

RYUKYU DOMESTIC WATER CORPORATION ANNUAL REPORT

Fiscal Year 1962

United States Civil Administration of The Ryukyu Islands



IA②
SK0053
=企業局=

1 July 1961 - 30 June 1962

Chairman and Board member, and President: William A. Kelley (USCAR)

Vice President and Board member: Frank Egi (USCAR)

Board member: Omer E. Roller (USARYIS)

” ” : Kei Shimura(GRI)

” ” : Kiyoteru Kinjo(RDLC)

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RYUKYU DOMESTIC WATER CORPORATION

ANNUAL REPORT

Fiscal Year 1962

Foreword

The Ryukyu Domestic Water Corporation (RDWC) was established as an instrumentality of the United States Civil Administration of the Ryukyu Islands by Ordinance No. 8, dated 4 September 1958, to provide water for the use and benefit of the Ryukyuan people and for industrial development of the islands.

During the period covered by this report, the municipalities of Naha, Koza, Chatan, Ginowan, Yomitan, Misao, and Gushikawa-son were integrated into the Island Water System. The municipalities of Urasoe, Kadena, and Kitanakagusuku are expected to be integrated in the near future.

In January 1962, RDWC contracted for the services of Metcalf and Eddy, Consulting Engineers of Boston, Massachusetts, USA, to conduct a survey of all potential water sources on Okinawa and to prepare a master water plan for the Integrated Island Water System. The survey, which was completed in May 1962, estimated that approximately \$11 million would be required every ten (10) years for expansion and improvement of capital facilities to meet the water demand through the year 2000.

It also reported that there is a large potential source of water available from a number of streams in the northern part of Okinawa. To determine the potential yield of these streams, it is planned to install stream gauging stations on several of

the streams.

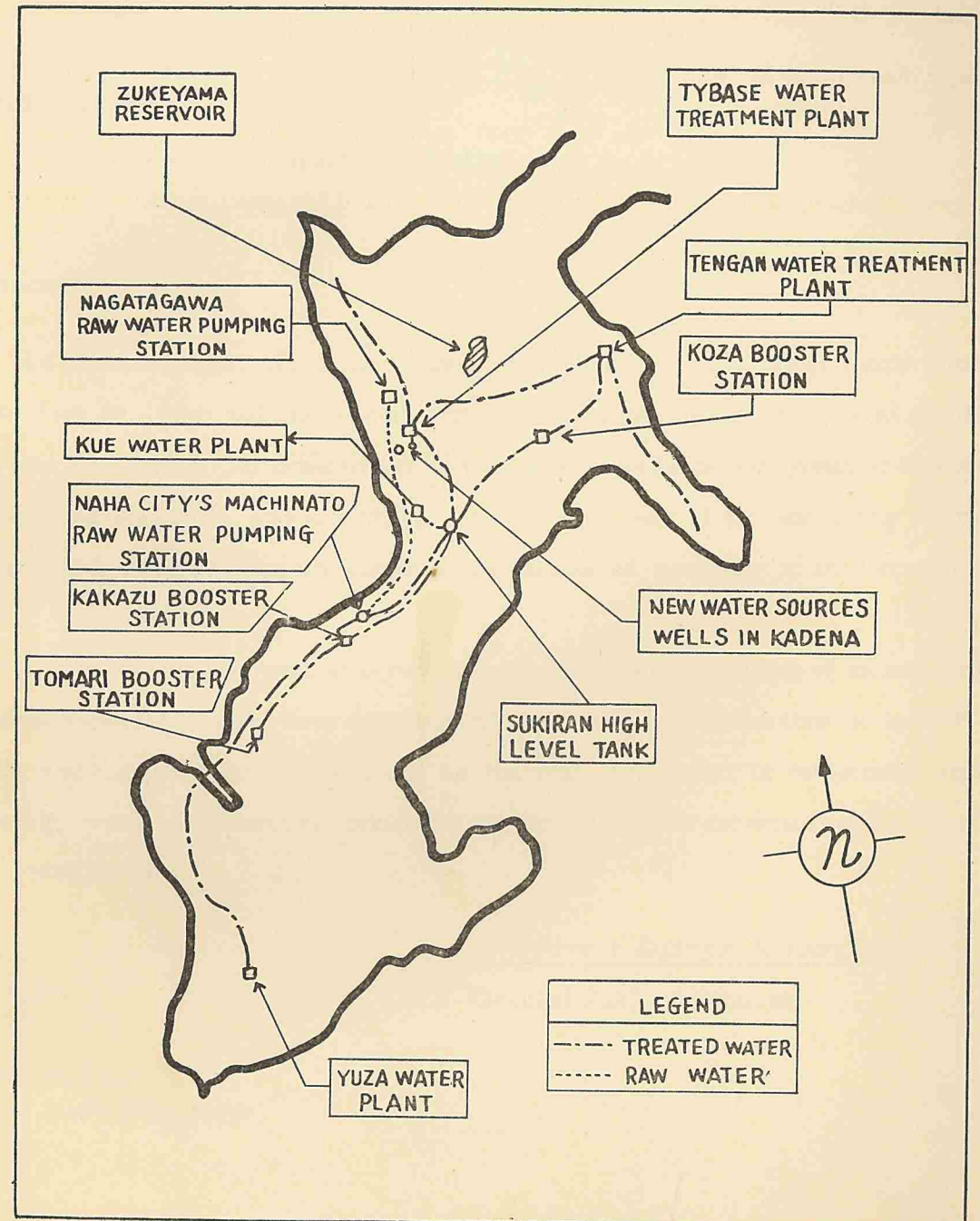
The Corporation is planning to develop an additional 16 million gallons per day over the next 6 years to satisfy requirements for water in the immediate future. This is the first phase of the master water plan calling for an expenditure of approximately \$19 million for the development of the water sources and expansion of water distribution facilities.

