

ANNUAL REPORT

CANADA NORTHERN POWER
CORPORATION, LIMITED



1926

Annual Report
Canada Northern Power Corporation, Limited

Year Ended December 31st, 1926

President

A. J. NESBITT, Montreal

Vice-President

JAS. B. WOODYATT, Montreal

Directors

J. H. BLACK.....Toronto
F. O. BLACKWELL.....New York
DAN. McLACHLIN.....Arnprior
MAJ.-GEN. THE HON. S. C. MEWBURN, C.M.G., Hamilton
A. J. NESBITT.....Montreal
P. A. THOMSON.....Montreal
N. A. TIMMINS.....Montreal
JAS. B. WOODYATT.....Montreal

General Manager

D. G. ALLAN, Cobalt

Secretary

L. C. HASKELL, Montreal

Treasurer

CHAS. JOHNSTONE, Montreal

Assistant Secretary-Treasurer.

H. A. SEYMOUR, Cobalt

Assistant Secretary

M. M. COX, Montreal

Assistant Treasurer

F. D. LAMONT, Montreal

Fiscal Agents

NESBITT, THOMSON & COMPANY, LIMITED

Auditors

MESSRS. P. S. ROSS & SONS

HEAD OFFICE.....Montreal



Aeroplane view of Quinze Power Plant—Two additional Units now being added

Canada Northern Power Corporation, Limited

TO THE SHAREHOLDERS:

Your directors are pleased to submit the Second Annual Report of your Company and Statement of Accounts for the year ended December 31st, 1926, showing a substantial increase in earnings over the previous year.

After taking care of expenditures of subsidiary companies, viz., operation and maintenance expenses, taxes, interest charges and dividends; and after providing a depreciation reserve of \$425,000, and deducting minority interest in surplus, the balance remaining is sufficient to provide interest on bonds and dividends on Preferred Stock of Canada Northern Power Corporation, Limited. The policy of the Company has been to leave a substantial portion of the net earnings of the subsidiaries in their surplus accounts to be reinvested in their business.

Your Company, through control of Northern Canada Power, Limited, Northern Ontario Light & Power Company, Limited, Porcupine Power & Telephone Company, Limited, and Great Northern Power Corporation, Limited, is materially interested in the industrial development of Northeastern Ontario and Northwestern Quebec. The territory served is a new country in the sense that the extent of its mineral wealth has been only partially revealed. Your directors have reason to be most optimistic over the amount of power that will be required during the next few years.

During the year under review, development of mineral resources has steadily progressed, resulting in new workings being opened up and permanent machinery and equipment being installed, all requiring power for operation.

Considerable extension work had, therefore, to be done during the past year, to assure service to Waite-Montgomery, Horne Copper, Alderson-Mackay and other mines. Transmission lines had to be built, new substations erected, and larger conductors installed, with a view to improving the service as well as reducing power loss in transmission.

Further extensions of the distributing system are contemplated by your directors so as to keep abreast of the country's development and the growth in business offering.

