribes that depreciation as applied to gas plant be provided to the extent of the net loss in service value not restored by current maintenance.
3. As of December 31, 1939, the Company was contingently liable in the amount of approximately \$39,900.00 with respect to merchandise installment contracts assigned to a bank in 1939.
4. Dividends in arrears on the six per cent cumulative preferred stock amounted to \$376,389.00, or \$19.50 a share, at December 31, 1939.

NEW YORK AND RICHMOND GAS COMPANY

* *

Officers

President & Treasurer.....	JOHN KOHOUT
Vice-President.....	JOSEPH H. MALOY
Vice-President.....	WILLIAM P. LOUGH
Secretary	AUGUST MULLER
Assistant Secretary.....	RUDOLPH A. WEISS

* *

Directors

D. R. J. ARNOLD
TOM GARRETT
JACOB H. GOETZ
JOHN KOHOUT
WILLIAM P. LOUGH
EDWARD L. LOVE
JOSEPH H. MALOY

AUG 20 1942

1499
Marvyn Scudder
Financial Library

1940

84th
***Eighty Fourth
Annual Report***



New York and Richmond Gas Company

* *

***Staten Island
New York City***

* *

For Year Ending December 31st, 1940

Figures appearing in this report have been taken from the books of the Company and are presented as general information and not in connection with any sale or offer to sell or solicitation of an offer to buy any securities.

New York and Richmond Gas Company

* *

OFFICERS

President and Treasurer - - JOHN KOHOUT
Vice-President - - - JOSEPH H. MALOY
Vice-President - - - - WILLIAM P. LOUGH
Secretary - - - - - AUGUST MULLER
Assistant Secretary - - - RUDOLPH A. WEISS

DIRECTORS

D. R. J. ARNOLD
TOM GARRETT
JACOB H. GOETZ
JOHN KOHOUT
WILLIAM P. LOUGH
EDWARD L. LOVE
JOSEPH H. MALOY

NEW YORK AND RICHMOND GAS COMPANY

691 BAY STREET

STATEN ISLAND, NEW YORK

To The Stockholders of New York and Richmond Gas Company:

There is submitted herewith the Annual Report of your Company, including a Statement of Income and Surplus for the twelve months ending December 31, 1940 and Balance Sheet as of December 31, 1940, together with Accountants' Certificate.

General

Operating revenues for the year amounted to \$1,242,584.33 as compared with the previous year of \$1,206,110.41, an increase of \$36,473.92.

Net income for the year shows an increase of \$18,258.41.

As in the past ten years, expenditures for necessary extensions and additions to property were provided from earnings.

During the year 1940, several important changes have been made in the accounts and the financial structure of your Company.

On September 20, 1940, there was filed in the office of the Secretary of State, with the authorization of stockholders and the approval of the Public Service Commission, a Certificate reducing the capital represented by common stock from \$1,500,000. to \$850,000. The entire reduction of \$650,000. was applied to the reduction of the balance in Acquisition Adjustment Account from \$1,050,000 to \$400,000, in accordance with a previous decision by the Public Service Commission.

On December 20, 1940, a Plan of Capital Adjustment of the Company was consummated by the filing of a Certificate in the office of the Secretary of State, with the authorization of stockholders and the approval of the Public Service Commission, providing for:

1. Changing 150,000 shares of common stock into 15,000 shares.
2. Elimination of 4,302 shares of Six Percent Cumulative Preferred Stock which was donated to the Company by common stockholders, resulting in a reduction of the capital represented by preferred stock in the amount of \$430,200.
3. Authorization of 30,000 shares of 6% Cumulative Prior Preferred Stock, having full voting rights, of which 15,000 shares were reserved for issuance in conversion, share for share, of Six Percent. Cumulative Preferred Stock, at the option of the stockholders.

In pursuance of the Plan, new stock certificates were issued to evidence the change of common shares and the conversion of preferred shares, with the result that the Company had outstanding at the end of the year 15,000 shares of Common Stock, 13,677 shares of the new Prior Preferred Stock and 1,323 shares of old Preferred Stock.

On January 1, 1941, Prior Preferred Dividends Nos. 1 and 2 for the quarters ended September 30, 1940 and December 31, 1940, respectively, were paid to holders of Prior Preferred Stock who had tendered their Preferred Stock for conversion on or before November 26, 1940. Prior Preferred Dividend No. 2 was also paid to holders of Prior Preferred Stock who had tendered their Preferred Stock for conversion between November 26 and December 31, 1940.

Of the \$430,200 reduction of capital resulting from the elimination of the 4,302 shares of Six Percent. Cumulative Preferred Stock donated by common stockholders, \$400,000 was applied to the elimination of the balance remaining in the Acquisition Adjustment Account, \$20,746.89 was transferred to the Depreciation Reserve, and the balance was applied in reduction of Capital Stock Expense and Premium pertaining to the changed common shares and the converted preferred shares.

In addition to permitting the adjustment of balance sheet accounts, the donation of 4,302 shares of Preferred Stock and the conversion of 13,677 shares of Preferred Stock into Prior Preferred Stock, resulted in the elimination of a very substantial amount of Preferred Stock dividend arrearages.

In addition to the foregoing, \$413,021.53 was transferred from Earned Surplus to Depreciation Reserve as of December 31, 1940, pursuant to the authorization of the Company's Board of Directors. This transfer, together with the transfer made in connection with the elimination of 4,302 shares of Preferred Stock, increased the balance in the Depreciation Reserve to \$572,417.79 as of December 31, 1940, or approximately 11% of the original cost of depreciable utility plant.

It is believed that these extensive changes, which were made possible through the cooperation of the large majority of the common and preferred stockholders of the Company, have considerably improved the Company's financial position.

Operations

Gas produced for the year amounted to 1,004,933,000 cubic feet as compared with 965,550,000 cubic feet for the preceding year. Taxes (including provision of \$30,469.84 for Federal Income and Capital Stock Taxes) for the year amounted to \$203,360.50, absorbing 16.53 cents of every dollar of revenue received and represents 21.36 cents in the cost of every thousand cubic feet of gas sold.

Construction

During the year, the following necessary property additions and replacements were made:

Production Plant	\$18,164.10
Storage Plant	1,309.72
Transmission Plant	18,832.21
Distribution Plant	107,364.66
General Plant	14,680.59
	<hr/>
	\$160,351.28
Property Retired	39,221.84
	<hr/>
Net additions	<u>\$121,129.44</u>

Business Development

Efforts to increase the use of gas by the sale and installation of appliances using gas for fuel were continued during the past year resulting in the following sales:

1156 Gas Ranges
374 Gas Refrigerators
291 Gas Water Heaters
19 Gas Househeating Systems
90 Miscellaneous Appliances

Gas sales during the year amounted to 961,299,500 cubic feet as compared with 911,692,300 cubic feet sold during 1939.

On December 31, 1940, your company had in service 303.59 miles of various size gas mains and 32,749 active meters.

The Management wishes to express its appreciation of the willing cooperation of the employees of the company during the past year.

Respectfully submitted,

JOHN KOHOUT,
President.

Dated March 17, 1941.

HASKINS & SELLS
Certified Public Accountants

67 Broad Street
New York

ACCOUNTANTS' CERTIFICATE

New York and Richmond Gas Company:

We have examined the balance sheet of New York and Richmond Gas Company as of December 31, 1940 and the statement of income and surplus for the year ended that date, have reviewed the system of internal control and the accounting procedures of the Company, and have examined or tested its accounting records and other supporting evidence by methods and to the extent we deemed appropriate.

In our opinion, subject to the adequacy of the provision and the reserve for depreciation, as to which we are not in a position to express an opinion, the accompanying balance sheet and related statement of income and surplus fairly present the financial condition of the Company at December 31, 1940 and the results of its operations for the year ended that date, in conformity with generally accepted accounting principles followed by the Company on a basis consistent with that of the preceding year.

HASKINS & SELLS

New York,
March 1, 1941.

NEW YORK AND RICHMOND GAS COMPANY

Statement of Income and Surplus For the Year Ended December 31, 1940

	AMOUNT	PERCENTAGE OF OPERATING REVENUE
OPERATING REVENUE—Sales of gas.....	\$1,242,584.33	100.00
OPERATING REVENUE DEDUCTIONS:		
Production expenses	\$ 300,563.95	24.19
Transmission expenses	9,096.46	.73
Distribution expenses	125,802.78	10.12
Customers' accounting and collection expenses.....	66,502.85	5.35
Sales promotion expenses (including loss on sales of merchandise, \$4,329.95).....	69,490.87	5.59
Administrative and general expenses.....	87,802.56	7.07
Provision for depreciation (see balance sheet Note 3).....	65,880.94	5.30
Taxes (other than taxes shown below as income deductions)	174,890.66	14.08
Total.....	\$ 900,031.07	72.43
NET OPERATING REVENUE.....	\$ 342,553.26	27.57
INCOME DEDUCTIONS:		
Interest:		
First mortgage bonds.....	\$ 127,500.00	10.26
Customers' deposits	14,888.22	1.20
Federal and State taxes assumed on bond interest payments	2,042.18	.17
Taxes and expenses in connection with property not used in operations (less rental income, \$1,445.00).....	841.59	.07
Federal capital stock tax.....	2,400.00	.19
Provision for normal Federal income taxes (no liability for excess profits taxes).....	28,069.84	2.26
Miscellaneous	650.00	.05
Total.....	\$ 176,391.83	14.20
NET INCOME	\$ 166,161.43	13.37
SURPLUS, JANUARY 1, 1940.....	500,965.28	
Total.....	\$ 667,126.71	
SURPLUS CHARGES:		
Portion of capital stock expense written off....\$41,424.65		
Amount transferred to reserve for depreciation of gas plant, property, and equipment (see balance sheet Note 3).....	413,021.53	
Dividends on 6% cumulative prior preferred stock	40,525.50	494,971.68
SURPLUS, DECEMBER 31, 1940.....	\$ 172,155.03	

NOTE: In 1929, the balance of the unamortized bond discount and expense applicable to the Company's first mortgage bonds was written off against surplus. If this had not been done, and the bond discount and expense had been amortized over the life of the bonds, the unamortized balance thereof at December 31, 1940 would have amounted to \$85,240.66, the surplus at that date would have been correspondingly increased, and the net income for the year 1940 would have been reduced \$8,249.10.