It is estimated that, by the year 2000, an additional 40 million gallons per day of potable water will be required to meet the demand for water in central Okinawa.

WILLIAM A. KELLEY
President
Ryukyu Domestic Water Corporation

CHART NO. 1
MAP OF INTEGRATED ISLANDWATER SYSTEM
PRINCIPAL FEATURES ONLY

RYUKYU DOMESTIC WATER CORPORATION



OFFICES:
SANTA MONICA, CALIFORNIA
SAN FRANCISCO, CALIFORNIA
SAN RAFAEL, CALIFORNIA
AGANA, GUAM
NAHA, OKINAWA

C.P.O.BOX 429
NAHA, OKINAWA

099-2319

CABLE ADDRESS
PACAUDIT

ARTHUR J. DELLINGER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors

Ryukyu Domestic Water Corporation

Naha, Okinawa

Gentlemen:

We have examined the balance sheet of Ryukyu Domestic Water Corporation as of June 30, 1962 and the related statement of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of income and retained earnings present fairly the financial position of the Corporation at June 30, 1962, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

s/Arthur J. Dellinger & Associates

Certified Public Accountants

Naha, Okinawa

October 31, 1962

EXHIBIT A
 RYUKYU DOMESTIC WATER CORPORATION
 COMPARATIVE BALANCE SHEET
 As of June 30, 1962 and 1961

<u>ASSETS</u>	<u>30 JUNE 1962</u>	<u>30 JUNE 1961</u>
Current Assets:		
Cash on hand and on deposit (Note 1)	\$ 750,218.55	\$ 936,294.74
Accounts receivable (Note 2)	52,295.97	36,487.25
Accrued interest receivable	18,353.43	3,822.48
Total Current Assets	820,867.95	976,604.47
Fixed Assets:		
Facilities	\$ 904,311.41	\$ 443,758.68
Allowance for depreciation	22,025.39	4,157.63
Automobiles	7,145.00	5,645.00
Allowance for depreciation	2,848.05	1,419.05
Office equipment and furniture	3,232.75	2,064.75
Allowance for depreciation	628.26	282.10
Total Fixed Assets	889,187.46	445,609.65
Other Assets:		
Deposits	200.00	250.00
Prepaid land rent	1,010.86	- 0 -
Advance for construction projects (Note 3)	27,102.31	127,861.31
Construction in progress (Note 4)	1,476,237.33	1,203,134.00
Total Other Assets	1,504,550.50	1,331,245.31
TOTAL Assets	\$ 3,214,605.91	\$ 2,753,459.43

