

WINNIPEG
ELECTRIC
RAILWAY
COMPANY

30TH ANNUAL REPORT
NINETEEN TWENTY-TWO

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THE
ANNUAL REPORT
OF
THE WINNIPEG ELECTRIC RAILWAY
COMPANY FOR THE FISCAL YEAR
ENDED THIRTY-FIRST OF DECEMBER
NINETEEN TWENTY-TWO

*Submitted at the Thirtieth Annual Meeting
held on the Second day of April
Nineteen twenty-three*

DIRECTORS:

SIR AUGUSTUS NANTON, *President*

A. W. McLIMONT, *Vice-President*

F. MORTON MORSE, *Secretary*

G. V. HASTINGS	A. J. NESBITT
HUGH SUTHERLAND	W. J. BULMAN
D. N. FINNIE	W. R. BAWLF

A. W. McLIMONT, *General Manager*

J. S. MACKENZIE, *Treasurer*

L. PALK, *Assistant Secretary*

Report of the President and Directors Winnipeg Electric Railway Company

For the Year ended December 31st, 1922

To the Shareholders:

Your Directors beg to submit a statement of the operations for the year ended the 31st December, 1922, as follows:

Gross Earnings from Operations.....	\$5,395,223.52
Operating Expenses, before charging Depreciation.....	3,526,715.12
Net Operating Revenue.....	\$1,868,508.40
Miscellaneous Income.....	121,853.66
Income available to meet fixed charges, etc.....	\$1,990,362.06

From which the following deductions are made:

Interest Charges on Debenture Stock, Bonds, Bank Loans, etc.....	\$643,028.15
Extinguishment of Discount on Securities.....	16,000.00
City Percentage and Car License Taxes.....	175,036.20
Taxes.....	164,639.26
Miscellaneous Non-Operating Expenses.....	3,783.22
Other Income Deductions.....	52,500.28
	1,054,987.11
Net Income as shown on Accounts submitted herewith, excluding depreciation.....	\$ 935,374.95

The gross earnings for the year 1922 show a decrease of \$22,800.19 from the preceding year but the net income shows an increase of \$6,410.31.

The year 1922 was marked with a continuation of the general industrial depression referred to in last year's report with manifestations of improvement in the closing months. The result was a still further drop in the number of passengers carried by the street railway and also a slight decrease in gas sales. In anticipation of the new supply of power which became available with the installation at Great Falls of the first generating unit of the Manitoba Power Company, Lim-

ited, at the close of the year, the electric business was diligently prosecuted for new customers and as a result it shows a substantial increase in earnings.

The small reduction in fares made effective August 1, 1921, in order to come to a final settlement of the litigation with the City of Winnipeg in respect to the 1920 judgment of the Public Utilities Commissioner regarding fares which was appealed by the City exerted its influence throughout the twelve months of 1922. This reduction together with the diminution in number of passengers is responsible for a decrease of \$151,738.00 in the railway gross earnings. Gas gross earnings show decrease to extent of a fraction of one per cent or \$2,156.00. Electric gross earnings show increase of over fifteen per cent or \$131,094.00.

Operating expenses received the benefit of decreases in wages from May 1, and the gas utility received special advantage of lower coal costs. These factors coupled with improvements of recent years, enabled the gas utility to make a creditable financial showing. The advantage of reduced wages to the railway and electric utilities was not sufficient to offset expenses incurred on account of increases in service and the fact that it was necessary to use much steam-generated power pending the completion of the Great Falls Power plant.

The electric utility's increase in gross earnings covered its additional expenses and besides made possible a gain in the net earnings of \$72,500.00, as against a gain of \$21,300.00 for the preceding twelve months.

It will be observed that after payment of all fixed charges and making the usual provisions for depreciation the Company shows a net income of \$734,324.95. From this amount has been deducted the dividends paid on Preference Stock amounting to \$210,000.00, and also an additional allowance for depreciation amounting to \$138,459.84, leaving \$385,865.11 to be transferred to surplus.

The Company has continued its policy of keeping its property in good operating condition and has in the past year made extensive repairs to its track and roadbed. It also overhauled and painted much of its rolling stock. Construction activities included an extension of one-half mile of double track and a great many new electrical services and alterations and extensions to the electrical distribution system.

Respectfully submitted,

A. M. NANTON,
President.

AUDITORS' REPORT

*To the Shareholders, Winnipeg Electric Railway Company,
Winnipeg, Canada.*

We have audited the accounts of the Winnipeg Electric Railway Company for the year ended December 31, 1922, and have compared them with the accompanying Balance Sheet and Income Account, which are in accordance with the books. In our opinion the Balance Sheet is properly drawn up so as to present a true and correct statement of the affairs of the Company as at December 31, 1922, and the Income Account correctly reflects the results of the operations for the year ended that date. The allowance for depreciation charged against the net income for the year has been provided in accordance with the reports of the J. G. White Engineering Corporation.

MARWICK, MITCHELL & CO.,
Chartered Accountants.

Winnipeg, February 16, 1923.