NEW YORK AND RICHMOND GAS COMPANY

(Incorporated in New York)

Balance Sheet, December 31, 1940

ASSETS

PLANT, PROPERTY, AND EQUIPMENT (See Note 1)	\$5,336,146.36
OTHER PHYSICAL PROPERTY (not used in operations)	130,756.29

CURRENT ASSETS:

Cash (including working funds, \$2,000.00)	\$205,309.69
--------------------------------------------------	--------------

Special deposits:

For payment of dividends	40,525.50
Other	1,000.00

Accounts receivable:

Gas	\$101,694.95
Merchandise—Time sales (including amounts not due within one year)	86,619.66
Other	9,140.06

Total

\$197,454.67

Less reserve for doubtful accounts	11,258.88	186,195.79
------------------------------------------	-----------	------------

Inventories (book inventories at cost or less) :

Fuels, and residual by-product.....	\$ 41,282.67	
Materials and supplies.....	39,658.26	
Merchandise	28,342.51	109,283.44

Total current assets..... 542,314.42

DEFERRED CHARGES:

Prepaid insurance	\$ 11,548.77
Other	3,535.45

Total deferred charges..... 15,084.22

CAPITAL STOCK EXPENSE	3,000.00
-----------------------------	----------

TOTAL.....\$6,027,301.29

LIABILITIES

CAPITAL STOCK (See Note 2):

6% cumulative prior preferred—\$100.00 par (callable at \$107.50); authorized, 30,000 shares; outstanding, 13,677 shares	\$1,367,700.00
Six percent. cumulative preferred—\$100.00 par (callable at \$107.50, or convertible at par, share for share into 6% cumulative prior preferred stock); authorized, 15,000 shares, of which 13,677 have been converted and are not reissuable; outstanding, 1,323 shares.....	132,300.00
Common—authorized and issued, 15,000 shares without par value (stated value, 56.66- $\frac{2}{3}$ a share)	850,000.00
Total capital stock.....	\$2,350,000.00

FIRST REFUNDING 6% MORTGAGE BONDS, DUE MAY 1, 1951..... 2,125,000.00

CURRENT LIABILITIES:

Dividends payable (cash in special deposit—see contra)	\$ 40,525.50
Accounts payable	36,790.55
Taxes accrued and payable (including taxes collected from customers and employees, \$11,414.53)	50,571.95
Accrued bond interest	21,250.00
Accrued interest on customers' deposits.....	20,914.49
Miscellaneous	15,020.96
Total (exclusive of customers' deposits)	\$ 185,073.45
Customers' deposits	280,165.00
Total current liabilities.....	465,238.45
RESERVE FOR DEPRECIATION (See Note 3)	572,417.79
DEFERRED CREDIT—Customers' advances for construction.....	6,836.86
CONTRIBUTIONS IN AID OF CONSTRUCTION.....	335,653.16
SURPLUS (See Note 4)	172,155.03
TOTAL	<u>\$6,027,301.29</u>

NOTE: Notes 1 to 4 on the next page are an integral part of this balance sheet.

NEW YORK AND RICHMOND GAS COMPANY

Notes to Balance Sheet, December 31, 1940

1. The book cost of plant, property, and equipment was reduced during the year 1940 by \$1,050,000.00, through the elimination of \$1,050,000.00 classified as Gas Plant Acquisition Adjustments in accordance with the findings of the Public Service Commission of the State of New York, as set forth in an opinion of the Commission dated November 14, 1938. The elimination of \$1,050,000.00 was effected by a reduction of \$650,000.00 in the stated value of the Company's common capital stock and the application of \$400,000.00 out of a total par value of \$430,200.00 of the Company's six percent. cumulative preferred stock donated to the Company (see Note 2).
2. At a meeting held August 28, 1940, the stockholders (1) confirmed a resolution previously adopted on December 16, 1938, approving the reduction of \$650,000.00 in the stated value of common stock; and (2) adopted a plan of capital adjustment which, among other things provided for (a) reduction in the authorized number of shares of common capital stock from 150,000 shares without par value (all of which were outstanding) to 15,000 shares without par value, without further reduction in the total stated value of the common stock; (b) retirement and cancellation of 4,302 shares of the six percent. cumulative preferred stock of \$100.00 par value each (to be donated to the Company) out of a total of 19,302 shares issued and outstanding, together with a reduction in the total authorized number of shares of such stock from 30,000 to 15,000 shares of \$100.00 par value each; and (c) authorization to issue 30,000 shares of 6% cumulative prior preferred stock of \$100.00 par value per share, 15,000 shares to be reserved for issuance in exchange, share for share, for those of the six percent. cumulative preferred stock, such exchange to be at the option of the stockholders.

An amendment to the Company's certificate of incorporation was filed with the Secretary of State of the State of New York on September 20, 1940, providing for the reduction of \$650,000.00 in the stated value of common stock. On December 20, 1940, a further amendment to the Company's certificate of incorporation was filed with the Secretary of State of the State of New York, providing for the plan of capital adjustment, and the plan as adopted was consummated prior to December 31, 1940. As stated in Note 1 above, the \$650,000.00 reduction in stated value of common stock and \$400,000.00 of the \$430,200.00 reduction of six percent. cumulative preferred stock were applied to the elimination of the \$1,050,000.00 classified as Gas Plant Acquisition Adjustments. The remainder of \$30,200.00 reduction of preferred stock was disposed of as follows: (1) applied in reduction of capital stock expense, \$9,453.11, and (2) credited to the reserve for depreciation, \$20,746.89. The filing of the two amendments to the Company's certificate of incorporation, and the issuance of securities in accordance with the plan of capital adjustment have been approved by the Public Service Commission of the State of New York, and the entries giving effect thereto have been made at the direction or with the approval of the Commission.

3. During the year 1940, upon the recommendation of the Company's engineering consultants, the balance in the reserve for depreciation as of December 31, 1938 (\$66,231.58) was increased to \$500,000.00 by a transfer of \$413,021.53 from earned surplus and the transfer to the reserve of \$20,746.89 of the amount of reduction of preferred stock (see Note 2 above). Provision for depreciation for the years 1939 and 1940 has been at a rate of 1.4% a year applied to the balance in the property account as of the beginning of each of the respective years, exclusive of intangibles and non-depreciable property. This rate was also recommended by the engineering consultants.
4. Dividends in arrears on the six percent. cumulative preferred stock which had not been converted for shares of prior preferred stock amounted to \$33,736.50, or \$25.50 a share, at December 31, 1940.

AUG 20 1942

1499
Marvyn Scudder
Financial Library

NEW YORK AND RICHMOND GAS COMPANY

85th A *Report for the Year 1941*

Figures appearing in this report have been taken from the books of the Company and are presented as general information and not in connection with any sale or offer to sell or solicitation of an offer to buy any securities.

EIGHTY-FIFTH ANNUAL REPORT

NEW YORK AND RICHMOND GAS COMPANY

691 BAY STREET

STATEN ISLAND, NEW YORK

(Incorporated in New York)

DIRECTORS

D. R. J. ARNOLD

TOM GARRETT

JACOB H. GOETZ

JOHN KOHOUT

WILLIAM P. LOUGH

EDWARD L. LOVE

JOSEPH H. MALOY

OFFICERS

JOHN KOHOUT

President and Treasurer

WILLIAM P. LOUGH

JOSEPH H. MALOY

Vice-Presidents

AUGUST MULLER

Secretary

R. A. WEISS

Assistant Secretary

NEW YORK AND RICHMOND GAS COMPANY

691 BAY STREET

STATEN ISLAND, NEW YORK

To The Stockholders of

New York and Richmond Gas Company:

There is submitted herewith the Annual Report of your Company, including a Statement of Income and Surplus for the twelve months ending December 31, 1941 and Balance Sheet as of December 31, 1941, together with Accountants' Certificate.

General

Operating revenues for the year amounted to \$1,252,566.05 as compared with \$1,242,584.33, an increase of \$9,981.72.

Net Income for the year shows a decrease of \$52,172.32, which is due primarily to increased cost of material and labor, and an increase of approximately \$35,000.00 in the annual provision for depreciation. These additional costs are offset by the fact that no accruals for income tax were necessary due to the cost of refinancing.

As in past eleven years, expenditures for necessary extensions and additions of property were provided from earnings.

Bond Refunding

During the year 1941 the Company refunded its 6% First Refunding Mortgage Bonds, of which there were \$2,125,000 aggregate principal amount outstanding, by the issuance and public sale of an equal amount of 4-1/4% First Mortgage Bonds, due August 1, 1966. It is expected that the refunding operation will result in material savings in interest charges.