LIABILITIES and CAPITAL

Liabilities:		
Current liabilities:		
Accounts payable	\$ 51,362.44	\$ 39,448.98
Accumulated annual leave payable	889.36	- 0 -
Total current liabilities	52,251.80	39,448.98
Other liabilities:		
Deposits from customers	35,459.00	20,885.58
Total Liabilities	87,710.80	60,334.56
Capital:		
Investment by the U.S. Government (Note 5)	2,686,297.52	2,472,049.00
Retained earnings (Exhibit B)	440,597.59	221,075.87
Total Capital	3,126,895.11	2,693,124.87
TOTAL Liabilities and Capital	\$ 3,214,605.91	\$ 2,753,459.43

See notes to financial statements.

EXHIBIT B

RYUKYU DOMESTIC WATER CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
For Years Ended June 30, 1962 and 1961

	Year Ended June 30,	
	1962	1961
Revenues:		
Sale of water	\$ 481,935.41	\$ 340,172.90
Repair and service charges	4,670.00	5,775.63
Total revenues	<u>486,605.41</u>	<u>345,948.53</u>
Cost of sales:		
Water	263,090.28	204,622.61
Repair and service charges	4,294.53	5,250.38
Total cost of sales	<u>267,384.81</u>	<u>209,872.99</u>
Gross profit on sales	<u>219,220.60</u>	<u>136,075.54</u>
Expenses:		
Administrative expenses		
Salaries and wages	13,283.85	11,758.84
Audit fee	700.00	700.00
Advertising and public notice	151.76	196.71
Insurance	523.18	460.77
Office and general supplies and expense	1,108.23	811.41
Postage	611.56	530.53
Publications	200.00	215.00
Repairs and maintenance - office equipment	41.21	42.20
Repairs and maintenance - vehicles	690.45	584.76
Rent - office	1,225.00	1,200.00
Telephone	295.39	147.25
Utilities	196.70	207.80
Provision for annual leave	889.36	
Miscellaneous	2.22	54.30
Total administrative expenses	<u>19,928.91</u>	<u>16,909.57</u>
Field maintenance expense	624.67	378.83
Land rent expense	616.96	1,138.03
Bad debt expense	673.57	
Depreciation expense	19,642.92	4,412.23
Total expenses	<u>41,487.03</u>	<u>22,838.66</u>
Net operating income	<u>177,733.57</u>	<u>113,236.88</u>
Other income:		
Connections, seal openings and inspection fees	2,594.00	709.00
Interest on time deposit	36,863.29	6,531.59
Interest on delinquent accounts	2,330.86	2,752.91
Total other income	<u>41,788.15</u>	<u>9,993.50</u>
Net income for the year	219,521.72	123,230.38
Adjustment to prior years		127.51
Retained earnings, beginning of year	221,075.87	97,717.98
Retained earnings, end of year (EXHIBIT A)	<u>\$ 440,597.59</u>	<u>\$ 221,075.87</u>