WINNIPEG ELECTRIC RAILWAY

As at

ASSETS

PHYSICAL PROPERTIES at Reproduction Cost as Appraised by the J. G. White Engineering Corporation, as of December 31, 1916, and additions since.....	\$27,341,422.84
LESS DECREASE in Book Value of River Park Property due to proposed Right-of-Way through Park.....	532,858.09
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RIVER PARK Property Adjustment.....	\$26,808,564.75
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SINKING FUNDS:	532,858.09
First Refunding Mortgage 30-Year 5% Sinking Fund, Gold Bonds—at par value.....	516,654.74
ADVANCES TO AND STOCK HELD IN SUBSIDIARY COMPANIES AT BOOK VALUE.....	2,437,824.08
CURRENT ASSETS:	
Cash in Bank and on Hand.....	\$ 51,314.78
Cash in Bank—Special Accounts.....	193,220.98
Consumers and Other Accounts Receivable less Reserve for Doubtful Accounts.....	364,745.08
Deposit with Workmen's Compensation Board.....	16,516.75
Materials and Supplies.....	439,619.25
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DEFERRED ASSETS, PREPAID ACCOUNTS, UNADJUSTED DEBITS, ETC.....	\$ 1,065,416.84
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Total.....	\$ 2,665,129.04
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Total.....	\$34,026,447.54

COMPANY—BALANCE SHEET

December 31st, 1922

LIABILITIES

CAPITAL STOCK:

Authorized and Issued—

30,000 Shares 7% Cumulative Preferred Stock of \$100.00 each.....	\$ 3,000,000.00
110,000 Shares Common Stock of \$100.00 each.....	11,000,000.00
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	\$14,000,000.00

DEBENTURE STOCK:

£900,000 4½% Perpetual Consolidated (Total Issue £1,300,000).....	\$ 4,380,000.00
NOTE—£400,000 is pledged as security for Notes to Bankers.	

FUNDED DEBT:

Bonds—

5% First Mortgage Bonds Winnipeg Electric Street Rail-	
way Company, redeemable January 1, 1927.....	\$1,000,000.00
Less exchanged for First Refunding Mortgage 30-Year 5%	
Sinking Fund Gold Bonds, redeemable January 1, 1935....	273,500.00

\$ 726,500.00

First Refunding Mortgage 30-Year 5% Sinking	
Fund Gold Bonds, redeemable January 1,	
1935.....	\$5,000,000.00

726,500.00

\$4,273,500.00

\$ 5,000,000.00

CURRENT AND ACCRUED LIABILITIES:

Notes Payable to Bankers, secured.....	\$875,500.00
Accounts Payable (Material and Supplies, Operating and	
Construction).....	447,295.99
City Percentage and Car License.....	175,036.20
City of Winnipeg Taxes.....	274,806.57
Paving Charges.....	508,112.06
Interest Accrued on Unpaid Taxes.....	127,252.52
Wages and Salaries Payable.....	123,610.30
Consumers' Security Deposits.....	62,964.05
Unredeemed Tickets.....	14,031.54
Other Liabilities.....	110,739.27
Accrued Interest Charges, etc.....	69,627.14
Bond Interest (payable January 2, 1923).....	125,000.00
Dividend on Preferred Stock (payable January 2, 1923).....	42,500.00

2,956,475.64

DEFERRED LIABILITY—Pavement Charges Payable in Instalments, 1923-1935	462,445.21
RESERVE FOR INJURIES AND DAMAGES, ETC.....	118,409.21

ACCRUED DEPRECIATION.....	4,153,507.45
SINKING FUND RESERVE.....	578,503.98

SURPLUS.....	2,377,106.05
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Total..... \$34,026,447.54

CONTINGENT LIABILITIES:

In respect of the Principal and Interest of the Bonds of the	
Winnipeg, Selkirk and Lake Winnipeg Railway Company.....	\$1,400,000.00
Suburban Rapid Transit Company.....	500,000.00
Manitoba Power Company Limited (in respect to Interest	
on and after May, 1924).....	7,500,000.00

7,500,000.00

WINNIPEG ELECTRIC RAILWAY COMPANY

INCOME ACCOUNT

For the Year ended December 31st, 1922

GROSS EARNINGS FROM OPERATIONS.....	\$5,395,223.52
OPERATING EXPENSES—Before charging depreciation.....	3,526,715.12
Net Operating Revenue.....	\$1,868,508.40
MISCELLANEOUS INCOME.....	121,853.66
Gross Income.....	\$1,990,362.06
DEDUCT:	
Interest Charges on Debenture Stock, Bonds and Bank Loans.....	\$643,028.15
Extinguishment of Discount on Securities.....	16,000.00
City Percentage and Car License.....	175,036.20
Taxes.....	164,639.26
Miscellaneous Non-Operating Expenses.....	3,783.22
Other Income Deductions.....	52,500.28
	1,054,987.11
NET INCOME before charging Depreciation.....	\$ 935,374.95
DEDUCT:	
Depreciation.....	201,050.00
Net Income transferred to Surplus.....	\$ 734,324.95
SURPLUS BROUGHT FORWARD FROM 1921 AS ADJUSTED.....	\$2,047,790.94
NET INCOME FOR YEAR TRANSFERRED.....	\$734,324.95
DIVIDENDS ON 7% CUMULATIVE PRE- FERRED STOCK.....	\$210,000.00
ADDITIONAL DEPRECIATION.....	138,459.84
	348,459.84
	385,865.11
SINKING FUND APPROPRIATION.....	\$2,433,656.05
	56,550.00
SURPLUS CARRIED FORWARD.....	\$2,377,106.05