Rate Proceeding

On January 8, 1941, the Public Service Commission instituted a proceeding upon a complaint signed by customers of the Company alleging in general terms that the Company's rates for gas were excessive. At hearings held in June and July a report was presented by a consulting accountant to the Commission, expressing the opinion that a reduction amounting annually to about \$15,000 "is the most that could be claimed at the present time." The Company presented evidence in support of its present rates and denied that any reduction is justified. The proceeding was continued to afford an opportunity for the presentation of evidence as to depreciation by the Commission and for the presentation of further evidence by the Company, if desired.

Plan of Capital Adjustment upheld in stockholder's suit

An action brought by a preferred stockholder challenging the propriety of the Company's Plan of Capital Adjustment was dismissed upon the merits by the Supreme Court on June 26, 1941. The stockholder's appeal to the Appellate Division was also dismissed on October 3, 1941.

Construction

During the year, the following necessary property additions and replacements were made:

Production Plant	\$ 29,150.39
Storage Plant	550.41
Transmission Plant	3,888.48
Distribution Plant	116,057.57
General Plant	9,468.66
	<hr/>
	\$159,115.51
Property retired	36,511.46
	<hr/>
Net Additions	<u>\$122,604.05</u>

Business Development

Efforts to increase the use of gas by sale and installation of appliances using gas for fuel were continued during the past year. During the last five months some difficulty was experienced in procuring from manufacturers some of these appliances—principally refrigerators. In connection with our promotional program, use was made of our facilities to give cooking lectures to thirty-one organizations and societies at which 3,210 persons attended. Our facilities were also made available to community and defense organizations for meetings. Our efforts resulted in the following sales:

1190 Ranges
476 Refrigerators
261 Water Heaters
18 Central Heating Systems
115 Miscellaneous Appliances

During the year, gas sales to commercial and industrial users showed an increase of 18% over the previous year. Sales to residential consumers decreased 1.9%.

The Management wishes to express its appreciation of the continued fine cooperation of the employees of the company.

By order of the Board of Directors

JOHN KOHOUT
President.

Dated, March 16, 1942

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

67 Broad Street
New York

ACCOUNTANTS' CERTIFICATE

To the Board of Directors of

New York and Richmond Gas Company:

We have examined the balance sheet of New York and Richmond Gas Company as of December 31, 1941 and the related statement of income and surplus for the year ended that date, have reviewed the accounting procedures of the Company, and have examined its accounting records and other evidence in support of such financial statements. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all auditing procedures we considered necessary, which procedures were applied by tests to the extent we deemed appropriate in view of the system of internal control.

In our opinion, subject to the adequacy of the provision and the reserve for depreciation, as to which we are not in a position to express an opinion, the accompanying balance sheet and statement of income and surplus, together with their footnotes, fairly present the financial condition of the Company at December 31, 1941 and the results of its operations for the year ended that date, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except as to the change in depreciation policy as set forth in Note 1 to the income statement.

HASKINS & SELLS.

New York,
March 7, 1942.

NEW YORK AND RICHMOND GAS COMPANY

STATEMENT OF INCOME AND SURPLUS

For the Years Ended December 31, 1941 and 1940

	—YEAR ENDED DECEMBER 31—		INCREASE DECREASE*
	1941	1940	
OPERATING REVENUES.....	\$1,252,566.05	\$1,242,584.33	\$ 9,981.72
OPERATING REVENUE DEDUCTIONS:			
Operation	\$ 613,618.60	\$ 570,550.98	\$ 43,067.62
Maintenance	91,276.62	88,708.49	2,568.13
Operating taxes	180,254.83	174,890.66	5,364.17
Total.....	\$ 885,150.05	\$ 834,150.13	\$ 50,999.92
UTILITY OPERATING INCOME BEFORE DEPRECIATION	\$ 367,416.00	\$ 408,434.20	\$ 41,018.20*
OTHER INCOME—Net	583.40	(841.59)	1,424.99
GROSS INCOME BEFORE DEPRECIATION	\$ 367,999.40	\$ 407,592.61	\$ 39,593.21*
PROVISION FOR DEPRECIATION (see Note 1)	101,227.55	65,880.94	35,346.61
GROSS INCOME	\$ 266,771.85	\$ 341,711.67	\$ 74,939.82*
INCOME DEDUCTIONS:			
Interest on long-term debt (see Note 3)	\$ 136,855.89	\$ 127,500.00	\$ 9,355.89
Amortization of premium on long-term debt (credit)—(see Note 4).....	(1,593.75)		1,593.75*
Taxes assumed on interest	1,978.10	2,042.18	64.08*
Interest on customers' deposits.....	11,208.86	14,888.22	3,679.36*
Federal capital stock tax	2,573.60	2,400.00	173.60
Federal income tax (no liability for excess profits taxes)	1,060.04	28,069.84	27,009.80*
Miscellaneous	700.00	650.00	50.00
Total.....	\$ 152,782.74	\$ 175,550.24	\$ 22,767.50*
NET INCOME	\$ 113,989.11	\$ 166,161.43	\$ 52,172.32*
EARNED SURPLUS AT BEGINNING OF THE YEAR	172,155.03	500,965.28	328,810.25*
Total.....	\$ 286,144.14	\$ 667,126.71	\$ 380,982.57*
SURPLUS CHARGES OTHER THAN DIVIDENDS:			
Portion of capital stock expense written off		\$ 41,424.65	\$ 41,424.65*
Amount transferred to reserve for depreciation		413,021.53	413,021.53*
New York City taxes—prior years.....	\$ 5,325.00		5,325.00
Adjustment of charges in prior years to utility plant.....	15,751.36		15,751.36
Premium and expense on bonds redeemed	109,155.72		109,155.72
DIVIDENDS ON 6% CUMULATIVE PRIOR PREFERRED STOCK (see Note 2).....	83,724.00	40,525.50	43,198.50
Total.....	\$ 213,956.08	\$ 494,971.68	\$ 281,015.60*
EARNED SURPLUS AT END OF THE YEAR (see Note 2)	\$ 72,188.06	\$ 172,155.03	\$ 99,966.97*

Parenthesis denotes red figures

NOTES:

1. The provision for depreciation shown above has been computed as follows: for the year 1940, at the rate of 1.4% a year applied to the balance in the property account at the beginning of the year, exclusive of non-depreciable property; for the year 1941, on the basis of an annual provision of \$110,000.00 (of which \$8,772.45 has been charged to clearing accounts on the books). Had the provision for 1940 been made on the same basis as that for 1941, the amount charged to income would have been approximately \$38,000.00 greater than that shown above.
2. See Note 4 to the balance sheet for statement as to restrictions on payment of dividends out of earned surplus.
3. Interest on First Mortgage Bonds includes \$106,250.00 on the old issue of bonds called for redemption as of November 1, 1941 for the period from January 1 to November 1, 1941, and \$30,605.89 on the new issue of bonds for the period from August 29 to December 31, 1941.
4. Expenses in connection with the issuance of the new bonds have been submitted to the Public Service Commission of the State of New York for review and pending such review, no portion of such expenses have been charged to operation in 1941.

NEW YORK AND RICHMOND GAS COMPANY

(Incorporated in New York)

COMPARATIVE BALANCE SHEET, DECEMBER 31, 1941 AND 1940

— ASSETS —	DECEMBER 31—		INCREASE DECREASE*
	1941	1940	
UTILITY PLANT (see Note 1).....	\$5,437,401.11	\$5,336,146.36	\$101,254.75
OTHER PHYSICAL PROPERTY (not used in operations).....	\$ 130,756.29	\$ 130,756.29	
CURRENT ASSETS:			
Cash	\$ 98,662.24	\$ 205,309.69	\$106,647.45*
Special deposits:			
For matured bonds and interest (contra)	\$ 63,504.00		\$ 63,504.00
For payment of dividends (contra)	\$ 21,087.00	\$ 40,525.50	\$ 19,438.50*
Other	\$ 1,720.55	\$ 1,000.00	\$ 720.55
Accounts receivable:			
Gas	\$ 98,684.42	\$ 101,694.95	\$ 3,010.53*
Merchandise—Time sales (including amounts not due within one year)	78,581.23	86,619.66	8,038.43*
Other	7,373.85	9,140.06	1,766.21*
Total.....	\$ 184,639.50	\$ 197,454.67	\$ 12,815.17*
Less reserve for doubtful accounts...	11,591.33	11,258.88	332.45
Accounts receivable (net).....	\$ 173,048.17	\$ 186,195.79	\$ 13,147.62*
Inventories (at average cost or less):			
Fuels, and residual by-product.....	\$ 50,008.10	\$ 41,282.67	\$ 8,725.43
Materials and supplies.....	\$ 52,946.01	\$ 39,658.26	\$ 13,287.75
Merchandise	\$ 53,860.50	\$ 28,342.51	\$ 25,517.99
Total current assets.....	\$ 514,836.57	\$ 542,314.42	\$ 27,477.85*
DEFERRED CHARGES:			
Prepaid insurance	\$ 10,425.53	\$ 11,548.77	\$ 1,123.24*
Other	1,375.76	3,535.45	2,159.69*
Total deferred charges.....	\$ 11,801.29	\$ 15,084.22	\$ 3,282.93*
CAPITAL STOCK EXPENSE.....	\$ 11,127.02	\$ 3,000.00	\$ 8,127.02
Total.....	\$6,105,922.28	\$6,027,301.29	\$ 78,620.99