See notes to financial statements

RYUKYU DOMESTIC WATER CORPORATION
NOTES TO FINANCIAL STATEMENTS

June 30, 1962

1. Cash on hand on deposit at June 30, 1962, \$ 750,218.55, consist of \$ 445,200.86 of general funds and \$ 305,017.69 of construction funds of which \$ 444,700.00 and \$ 290,000.00 are in the form of interest bearing certificates of deposits.
2. Accounts receivable, \$ 52,295.97, consist of \$ 54,914.05 of accounts receivable net of \$ 2,618.08 advance payments. Collection on account for the period July 1 st to August 31, 1962 /totalled \$ 54,125.18 leaving \$ 788.87 of billings prior to June 30, 1962 outstanding at August 31, 1962.
3. Advances for construction projects, \$ 27,102.31 represent funds advanced to U. S. Army Engineers for construction in progress.
4. Construction in progress, \$ 1,476,237.33, consists of the following:

Integrated island water system	\$ 1,444,594.00
Feasibility study and master plan for integrated island water system	25,900.00
Machinato pipe line	<u>5,743.33</u>
Total	<u><u>\$ 1,476,237.33</u></u>

5. Capital investment at July 1, 1961

Capital contributions:	\$ 2,472,049.00
General fund of HICOM	8,800.00
Raw water facilities contributed by ARI	<u>205,448.52</u>
Capital investment at June 30, 1962	<u><u>\$ 2,686,297.52</u></u>

Highlights for Fiscal Year 1962

1. Financial:

a. During the fiscal year ending 30 June 1962, the Corporation realized revenues of \$486,606 from sale of treated water and untreated water and from fees earned for services rendered by the U. S. Army in installing meters and repairing and connecting pipe lines of the RDWC customers. The Corporation sold 2,318,053,000 gallons of water, of which 1,817,246,000 gallons were treated water and 500,807,000 gallons were untreated water. The municipalities purchased 1,065,380,000 gallons of treated water and 500,807,000 gallons of untreated water. Business establishments required 222,698,000 gallons and individual households consumed 529,168,000 gallons of treated water.

b. Other income of the Corporation totaled \$41,788 of which:

- (1) \$2,594 represents fees received from water customers for use of RDWC-owned taps and for inspection and repair of water connections;
- (2) \$36,863 was realized as interest on bank deposits;
- (3) \$2,331 represents interest collected on delinquent accounts of the water customers.

c. The total earnings from sales and other income of the Corporation for fiscal year 1962 was \$528,394.

d. The Corporation's expenses totaled \$308,872 of which:

- (1) \$249,744 represents the cost of treated water supplied to the Corporation by the U. S. Army;
- (2) \$13,346 represents the cost of raw water supplied to the Corporation by the U. S. Army;
- (3) \$4,295 was incurred for services rendered by the U. S. Army for installing meters and repairing and connecting pipe lines of

the water customers;

- (4) \$21,844 represents the total administrative and operating expenses of the Corporation;
- (5) \$19,643 represents annual depreciation on the Corporation's properties.

e. The net income of the Corporation for the fiscal year 1962 was \$219,552.

2. Business Operation:

As shown in the following tabulations, a substantial increase in the demand for water by municipalities and other customers and a rapid increase in the number of customers were recorded in this reporting period. There was an increase of 49.1 per cent in the number of customers during fiscal year 1962 broken down into 49.2 per cent in residential customers and 47.9 per cent in commercial users. The increase of 1,139 customers was slightly more than the increase in FY 1961 of 1,130 customers.

TABLE No.1

Water sales in FY 1962

(1) Breakdown of sale of treated water and raw water:

	FY 1961 (In thousand of gallons)	FY 1962 (In thousand of gallons)	Percentage of Increase
Treated water	1,237,989	1,817,246	46.8%
Raw water (Naha)	398,408	500,807	25.7%
Total	<u>1,636,397</u>	<u>2,318,053</u>	<u>41.7%</u>

(2) Breakdown of sale of water by type of customers:

	FY 1961 (In thousands of gallons)	FY 1962 (In thousands of gallons)	Percentage of Increase
Municipalities	1,153,776	1,566,187	35.7%
Commercial	158,828	222,698	40.2%
Residential	323,793	529,168	63.4%
Total	<u>1,636,397</u>	<u>2,318,053</u>	<u>41.7%</u>