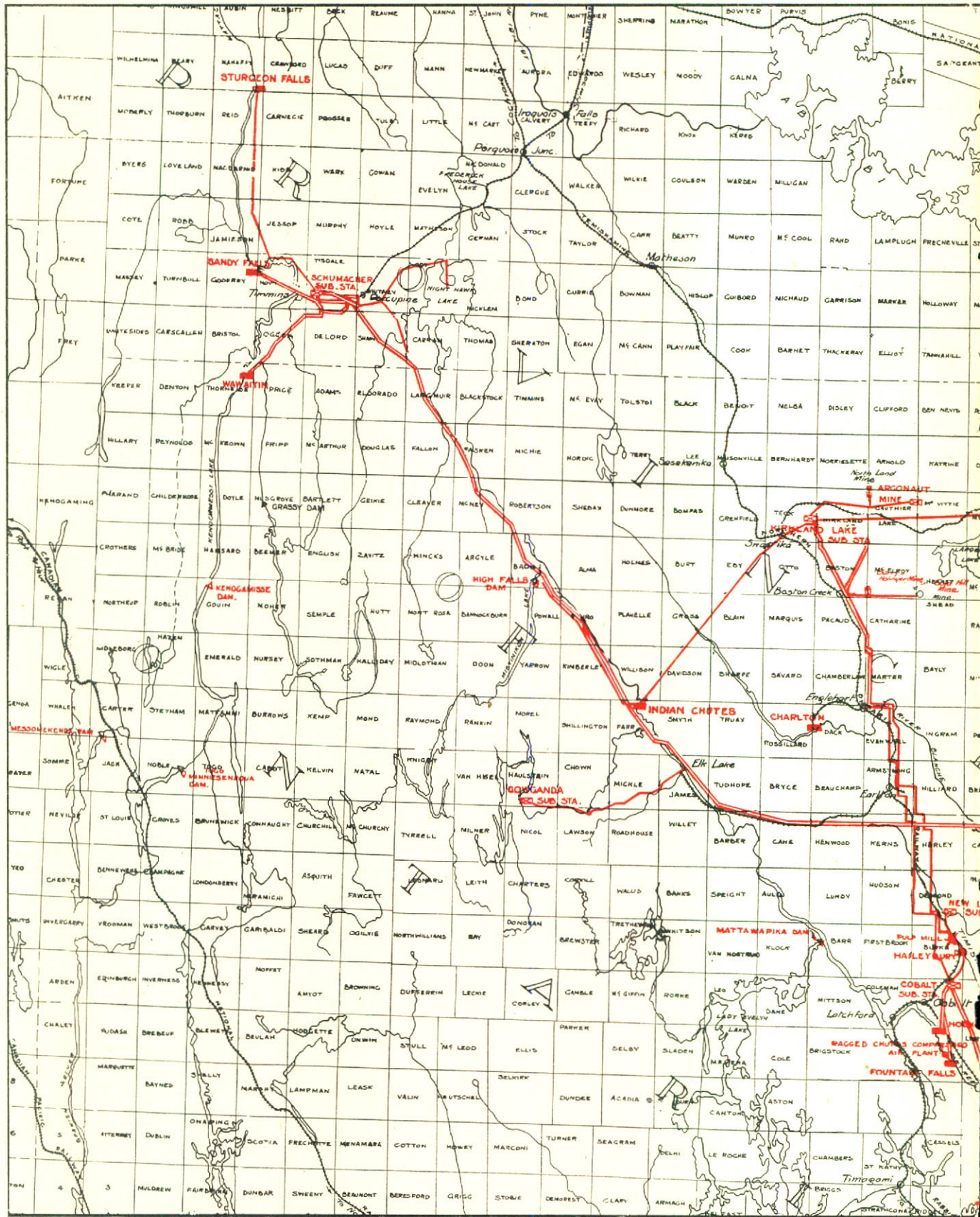
The various power plants and transmission and distributing systems have not only been maintained in efficient operating condition, but have been considerably improved during the past year so as to decrease operating charges.

The accompanying map, showing the properties owned by your Company, the territories served, as well as those that are accessible, will enable you to visualize the position which your Company occupies in relation to what is now generally regarded as a portion of Canada which presents most favorable prospects for expansion.

Pioneer development work in such territories calls for ability and more than ordinary courage and perseverance. The management, engineering and construction staffs have energetically carried on the work of operating, maintenance and construction during the past year, and your directors take pleasure in according to them the full measure of acknowledgment which they feel is due to them for so contributing to the successful operation of the Company.

Respectfully submitted,

A. J. NESBITT,
President.



Canada Northern Power Corporation, Limited

and Subsidiaries

Consolidated Annual Statement—Year Ending December 31st, 1926

ASSETS

	Dec. 31, 1926	Dec. 31, 1925
Plant Investment.....	\$26,707,295.64	\$11,586,239.47
Cash on Hand and on Call.....	1,278,456.74	146,250.04
Victory Bonds and Other Marketable Securities.....	435,500.00	
Accounts Receivable.....	277,551.60	87,277.40
Materials and Supplies.....	156,499.31	51,686.84
Prepaid Accounts.....	32,150.16	21,787.72
Cash on Deposit for Redemption of Bonds.....	73,605.17	653,897.38
	<u>\$28,961,058.62</u>	<u>\$12,547,138.85</u>

LIABILITIES

To PUBLIC:

	Dec. 31, 1926	Dec. 31, 1925
Funded Debt.....	\$14,826,500.00	\$5,605,900.00
Accounts Payable.....	378,343.70	80,701.27
Com. Dividends of Subsidiaries Payable Jan. 1927.....	9,601.25	8,093.25
Pref. Dividends of Subsidiaries Payable Jan. 1927.....	153,728.50	70,000.00
Customers' Deposits.....	148,425.94	56,727.97
Bond Interest Matured.....	8,378.74	
Bond Interest Accrued.....	218,765.00	52,404.50
Income Tax Reserve.....	71,859.84	15,914.64
	<u>\$15,815,602.97</u>	<u>\$5,889,741.63</u>

To PUBLIC SHAREHOLDERS OF SUBSIDIARIES:

Capital Stock—		
Preferred.....	\$2,338,000.00	
Common.....	1,181,075.00	809,600.00
Minority Interest in Surplus of Subsidiaries.....	59,900.06	14,928.14
	<u>\$3,578,975.06</u>	<u>\$824,528.14</u>

To SHAREHOLDERS—CANADA NORTHERN POWER CORPORATION LIMITED:

Capital Stock—		
Preferred.....	\$4,670,200.00	\$4,000,000.00
Common.....	404,710.00	250,000.00
Reserves—		
Depreciation.....	3,591,941.90	1,482,941.21
Miscellaneous.....	205,214.95	
Profit and Loss.....	694,413.74	99,927.87
	<u>\$28,961,058.62</u>	<u>\$12,547,138.85</u>

Canada Northern Power Corporation, Limited and Subsidiaries

Revenue Account

For Year Ending December 31st, 1926

Gross Earnings.....		\$2,562,185.57
Expenses.....	\$746,439.04	
Interest.....	823,355.97	
Bad Debts Written Off.....	105.82	
Balance.....	992,284.74	
	\$2,562,185.57	\$2,562,185.57

Profit and Loss Account

For Year Ending December 31st, 1926

Balance at Credit 31st December, 1925.....		\$760,898.41
LESS Dividend Paid 25th January, 1926.....	\$45,322.00	
Minority Interest in Surplus of Subsidiaries, 31st December, 1925.....	59,795.91	
		105,117.91
Earnings for Year 1926.....		\$655,780.50
Dividends on Preferred Stocks.....	\$449,309.10	992,284.74
Dividends on Common Stocks of Subsidiaries.....	79,238.25	
Minority Interest in Annual Surplus of Subsid.....	104.15	
Depreciation Reserve.....	425,000.00	
Balance.....	694,413.74	
	\$1,648,065.24	\$1,648,065.24

Auditors' Report

We have audited the Balance Sheets as at December 31st 1926, of the Canada Northern Power Corporation Limited, and its subsidiary Company, The Great Northern Power Corporation, Limited.

We submit the Consolidated Balance Sheet and relative Profit and Loss Account as at December 31st, 1926, drawn from the foregoing statements together with the Balance Sheets as at December 31st, 1926 of the—

Northern Ontario Light & Power Company, Limited
Northern Canada Power Limited
Porcupine Power & Telephone Company, Limited
Quinze Power Company, Limited

which have been certified to by Clarkson, Gordon & Dilworth, Chartered Accountants, Toronto, Ont. This in our opinion, exhibits a true and correct view of the state of the affairs of the combined Companies as at that date, according to the best of our information and the explanations given to us, and as shown by the books of account examined by us.

MONTREAL, 14th MARCH, 1927.

P. S. ROSS & SONS,
Chartered Accountants.

Canada Northern Power Corporation, Limited

Consolidated Operating Statement

For Years Ending December 31st

	1925	1926
Gross Earnings.....	\$1,035,851	\$2,562,185
Operation and Maintenance.....	212,499	518,797
Taxes.....	135,189	227,641
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Net Earnings.....	\$347,688	\$746,439
Bad Debts.....	668,163	1,815,746
Discount, etc., on Securities.....		105
Interest.....	189,407	
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	290,027	823,355
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Surplus for Year.....	\$479,434	\$823,461
Surplus brought Forward.....	208,728	992,284
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	1,052,858	*655,780
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Preferred Dividends Paid.....	\$1,261,587	\$1,648,065
Common Dividends Paid.....	267,006	449,309
Minority Interest in Surplus.....	30,360	79,238
Transferred to Depreciation Reserve.....	14,928	104
Settlement of Law Suit.....	274,364	425,000
	<hr/>	<hr/>
	575,000	
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Surplus Carried Forward.....	\$1,161,659	\$953,651
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	99,927	694,413
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*—Includes Surplus of additional Companies acquired during the year 1926.