— LIABILITIES —	DECEMBER 31		INCREASE DECREASE*
	1941	1940	
CAPITAL STOCK (see Note 2):			
6% cumulative prior preferred—par value \$100.00 a share; authorized, 30,000 shares; outstanding, 14,058 shares at December 31, 1941 and 13,677 shares at December 31, 1940.....	\$1,405,800.00	\$1,367,700.00	\$ 38,100.00
Six percent cumulative preferred—par value \$100.00 a share; authorized, 15,000 shares of which the converted shares (see Note 2) have reverted to the status of unissued shares and are not reissuable; outstanding, 942 shares at December 31, 1941 and 1,323 shares at December 31, 1940.....	94,200.00	132,300.00	38,100.00*
Common—authorized and issued 15,000 shares without par value (stated value, \$56.66-2/3 a share).....	850,000.00	850,000.00	
Total capital stock.....	\$2,350,000.00	\$2,350,000.00	
FIRST MORTGAGE BONDS, 4-1/4% SERIES DUE 1966, DUE AUGUST 1, 1966			
	\$2,125,000.00		\$2,125,000.00
FIRST REFUNDING 6% MORTGAGE BONDS, DUE MAY 1, 1951.....			
		\$2,125,000.00	\$2,125,000.00*
CURRENT LIABILITIES:			
Matured bonds and interest (cash in special deposit—see contra).....	\$ 63,504.00		\$ 63,504.00
Dividends payable (cash in special deposit—see contra).....	21,087.00	\$ 40,525.50	19,438.50*
Accounts payable.....	62,350.42	36,790.55	25,559.87
Taxes accrued and payable (including taxes collected from customers and employees)	19,395.77	50,571.95	31,176.18*
Accrued bond interest.....	37,630.20	21,250.00	16,380.20
Customers' deposits.....	277,725.00	280,165.00	2,440.00*
Accrued interest on customers' deposits	17,824.73	20,914.49	3,089.76*
Miscellaneous	20,601.40	15,020.96	5,580.44
Total current liabilities.....	\$ 520,118.52	\$ 465,238.45	\$ 54,880.07
RESERVE FOR DEPRECIATION.....	\$ 641,214.39	\$ 572,417.79	\$ 68,796.60
DEFERRED CREDITS:			
Unamortized premium, less expense, on long-term debt.....	\$ 51,752.69		\$ 51,752.69
Customers' advances for construction.....	6,836.86	\$ 6,836.86	
Total deferred credits.....	\$ 58,589.55	\$ 6,836.86	\$ 51,752.69
CONTRIBUTIONS IN AID OF CONSTRUCTION			
	\$ 338,811.76	\$ 335,653.16	\$ 3,158.60
EARNED SURPLUS (per accompanying statement)—(see Note 4).....			
	\$ 72,188.06	\$ 172,155.03	\$ 99,966.97*
TOTAL	\$6,105,922.28	\$6,027,301.29	\$ 78,620.99

Notes 1 to 4 on the following page are an integral part of this balance sheet.

NEW YORK AND RICHMOND GAS COMPANY

NOTES TO BALANCE SHEET, DECEMBER 31, 1941

1. The amount at which utility plant is carried does not purport to represent its present realizable value or replacement cost. In order to conform to findings of the Public Service Commission of the State of New York, the Company made certain adjustments to reduce the book value of utility plant and following such adjustments, the Public Service Commission in an opinion with respect thereto, stated that the balances in plant accounts at December 31, 1940 represented the original cost of the property devoted to the service of the public, determined by the Commission as of December 31, 1937, plus subsequent net additions. It is the practice of the Company to record property additions and retirements at cost.
2. The preferred stocks are callable on any date (upon giving at least 30 days' notice) at \$107.50 a share plus unpaid dividends. In the event of liquidation, the preferred stockholders are entitled to be paid the par value of their shares, plus unpaid dividends. Under an order of the Public Service Commission of the State of New York permission theretofore granted for the issuance of 6% cumulative prior preferred stock was extended to June 30, 1942. Such stock is issuable in exchange share for share for the six percent. cumulative preferred stock upon waiver of the accumulated unpaid dividends thereon.

The six percent. cumulative preferred stock is convertible at par, share for share, into 6% cumulative prior preferred stock. At December 31, 1941 and 1940, 14,058 shares and 13,677 shares, respectively, had been converted. Dividends in arrears on the six percent. cumulative preferred stock which had not been converted into shares of prior preferred stock amounted to \$29,673.00, or \$31.50 a share, at December 31, 1941.

3. As of August 1, 1941 the Company sold \$2,125,000.00 First Mortgage Bonds, 4- $\frac{1}{4}$ % Series due 1966, at 104- $\frac{1}{2}$ per cent of par, and called for redemption the First Refunding 6% Mortgage Bonds in the principal amount of \$2,125,000.00.
4. Under the mortgage indenture dated as of August 1, 1941 securing the First Mortgage 4- $\frac{1}{4}$ % Bonds, the payment of dividends is restricted to the amount of earned surplus (adjusted as provided in such indenture) subsequent to December 31, 1940. The amount of such earned surplus at December 31, 1941 was \$30,265.11.

OPERATING STATISTICS

Rated Daily capacity of Water Gas Plant	3,500,000 cu. ft.
Number of Holders	—4—
Combined capacity of Holders	2,300,000 cu. ft.
Miles of gas mains	305.88
Number of customers	33,869
Number of employees	—219—

	Active Meters Dec. 31	Cubic feet of Gas Manufactured	Cubic feet of Gas Sold	Revenue from Gas Sold
1932	30,165	947,863,000	872,199,400	\$1,326,261.
1933	30,419	909,812,000	833,876,300	1,241,306.
1934	30,363	910,378,000	839,809,000	1,241,800.
1935	30,728	884,588,000	817,923,900	1,207,625.
1936	31,152	900,326,000	846,020,100	1,180,843.
1937	31,581	906,530,000	853,154,300	1,156,368.
1938	31,923	947,871,000	882,856,300	1,186,216.
1939	32,312	965,550,000	911,692,300	1,206,110.
1940	32,733	1,004,933,000	961,299,500	1,242,584.
1941	33,965	1,034,882,000	976,530,500	1,252,566.

APR 27 1944

Marvyn Souder
Financial Library

NEW YORK AND RICHMOND
GAS COMPANY

Report for the Year 1943

Figures appearing in this report are presented as general information and not in connection with any sale or offer to sell or solicitation of any offer to buy any securities.

EIGHTY-SEVENTH ANNUAL REPORT

1943

NEW YORK AND RICHMOND GAS COMPANY

691 Bay Street

STATEN ISLAND, NEW YORK

(Incorporated in New York)

DIRECTORS

D. R. J. ARNOLD

TOM GARRETT

JACOB H. GOETZ

JOHN KOHOUT

WILLIAM P. LOUGH

EDWARD L. LOVE

EDWARD J. MCCORMICK

OFFICERS

JOHN KOHOUT

President and Treasurer

WILLIAM P. LOUGH

Vice-President

AUGUST MULLER

Secretary

R. A. WEISS

Assistant Secretary

W. A. BAUMANN

Assistant Treasurer

NEW YORK AND RICHMOND GAS COMPANY

To the Stockholders of New York and Richmond Gas Company

There is submitted herewith the annual report of your Company, including a Statement of Income and Surplus for the twelve months ending December 31, 1943 and Balance Sheet as of December 31, 1943, together with Accountants' Certificate.

Gas Sales and Earnings

The sale of gas during the year 1943 amounted to 1,155,355,700 cubic feet, an increase of 8.13% over the previous year.

Operating revenues during the year amounted to \$1,394,625. an increase of \$76,466. or 5.8% over the revenues during the preceding year.

This increase in revenue was more than offset by the increased cost of operation and taxes. The result was a decrease in net earnings of \$43,954.

Business Development

Continued curtailment in the manufacture of gas ranges, water heaters and refrigerators, and the restrictions on the sale of appliances have prohibited any activities along promotional lines. Our efforts were continued in providing cooking and canning instructions throughout the year. Our facilities were also made available to community defense and Red Cross organizations.

Capital Additions

On December 31, 1943, your Company had in its territory 35,480 active meters, an increase of 425 over December 31, 1942.

Practically no new construction was undertaken during the year. Expenditures made were for items which were absolutely necessary to the Company's operation.

Operations

The procurement of oil for gas making during the early part of the year was extremely critical as was the coal situation during the latter part of the year.

Plant maintenance, however, has been kept at a high level despite difficulty in securing adequate material and the shortage of competent labor.

The company experienced its all time peak in gas made and send-out during the year. Approximately 87,000,000 cubic feet more of gas was used by our consumers than in any previous twelve month period.

General

Additional members of our staff have been taken into the armed services during the year making a total of thirty-three men now in the service of their country. The loss of these men, together with the loss of other personnel to competing industry are an ever increasing strain on department heads and supervisors in maintaining efficient operation and service to our customers.

The management wishes to express its appreciation of the wholehearted cooperation of employees and officials of the Company during the past year.

By order of the Board of Directors.

JOHN KOHOUT
President

Dated, March 20, 1944.

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

67 BROAD STREET
NEW YORK

ACCOUNTANTS' CERTIFICATE

*To the Board of Directors of
New York and Richmond Gas Company:*

We have examined the balance sheet of New York and Richmond Gas Company as of December 31, 1943 and the related statement of income and surplus for the year ended that date, have reviewed the accounting procedures of the Company, and have examined its accounting records and other evidence in support of such financial statements. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all auditing procedures we considered necessary, which procedures were applied by tests to the extent we deemed appropriate in view of the system of internal control.