(3) Breakdown of sale of water to municipalities:

	FY 1961 (In thousands of gallons)	FY 1962 (In thousands of gallons)	Percentage of Increase
Naha	884,028	1,040,471 *	17.7%
Koza	194,154	319,877	64.8%
Chatan	15,168	23,631	55.8%
Ginowan	55,436	138,560	149.9%
Yomitan	3,583	11,248	213.9%
Misato	1,407	15,483	1,000.4%
Gushikawa	<u>-0-</u>	<u>16,917</u>	<u>-</u>
Total	<u>1,153,776</u>	<u>1,566,187 *</u>	<u>35.7%</u>

* Includes raw water sold to Naha shown in (1)

3. Construction Projects:

a. The following RDWC projects were completed during the reporting period:

- (1) Pipe lines for treated water
 - (a) From Sobe to Bolo Point
 - (b) From Tybase-Kadena Tank to Sukiran High Level Tank
- (2) Well Field at Kadena
 - (a) Water collection system
 - (b) Raw water pipe line from well field to Tybase Water Treatment Plant

b. The following projects were under construction and are expected to be completed within the next year.

- (1) Modification of Tybase Water Treatment Plant
- (2) Conversion of Kawasaki Raw Water pipe line to treated water line.

Future plans for construction of water projects will be in accordance with the Master Plan developed primarily by Metcalf and Eddy, Engineers, and approved by the Board. As an initial step, stream gauging stations for numerous streams in northern Okinawa will be constructed by the Okinawa District Engineer in the next fiscal year. Funds will be programmed for the period FY 1963 through 1968 to design and construct the first two phases of a central distribution system and the first phase of a northern supply system. Following good engineering practice, design costs will be programmed one year before construction. Construction of the distribution system will precede construction of the water supply system.