In our opinion, subject to the adequacy of the provision and the reserve for depreciation, as to which we are not in a position to express an opinion, the accompanying balance sheet and statement of income and surplus, together with their footnotes, fairly present the financial condition of the Company at December 31, 1943 and the results of its operations for the year ended that date, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HASKINS & SELLS

New York,
March 2, 1944.

NEW YORK AND RICHMOND GAS COMPANY
STATEMENT OF INCOME AND SURPLUS
FOR THE YEARS ENDED DECEMBER 31, 1943 AND 1942, AND COMPARISON

	—Year Ended December 31—		Increase Decrease*
	1943	1942	
OPERATING REVENUES	\$1,394,625.15	\$1,318,159.28	\$76,465.87
OPERATING REVENUE DEDUCTIONS:			
Operation	\$ 757,474.67	\$ 689,939.02	\$67,535.65
Maintenance	100,567.78	89,972.80	10,594.98
Operating taxes	192,714.87	185,303.02	7,411.85
Total	\$1,050,757.32	\$ 965,214.84	\$85,542.48
UTILITY OPERATING INCOME BEFORE DEPRECIATION	\$ 343,867.83	\$ 352,944.44	\$ 9,076.61*
OTHER INCOME—Net	(1,189.09)	(1,899.65)	710.56
GROSS INCOME BEFORE DEPRECIATION	\$ 342,678.74	\$ 351,044.79	\$ 8,366.05*
PROVISION FOR DEPRECIATION (see Note 1)	102,043.88	101,380.52	663.36
GROSS INCOME	\$ 240,634.86	\$ 249,664.27	\$ 9,029.41*
INCOME DEDUCTIONS:			
Interest on long-term debt	\$ 90,312.50	\$ 90,312.50	
Amortization of premium, less expenses, on long-term debt (credit)	(1,884.48)	(3,501.57)	\$ 1,617.09
Taxes assumed on interest	261.95	483.44	221.49*
Interest on customers' deposits	11,090.24	11,140.63	50.39*
Federal capital stock tax	1,900.00	1,156.25	743.75
Federal income tax (no liability for excess profits taxes)	35,000.00	3,000.00	32,000.00
Miscellaneous	1,585.76	750.00	835.76
Total	\$ 138,265.97	\$ 103,341.25	\$34,924.72
NET INCOME	\$ 102,368.89	\$ 146,323.02	\$43,954.13*
EARNED SURPLUS AT BEGINNING OF THE YEAR	132,578.28	72,188.06	60,390.22
Total	\$ 234,947.17	\$ 218,511.08	\$16,436.09
SURPLUS CHARGES OTHER THAN DIVIDENDS:			
Portion of capital stock expense written off	\$ 706.90	\$ 1,575.69	\$ 868.79*
Overhead capitalized as property costs in prior years written off (see Note 2)	47,971.87		47,971.87
Taxes applicable to prior years		(406.39)	406.39
DIVIDENDS ON 6% CUMULATIVE PRIOR PREFERRED STOCK	84,817.50	84,763.50	54.00
Total	\$ 133,496.27	\$ 85,932.80	\$47,563.47
EARNED SURPLUS AT END OF THE YEAR (see Balance Sheet Note 3)	\$ 101,450.90	\$ 132,578.28	\$31,127.38*

Parenthesis denotes red figures.

NOTES:

- The provision for depreciation shown above has been computed on the basis of an annual provision of \$110,000.00, plus an increase in such amount proportionately with the increase in depreciable property subsequent to 1941. In addition to the provision for depreciation shown above, \$8,987.54 and \$8,756.57 was charged to clearing accounts during 1943 and 1942, respectively.
- The write-off during 1943 of certain overhead expenses capitalized as property costs was made in accordance with an opinion of the Public Service Commission of the State of New York (Case No. 10367).

NEW YORK AND RICHMOND GAS COMPANY
(Incorporated in New York)

BALANCE SHEETS, DECEMBER 31, 1943 AND 1942, AND COMPARISON

— ASSETS —	December 31—		Increase Decrease*
	1943	1942	
UTILITY PLANT (see Note 1)	\$5,462,490.32	\$5,498,189.71	\$35,699.39*
OTHER PHYSICAL PROPERTY (not used in operations)	\$ 138,613.81	\$ 130,756.29	\$ 7,857.52
INVESTMENT IN UNITED STATES GOVERNMENT BONDS (at cost)	\$ 60,671.88	\$ 5,000.00	\$55,671.88
CURRENT ASSETS:			
Cash	\$ 237,754.45	\$ 167,861.63	\$69,892.82
United States tax notes, series C.....	\$ 20,000.00		\$20,000.00
Special deposits (for payment of dividends, matured bonds and interest, etc.).....	\$ 24,650.90	\$ 30,908.90	\$ 6,258.00*
Accounts receivable:			
Gas	\$ 112,709.83	\$ 111,281.73	\$ 1,428.10
Merchandise—Time sales (including amounts not due within one year).....	15,032.84	40,509.42	25,476.58*
Other	3,156.28	6,301.10	3,144.82*
Total	\$ 130,898.95	\$ 158,092.25	\$27,193.30*
Less reserve for doubtful accounts	12,613.34	12,465.15	148.19
Accounts receivable (net)	\$ 118,285.61	\$ 145,627.10	\$27,341.49*
Inventories (at average cost or less):			
Fuels, and residual by-product.....	\$ 45,689.59	\$ 52,949.57	\$ 7,259.98*
Materials and supplies	\$ 51,677.04	\$ 57,244.93	\$ 5,567.89*
Merchandise	\$ 20,022.27	\$ 27,153.75	\$ 7,131.48*
Total current assets.....	\$ 518,079.86	\$ 481,745.88	\$36,333.98
DEFERRED CHARGES:			
Prepaid insurance	\$ 13,977.44	\$ 20,044.18	\$ 6,066.74*
Other	1,050.00	1,385.76	335.76*
Total deferred charges.....	\$ 15,027.44	\$ 21,429.94	\$ 6,402.50*
CAPITAL STOCK EXPENSE.....	\$ 8,854.43	\$ 9,561.33	\$ 706.90*
 TOTAL	 \$6,203,737.74	 \$6,146,683.15	 \$57,054.59

— LIABILITIES —			
	December 31—		Increase Decrease*
	1943	1942	
CAPITAL STOCK (see Note 2):			
6% cumulative prior preferred—par value \$100.00 a share; authorized, 30,000 shares; outstanding, 14,138 shares at December 31, 1943 and 14,131 shares at December 31, 1942	\$1,413,800.00	\$1,413,100.00	\$ 700.00
Six per cent. cumulative preferred—par value \$100.00 a share; authorized, 15,000 shares of which the converted shares (see Note 2) have reverted to the status of unissued shares and are not reissuable; outstanding, 862 shares at December 31, 1943 and 869 shares at December 31, 1942	86,200.00	86,900.00	700.00*
Common—authorized and issued 15,000 shares without par value (stated value, \$56.66-2/3 a share)	850,000.00	850,000.00	
Total capital stock	\$2,350,000.00	\$2,350,000.00	
FIRST MORTGAGE BONDS, 4¼% SERIES DUE 1966, DUE AUGUST 1, 1966	\$2,125,000.00	\$2,125,000.00	
CURRENT LIABILITIES:			
Matured bonds and interest	\$ 1,728.00	\$ 7,992.00	\$ 6,264.00*
Dividends payable	21,207.00	21,196.50	10.50
Accounts payable	30,491.44	43,998.96	13,507.52*
Taxes accrued	48,347.91	13,325.42	35,022.49
Accrued bond interest	37,630.20	37,630.20	
Customers' deposits	276,175.00	277,135.00	960.00*
Accrued interest on customers' deposits	18,849.40	16,606.10	2,243.30
Miscellaneous	16,017.05	22,423.48	6,406.43*
Total current liabilities	\$ 450,446.00	\$ 440,307.66	\$10,138.34
RESERVE FOR DEPRECIATION	\$ 783,963.38	\$ 704,951.67	\$79,011.71
DEFERRED CREDITS:			
Unamortized premium, less expense, on long-term debt	\$ 42,556.94	\$ 44,441.42	\$ 1,884.48*
Customers' advances for construction	2,818.41	6,836.86	4,018.45*
Total deferred credits	\$ 45,375.35	\$ 51,278.28	\$ 5,902.93*
CONTRIBUTIONS IN AID OF CONSTRUCTION	\$ 347,502.11	\$ 342,567.26	\$ 4,934.85
EARNED SURPLUS (per accompanying statement)—(see Note 3)	\$ 101,450.90	\$ 132,578.28	\$31,127.38*
TOTAL	<u>\$6,203,737.74</u>	<u>\$6,146,683.15</u>	<u>\$57,054.59</u>

Notes 1 to 3 on the following page are an integral part of this balance sheet.

NEW YORK AND RICHMOND GAS COMPANY

NOTES TO BALANCE SHEETS DECEMBER 31, 1943

1. The amount at which utility plant is carried does not purport to represent its present realizable value or replacement cost. In order to conform to findings of the Public Service Commission of the State of New York, the Company made certain adjustments during 1938 and 1940 to reduce the book value of utility plant and following such adjustments, the Public Service Commission in an opinion with respect thereto, stated that the balances in plant accounts at December 31, 1940 represented the original cost of the property devoted to the service of the public, determined by the Commission as of December 31, 1937, plus subsequent net additions. It is the practice of the Company to record property additions and retirements at cost.