ORGANIZATION
OF THE RYUKYU DOMESTIC WATER CORPORATION

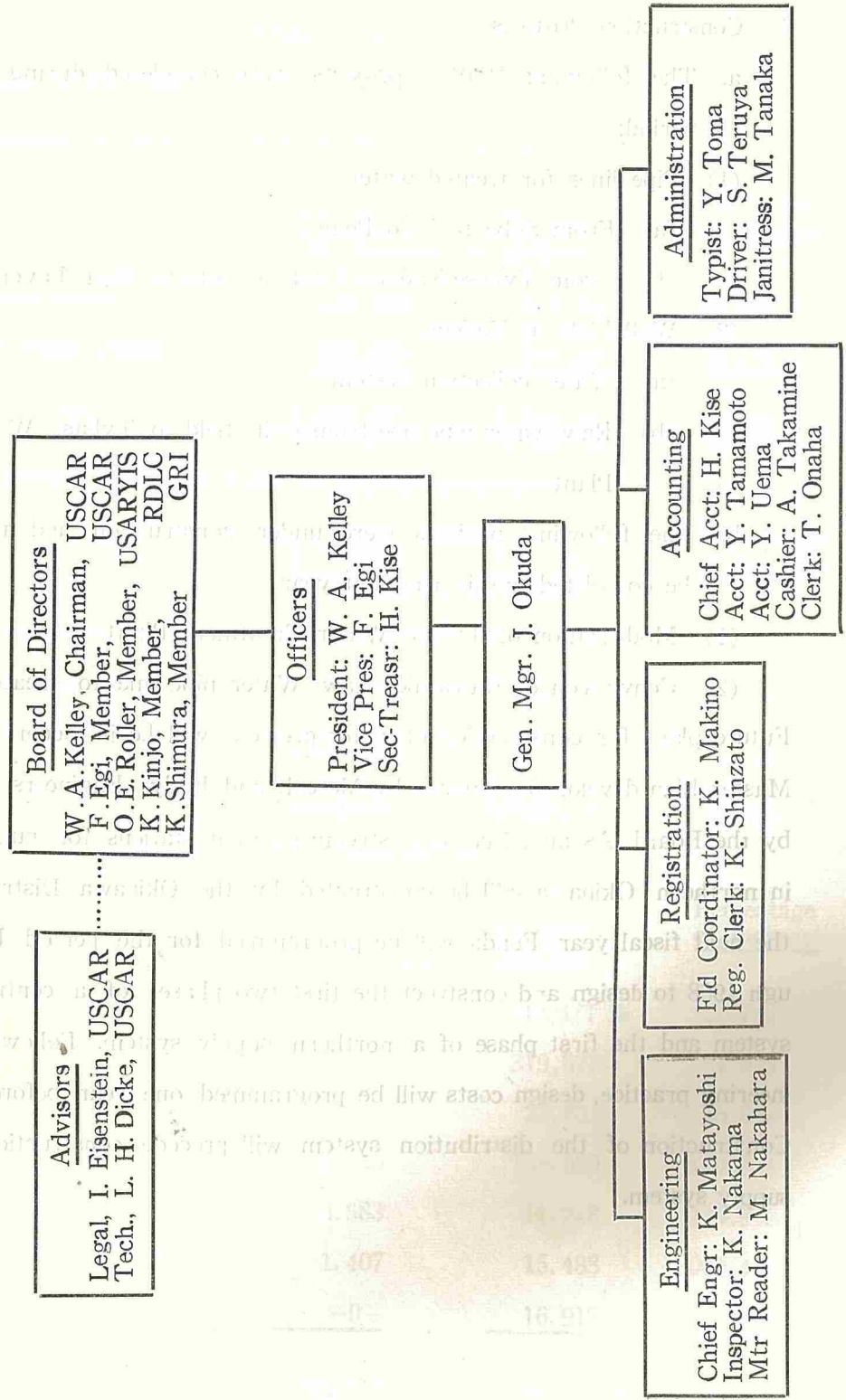


Table No. 2

Capital Growth of Ryukyu Domestic Water Corp
FY 1959 through FY 1962

Fiscal Year	Capital		Accumul
	Contributions from Appropriated Fund	Contributions from High Commissioner's General Fund	
30 June 1959	\$ -0-	\$ 138,577*	\$ 138
30 June 1960	255,050	626,430	1,020
30 June 1961	(40,579)	1,492,571	2,472
30 June 1962	205,449	8,800	2,686
Total	<u>\$ 419,920</u>	<u>\$ 2,266,378</u>	<u>\$ 2,686</u>

REMARK: * Includes contribution from U. S. Army, Ryukyu Islands, in the amount of \$

Table No. 2

Capital Growth of Ryukyu Domestic Water Corporation
FY 1959 through FY 1962

<u>Fiscal Year</u>	<u>Capital</u>			<u>Retained Earnings</u>		
	<u>Contributions from Appropriated Fund</u>	<u>Contributions from High Commissioner's General Fund</u>	<u>Accumulated</u>	<u>Net Profit</u>	<u>Accumulated</u>	<u>Net Worth</u>
30 June 1959	\$ -0-	\$ 138,577*	\$ 138,577	\$ 37,409	\$ 37,409	\$ 175,986
30 June 1960	255,050	626,430	1,020,057	60,309	97,718	1,117,775
30 June 1961	(40,579)	1,492,571	2,472,049	123,358	221,076	2,693,125
30 June 1962	<u>205,449</u>	<u>8,800</u>	<u>2,686,298</u>	<u>219,522</u>	<u>440,598</u>	<u>3,126,896</u>
Total	<u>\$ 419,920</u>	<u>\$ 2,266,378</u>	<u>\$ 2,686,298</u>	<u>\$ 440,598</u>	<u>\$ 440,598</u>	<u>\$ 3,126,896</u>

REMARK: * Includes contribution from U. S. Army, Ryukyu Islands, in the amount of \$ 1,577.