2. The preferred stocks are callable on any date (upon giving at least 30 days' notice) at \$107.50 a share plus unpaid dividends. In the event of liquidation, the preferred shareholders are entitled to be paid the par value of their shares, plus unpaid dividends.

Under the plan of capital adjustment dated August 6, 1940, the 6% cumulative prior preferred stock was issuable in exchange share for share for the six per cent. cumulative preferred stock upon waiver of the accumulated unpaid dividends thereon. Permission by the Public Service Commission of the State of New York for such exchange expired on June 30, 1943.

At December 31, 1943 and 1942, 14,138 shares and 14,131 shares, respectively, of the six per cent. cumulative preferred stock had been converted into 6% cumulative prior preferred stock. Dividends in arrears on the preferred stock which had not been converted amounted to \$37,497.00 or \$43.50 a share at December 31, 1943 (including dividend normally payable January 1, 1944).

3. Under the mortgage indenture dated as of August 1, 1941 securing the First Mortgage 4¼% Bonds, the payment of dividends is restricted to the amount of earned surplus (adjusted as provided in such indenture) subsequent to December 31, 1940. The amount of such earned surplus at December 31, 1943 was \$98,730.31.

OPERATING STATISTICS

Rated daily capacity of Water Gas Plant	3,500,000 cu. ft.
Number of Holders	4
Combined capacity of Holders	2,300,000 cu. ft.
Miles of gas mains	307.93
Number of customers	35,367
Number of employees	169

	<i>Active Meters Dec. 31</i>	<i>Cubic feet of Gas Manufactured</i>	<i>Cubic feet of Gas Sold</i>	<i>Revenue from Gas Sold</i>
1934	30,363	910,378,000	839,809,000	\$1,241,800.
1935	30,728	884,588,000	817,923,900	1,207,625.
1936	31,152	900,326,000	846,020,100	1,180,843.
1937	31,581	906,530,000	853,154,300	1,156,368.
1938	31,923	947,871,000	882,856,300	1,186,216.
1939	32,312	965,550,000	911,692,300	1,206,110.
1940	32,733	1,004,933,000	961,299,500	1,242,584.
1941	33,965	1,034,882,000	976,530,500	1,252,566.
1942	35,038	1,140,557,000	1,068,394,900	1,317,539.
1943	35,480	1,230,459,000	1,155,355,700	1,394,144.

NEW YORK AND RICHMOND
GAS COMPANY

Report for the Year 1944

Figures appearing in this report are presented as general information and not in connection with any sale or offer to sell or solicitation of any offer to buy any securities.



THE PLANT
NEW YORK AND RICHMOND GAS COMPANY
STATEN ISLAND, N. Y.

EIGHTY-EIGHTH ANNUAL REPORT

1944

NEW YORK AND RICHMOND GAS COMPANY

691 Bay Street

STATEN ISLAND, NEW YORK

(Incorporated in New York)

DIRECTORS

D. R. J. ARNOLD

ANDREW G. CLAUSON, JR.

JACOB H. GOETZ

JOHN KOHOUT

WILLIAM P. LOUGH

EDWARD L. LOVE

EDWARD J. MCCORMICK

OFFICERS

JOHN KOHOUT

President and Treasurer

WILLIAM P. LOUGH

Vice-President

AUGUST MULLER

Secretary

R. A. WEISS

Assistant Secretary

R. VAN VLIET

General Superintendent

W. A. BAUMANN

Assistant Treasurer

NEW YORK AND RICHMOND GAS COMPANY

To the Stockholders of New York and Richmond Gas Company:

There is submitted herewith the annual report of your Company, including a Statement of Income and Surplus for the twelve months ended December 31, 1944 and Balance Sheet as of December 31, 1944, together with Accountants' Certificate.

Earnings

Due to increased volume of gas sold, Gross Operating Revenues for the year amounted to \$1,467,393.67 or \$72,768.52 more than in 1943, our revenue per thousand cubic feet of sales being slightly less than that for the previous year.

The cost of manufacturing and distributing our product, as well as the heavy tax accruals, practically wiped out the increase in revenues, the net income being \$110,846.43, an increase of \$8,477.54 over the previous year.

Operations

The procurement of coal and oil for gas making during the year continued critical.

1,296,276,000 cubic feet of gas were manufactured during the year, an increase of 65,817,000 cubic feet over the previous year. The volume of gas sales was the largest in the company's history, amounting to 1,220,163,200 cubic feet, an increase of 5.6% over 1943.

Notwithstanding this unprecedented demand the service rendered to our customers was as good, if not better than in any of the previous war years.

In order to provide sufficient gas making facilities, an additional water gas generating set was installed. Owing to labor conditions, complete installation of its accessories has been delayed; however, gas was manufactured by this set during the severe winter months.

In producing the above amount of gas, 22,707 tons of coal and coke and 4,776,358 gallons of oil were consumed. For the production of this gas and for the maintenance of plant, 108,486 man-hours were required. Included in this were 18,547 man-hours at overtime rates made necessary by reduced personnel. The maintenance of our distribution system, servicing customers and administrative functions, accounted for 244,222 additional man-hours.

Business Development

Continued curtailment in the manufacture of Gas Ranges, Water Heaters and Refrigerators, and the restricted sale of appliances, has prohibited activities along promotional lines. We have continued our efforts in providing cooking and canning instructions throughout the year.

Our facilities were made available to Community, Red Cross and other organizations.

Capital Additions

Net capital additions for the year amounted to \$95,418.35, the principal additions being

One Eleven Foot Water Gas Set
Housing for Water Gas Set
Cottrell Precipitator

As of December 31, 1944, the Company had in its territory

308 miles of Gas Mains of various sizes
28,631 Active Services of various sizes
36,029 Active Meters

Personnel

The number of employees, including officers, as of December 31st were 169 compared with 228 as of December 31, 1941.

Thirty-four men have been inducted into the armed forces, two have been released and one re-employed by the Company. The decreased personnel has put a great and ever increasing strain on department heads and those in a supervisory capacity in maintaining efficient operation and service to our customers. On the rest of our staff, it has added the burden of excessive overtime work.

120 of our employees, including those in the armed services, have been employed by the company ten years or more. Only three of the company's male employees are under thirty years of age, two of whom are exempt from military duty due to physical disability.

Employee Safety

The Management has continued to emphasize safety to its employees, and efforts are continually directed to the prevention of accidents. The results of these efforts are shown in the steady downward trend of frequency in both industrial and motor vehicle accidents for the past years.

General

It is with great sorrow that we record the death of one of our directors, Mr. Tom Garrett, who served from March 6, 1939 to his death April 29, 1944. His wise counsel and broad experience were of extraordinary value to the Company.

The Company has been able to maintain its standards of service to the community throughout this period of manpower shortage only through the loyal service of its employees and its supervisory staff. The Board of Directors deeply appreciates their continued cooperation.

By order of the Board of Directors.

JOHN KOHOUT,

March 19, 1945.

President.

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

67 BROAD STREET
NEW YORK

ACCOUNTANTS' CERTIFICATE

*To the Board of Directors of
New York and Richmond Gas Company:*

We have examined the balance sheet of New York and Richmond Gas Company as of December 31, 1944 and the related statement of income and earned surplus for the year ended that date, have reviewed the accounting procedures of the Company, and have examined its accounting records and other evidence in support of such financial statements. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all auditing procedures we considered necessary, which procedures were applied by tests to the extent we deemed appropriate in view of the system of internal control.

In our opinion, subject to the adequacy of the reserve for depreciation, as to which we are not in a position to express an opinion, the accompanying balance sheet and statement of income and earned surplus, together with their footnotes, fairly present the financial condition of the Company at December 31, 1944 and the results of its operations for the year ended that date, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HASKINS & SELLS

New York,
March 10, 1945.

NEW YORK AND RICHMOND GAS COMPANY

STATEMENT OF INCOME AND EARNED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1944

OPERATING REVENUES		\$1,467,393.67
OPERATING REVENUE DEDUCTIONS:		
Operation	\$812,437.61	
Maintenance	90,069.24	
Operating taxes	<u>196,124.32</u>	
Total		<u>1,098,631.17</u>
UTILITY OPERATING INCOME BEFORE DEPRECIATION.....		\$ 368,762.50
OTHER INCOME—Net		<u>866.99</u>
GROSS INCOME BEFORE DEPRECIATION		\$ 369,629.49
PROVISION FOR DEPRECIATION (see Note 6)		<u>104,221.66</u>
GROSS INCOME		\$ 265,407.83
INCOME DEDUCTIONS:		
Interest on long-term debt	\$ 90,312.50	
Amortization of premium, less expenses, on long-term debt (credit) ..	(1,884.48)	
Interest on customers' deposits	10,820.36	
Federal capital stock tax	2,700.00	
Federal income tax (no liability for excess profits taxes)	51,790.65	
Miscellaneous	<u>822.37</u>	
Total		<u>154,561.40</u>
NET INCOME		\$ 110,846.43
EARNED SURPLUS AT BEGINNING OF THE YEAR		<u>101,450.90</u>
Total		\$ 212,297.33
SURPLUS CHARGES:		
Taxes applicable to prior years	\$ 16,038.81	
Dividends:		
6% cumulative prior preferred stock	84,828.00	
Six Per cent cumulative preferred stock	<u>3,316.50</u>	
Total		<u>104,183.31</u>
EARNED SURPLUS AT END OF THE YEAR (see Note 3).....		<u>\$ 108,114.02</u>

Parenthesis denotes red figure.

The accompanying notes to Financial Statements are an integral part of this statement.

NEW YORK AND RICHMOND GAS COMPANY
(Incorporated in New York)

BALANCE SHEET, DECEMBER 31, 1944

— A S S E T S —

UTILITY PLANT (see Note 1)		\$5,565,321.32
OTHER PHYSICAL PROPERTY (not used in operations).....		138,963.81
INVESTMENTS IN UNITED STATES GOVERNMENT BONDS (at cost)		70,671.88
CURRENT ASSETS:		
Cash (including working funds, \$2,200.00).....	\$150,806.69	
United States tax notes, series C.....	63,000.00	
Special deposits (for payment of dividends, matured bonds and interest, etc.)	26,834.90	
Accounts receivable:		
Gas	\$119,706.76	
Merchandise—time sales (including amounts not due within one year)	9,900.46	
Other	3,701.78	
Total	\$133,309.00	
Less reserve for doubtful accounts.....	12,835.86	120,473.14
Materials and supplies (at average cost or less):		
Fuels and residuals	\$ 58,379.96	
General	49,348.91	
Merchandise	22,411.03	130,139.90
Total current assets		491,254.63
DEFERRED CHARGES:		
Prepaid insurance	\$ 17,012.66	
Other	3,825.61	
Total deferred charges		20,838.27
CAPITAL STOCK EXPENSE		8,848.18
 TOTAL		 <u><u>\$6,295,898.09</u></u>

— LIABILITIES —

CAPITAL STOCK (see Note 2):

6% cumulative prior preferred—par value \$100.00 a share; authorized 30,000 shares; outstanding 14,138 shares	\$1,413,800.00	
Six per cent, cumulative preferred—par value \$100.00 a share; authorized, 15,000 shares (see Note 5); outstanding 862 shares	\$86,200.00	
Less par value of 125 shares reacquired	12,500.00	73,700.00
Common—authorized and issued 15,000 shares without par value (stated value, \$56.66-2/3 a share)	850,000.00	
Total capital stock		\$2,337,500.00

FIRST MORTGAGE BONDS 4-1/4% SERIES, DUE 1966, DUE

AUGUST 1, 1966	2,125,000.00
----------------------	--------------

CURRENT LIABILITIES:

Matured bonds and interest	\$ 1,728.00	
Dividends declared	23,418.00	
Accounts payable	54,856.85	
Taxes accrued	83,009.32	
Accrued bond interest	37,630.20	
Customers' deposits	258,165.00	
Accrued interest on customers' deposits	19,093.14	
Miscellaneous	16,270.44	
Total current liabilities		494,170.95

RESERVE FOR DEPRECIATION (see Note 6)	836,491.09
----------------------------------------------------	------------

DEFERRED CREDITS:

Unamortized premium, less expense, on long-term debt	\$ 40,672.46	
Customers' advances for construction	2,818.41	
Total deferred credits		43,490.87

CONTRIBUTIONS IN AID OF CONSTRUCTION (see Note 4)....	349,189.91
--------------------------------------------------------------	------------

CAPITAL SURPLUS (arising from purchase during 1944 of 125 shares of six per cent. cumulative preferred stock)	1,941.25
----------------------------------------------------------------------------------------------------------------------------	----------

EARNED SURPLUS (see Note 3)	108,114.02
------------------------------------------	------------

TOTAL	<u>\$6,295,898.09</u>
--------------------	-----------------------

The accompanying notes to Financial Statements are an integral part of this balance sheet.

NEW YORK AND RICHMOND GAS COMPANY

NOTES TO FINANCIAL STATEMENTS, DECEMBER 31, 1944

1. The amount at which utility plant is carried does not purport to represent its present realizable value or replacement cost. In order to conform to findings of the Public Service Commission of the State of New York, the Company made certain adjustments during 1938 and 1940 to reduce the book value of utility plant and following such adjustments, the Public Service Commission in an opinion with respect thereto, stated that the balances in plant accounts at December 31, 1940 represented the original cost of the property devoted to the service of the public, determined by the Commission as of December 31, 1937, plus subsequent net additions. It is the practice of the Company to record property additions and retirements at cost.
2. The preferred stocks are callable on any date (upon giving at least 30 days' notice) at \$107.50 a share plus unpaid dividends. In the event of liquidation, the preferred shareholders are entitled to be paid the par value of their shares, plus unpaid dividends.

Dividends in arrears on the six per cent. cumulative preferred stock amounted to \$33,165.00, or \$45.00 a share at December 31, 1944.
3. Under the Mortgage Indenture dated as of August 1, 1941 securing the First Mortgage 4-1/4% Bonds, the payment of dividends is restricted to the amount of earned surplus (adjusted as provided in the indenture) subsequent to December 31, 1940. The earned surplus per books at December 31, 1944 has been earned subsequent to December 31, 1940 and is all available for dividends.
4. As of January 1, 1945, by order of the Public Service Commission of the State of New York, the amount in Contributions in Aid of Construction account as of December 31, 1944 which was identifiable with property in service, \$312,271.00, was credited to Utility Plant, and the balance, \$36,918.91, was transferred to the Reserve for Depreciation.
5. Of the 15,000 shares of authorized six per cent. cumulative preferred stock, 14,138 shares have been converted into 6% cumulative prior preferred stock and have reverted to the status of unissued shares and are not reissuable.
6. The provision for depreciation shown in the Statement of Income has been computed on the basis of an annual provision of \$110,000, plus an increase in such amount proportionately with the increase in depreciable property subsequent to 1941. In addition to the provision for depreciation shown above, \$6,345.75 and \$8,987.54 was charged to clearing accounts during 1944 and 1943, respectively.

OPERATING STATISTICS

Rated daily capacity of Water Gas Plant.....	7,000,000 cu. ft.
Number of Holders	4
Combined capacity of Holders	2,300,000 cu. ft.
Miles of gas mains	308
Number of customers	35,914
Number of employees	169

	<i>Active Meters Dec. 31</i>	<i>Cubic Feet of Gas Manufactured</i>	<i>Cubic Feet of Gas Sold</i>	<i>Revenue from Gas Sold</i>
1935	30,728	884,588,000	817,923,900	\$1,207,625.
1936	31,152	900,326,000	846,020,100	1,180,843.
1937	31,581	906,530,000	853,154,300	1,156,368.
1938	31,923	947,871,000	882,856,300	1,186,216.
1939	32,312	965,550,000	911,692,300	1,206,110.
1940	32,733	1,004,933,000	961,299,500	1,252,584.
1941	33,965	1,034,882,000	976,530,500	1,252,566.
1942	35,038	1,140,557,000	1,068,394,900	1,317,539.
1943	35,480	1,230,459,000	1,155,355,700	1,394,144.
1944	36,029	1,296,276,000	1,220,163,200	1,467,394.



PROUDLY WE DEDICATE THIS ROLL OF
HONOR TO OUR EMPLOYEES SERVING
IN THE ARMED FORCES

JAMES BURNS	CHARLES W. FRANDER	JAMES A. GREELEY	JOHN HOWRIGAN
ANDREW KLEE	PAUL L. LERSCHNER	THOMAS J. MCCANN	FRANK J. MANGO
CARL G. MEYERS	CHARLES MOOTZLEWSKI	HERMAN T. MULLER	EDWARD J. OLOUSH
PASQUALE PETRAROLA	RICHARD QUINBIA	PAUL A. ROEDER	WALTER G. SCHERER
ROBERT J. SCHUCHTER	EUGENE A. SORGE	ROBERT VAN TASH	FRED F. WEISSE
ALFRED SADOSKY	EDWARD GRAY, JR.	ARTHUR WEGENER	THEODORE SAMUEL
JOHN FABIAN	JOSEPH ROFFA, JR.	DANIEL KUFFNER	GORDON C. KIEBER
ERNEST E. SMITH	JOHN McCAFFREY	WALTER CRAWFORD	CHARLES COLTON
WILLIAM E. GALE	VICTOR C. LEONARD		

APR 26 1946

1499
Mervyn School
Financial Library

EIGHTY-NINTH ANNUAL REPORT

OF

NEW YORK AND RICHMOND GAS COMPANY

FOR

YEAR ENDED DECEMBER 31, 1945

Figures appearing in this report are presented as general information and not in connection with any sale or offer to sell or solicitation of any offer to buy any securities.



THE PLANT
NEW YORK AND RICHMOND GAS COMPANY
STATEN ISLAND, N. Y.

NEW YORK AND RICHMOND GAS COMPANY
691 Bay Street
STATEN ISLAND 4, NEW YORK

TO THE STOCKHOLDERS:

There is submitted herewith the annual report of your company, including a Statement of Income and Surplus, for the twelve months ended December 31, 1945, and a Balance Sheet as of December 31, 1945, together with Accountants' Certificate.

EARNINGS:

Gas sales for the year amounted to 1,298,964,800 cubic feet, producing gross operating revenue of \$1,554,107.22 compared with 1,220,163,200 cubic feet sold and revenue of \$1,467,393.67 for the preceding year.

Net income for the year amounted to \$121,735.32 compared with \$110,846.43 for the preceding year.

OPERATIONS:

We manufactured during the year 1,363,994,000 cubic feet of gas, an increase of 67,718,000 cubic feet over the previous year.

The company experienced its peak consumer demand of gas for one day and for a period of six consecutive days. The daily peak was experienced on January 25th when 6,227,000 cubic feet of gas were sent out; 33,269,000 cubic feet were sent out from January 24th to January 29th. This unprecedented demand was in large part due to the scarcity of domestic fuel and the severe cold weather during that period.