Chart No.2

SUMMARY OF SALES

RYUKYU DOMESTIC WATER CORPORATION

ANNUAL WATER CONSUMPTION SALES NUMBER OF CUSTOMERS

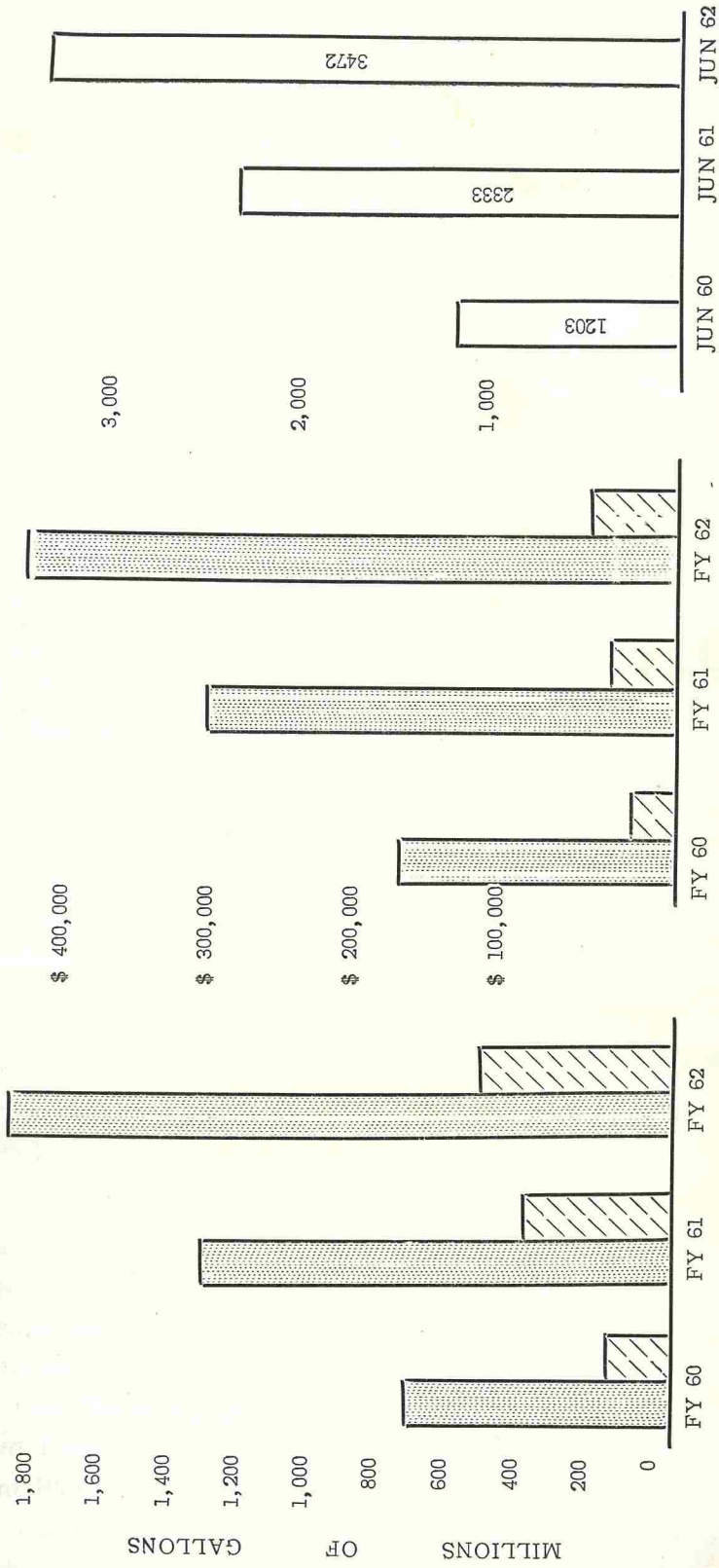
LEGEND

TREATED WATER

RAW WATER

4,000

\$ 500,000



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(No Annual Report for FY 1958 and 1959)

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