24,377 tons of coal and coke and 4,808,367 gallons of oil were consumed during the year in the production of gas supplied to the public.

BUSINESS DEVELOPMENT:

Continued curtailment in the manufacture of gas ranges, water heaters and refrigerators and the restricted sale of these appliances have prohibited activities along promotional lines.

Our efforts were continued in providing cooking, baking and canning instructions throughout the year.

Our facilities were made available to Community, Red Cross and other organizations who displayed increased interest in their use.

CAPITAL ADDITIONS:

Net capital additions for the year amounted to \$96,379.30. Of this amount, approximately \$70,000. was spent for Production Plant improvements consisting of a new Boiler and miscellaneous production equipment.

At the end of the year, your company had in its territory:

308 miles of mains of various sizes
27,774 active gas services
36,550 active meters

PERSONNEL:

The company's operations were continued with a depleted personnel, although a number of our employees who had been in the armed forces have returned to work.

As of December 31st, all employees including officers numbered 178 as compared with 228 on December 31, 1941.

EMPLOYEE SAFETY:

Continued emphasis in safety to its employees has resulted in a further downward trend in frequency in both industrial and motor vehicle accidents during the year.

GENERAL:

With the end of the war, gas sales to war industries and army and navy posts have been somewhat curtailed, but inasmuch as these sales never exceeded ten per cent of our total, the effect will not be material.

The Board of Directors deeply appreciates the continued loyal cooperation and efficient service of the supervisory staff and all other employees.

By order of the Board of Directors.

JOHN KOHOUT,
President.

March 18, 1946

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

67 BROAD STREET
NEW YORK 4

ACCOUNTANTS' CERTIFICATE

To the Board of Directors of

New York and Richmond Gas Company:

We have examined the balance sheet of New York and Richmond Gas Company as of December 31, 1945 and the related statement of income and earned surplus for the year ended that date, have reviewed the accounting procedures of the Company, and have examined its accounting records and other evidence in support of such financial statements. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all auditing procedures we considered necessary, which procedures were applied by tests to the extent we deemed appropriate in view of the system of internal control.

In our opinion, subject to the adequacy of the reserve for depreciation, as to which we are not in a position to express an opinion, the accompanying balance sheet and statement of income and earned surplus, together with their footnotes, fairly present the financial condition of the Company at December 31, 1945 and the results of its operations for the year ended that date, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HASKINS & SELLS

New York,

March 7, 1946.

NEW YORK AND RICH

(Incorporated in New York)

BALANCE SHEET

ASSETS

UTILITY PLANT

(At original cost as of December 31, 1937, determined by the Public Service Commission of the State of New York, plus subsequent net additions at cost) (See Note 1) \$5,354,256.12

OTHER PHYSICAL PROPERTY

(Not used in operations) 138,963.81

OTHER INVESTMENTS

(United States Government Bonds) 70,000.00

CURRENT ASSETS

Cash (including Working Funds, \$2,100.00)	\$118,439.85	
United States Tax Notes, Series C.	63,300.00	
Special Deposits (For payment of dividends, matured bonds and interest, etc.)	26,848.40	
Accounts Receivable (Less reserve for doubtful accounts of \$11,864.46)	126,943.54	
Materials and Supplies (At average cost or less) ..	<u>136,432.55</u>	471,964.34

DEFERRED CHARGES

Prepaid Insurance	15,601.37	
Other	<u>3,967.79</u>	19,569.16

CAPITAL STOCK EXPENSE 8,848.18

TOTAL	<u><u>\$6,063,601.61</u></u>
-------------	------------------------------

NOTES:

(1) As of January 1, 1945, under orders of the Public Service Commission of the State of New York, effective at that date, the amount in Contributions in Aid of Construction account as of December 31, 1944 which was identifiable with property in service, \$312,271.00, was credited to Utility Plant, and the balance, \$36,918.91, was transferred to the Reserve for Depreciation. Subsequently all Contributions in Aid of Construction have been credited directly to Utility Plant.

MOND GAS COMPANY

(in New York)

DECEMBER 31, 1945

LIABILITIES

CAPITAL STOCK

6% cumulative prior preferred—par value \$100.00 a share; authorized 30,000 shares; outstanding 14,138 shares	\$1,413,800.00	
Six per cent. cumulative preferred—par value \$100.00 a share; authorized 15,000 shares (see Note 2); issued 862 shares; reacquired, 125 shares; outstanding 737 shares	73,700.00	
Common—without par value; authorized and issued 15,000 shares (stated value \$56.66 $\frac{2}{3}$ a share)	850,000.00	\$2,337,500.00

FIRST MORTGAGE BONDS

(4 $\frac{1}{4}$ % Series Due August 1, 1966)	2,125,000.00
-----------------------------------------------------	--------------

CURRENT LIABILITIES

Matured bonds and interest	1,728.00	
Dividends declared	23,418.00	
Accounts payable	75,420.04	
Taxes accrued	64,031.53	
Accrued bond interest	37,630.20	
Customers' deposits	250,095.00	
Accrued interest on customers' deposits	13,256.76	
Miscellaneous	19,116.23	484,695.76

RESERVE FOR DEPRECIATION	936,574.34
--------------------------------	------------

DEFERRED CREDITS

Unamortized premium, less expense, on long-term debt	38,787.98	
Customers' advances for construction	1,562.70	40,350.68

CAPITAL SURPLUS (arising from purchase of 125 shares of six per cent. cumulative preferred stock)	1,941.25
---------------------------------------------------------------------------------------------------------	----------

EARNED SURPLUS	137,539.58
----------------------	------------

TOTAL	<u>\$6,063,601.61</u>
-------------	-----------------------

(2) Of the 15,000 shares of authorized six per cent. cumulative preferred stock, 14,138 shares have been converted into 6% cumulative prior preferred stock and have reverted to the status of unissued shares and are not reissuable.

Dividends in arrears on the six per cent. cumulative preferred stock amounted to \$28,743.00, or \$39.00 a share at December 31, 1945.

OPERATING STATISTICS

Rated daily capacity of Water Gas Plant.	7,000,000 cu. ft.
Number of Holders	4
Combined capacity of Holders	2,300,000 cu. ft.

	<i>Active Meters Dec. 31</i>	<i>Cubic Feet of Gas Manufactured</i>	<i>Cubic Feet of Gas Sold</i>	<i>Revenue from Gas Sold</i>
1935	30,728	884,588,000	817,923,900	\$1,207,625.
1936	31,152	900,326,000	846,020,100	1,180,843.
1937	31,581	906,530,000	853,154,300	1,156,368.
1938	31,923	947,871,000	882,856,300	1,186,216.
1939	32,312	965,550,000	911,692,300	1,206,110.
1940	32,733	1,004,933,000	961,299,500	1,252,584.
1941	33,965	1,034,882,000	976,530,500	1,252,566.
1942	35,038	1,140,557,000	1,068,394,900	1,317,539.
1943	35,480	1,230,459,000	1,155,355,700	1,394,144.
1944	36,029	1,296,276,000	1,220,163,200	1,467,394.
1945	36,550	1,363,994,000	1,298,964,800	1,554,107.

NEW YORK AND RICHMOND GAS COMPANY

STATEMENT OF INCOME AND EARNED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1945

OPERATING REVENUES		\$1,554,107.22
OPERATING REVENUE DEDUCTIONS		
Operation	\$872,684.15	
Maintenance	106,237.28	
Operating taxes	195,973.56	1,174,894.99
UTILITY OPERATING INCOME BEFORE DEPRECIATION		\$ 379,212.23
PROVISION FOR DEPRECIATION (see note)		99,942.41
UTILITY OPERATING INCOME		\$ 279,269.82
INCOME DEDUCTIONS		
Interest on long-term debt	\$ 90,312.50	
Amortization of premium, less expense, on long-term debt (credit)	*1,884.48	
Interest on customers' deposits	10,185.98	
Other interest	2,630.40	
Federal income tax (no liability for excess profits taxes)	54,736.00	
Miscellaneous	1,554.10	157,534.50
NET INCOME		\$ 121,735.32
EARNED SURPLUS AT BEGINNING OF THE YEAR		108,114.02
SURPLUS CREDIT—Tax adjustments applicable to prior years		1,362.24
Total		\$ 231,211.58
SURPLUS CHARGES		
Dividends:		
6% cumulative prior preferred stock	\$ 84,828.00	
Six per cent. cumulative preferred stock	8,844.00	93,672.00
EARNED SURPLUS AT END OF THE YEAR		\$ 137,539.58

*Denotes red figure.

NOTE: The provision for depreciation shown in the Statement of Income has been computed on the basis of an annual provision of \$110,000, decreased proportionately with the decrease in depreciable property subsequent to 1941. In addition to the provision for depreciation shown above, \$6,121.10 was charged to clearing accounts during 1945.

NEW YORK AND RICHMOND GAS COMPANY

(Incorporated in New York)

691 Bay Street

STATEN ISLAND 4, NEW YORK

DIRECTORS

D. R. J. ARNOLD

ANDREW G. CLAUSON, JR.

JACOB H. GOETZ

JOHN KOHOUT

WILLIAM P. LOUGH

EDWARD L. LOVE

EDWARD J. MCCORMICK

OFFICERS

JOHN KOHOUT

President and Treasurer

WILLIAM P. LOUGH

Vice-President

AUGUST MULLER

Secretary

R. VAN VLIET

General Superintendent

JOHN F. NASH

Assistant Treasurer

R. A. WEISS

Assistant Secretary

W. A. BAUMANN

Assistant Treasurer

