

TWENTY-SEVENTH

Annual Report

OF THE

Winnipeg Electric Railway Company



NINETEEN-NINETEEN

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DIRECTORS:

SIR AUGUSTUS NANTON, *President.*

A. W. McLIMONT, *Vice-President*

F. MORTON MORSE, *Secretary*

G. V. HASTINGS

G. W. ALLAN

HUGH SUTHERLAND

W. J. BULMAN

J. D. McARTHUR

W. R. BAWLF

A. W. McLIMONT, *General Manager*

J. S. MACKENZIE, *Treasurer*

L. PALK, *Assistant Secretary*

THE
ANNUAL REPORT
OF

THE WINNIPEG ELECTRIC RAILWAY
COMPANY FOR THE FISCAL YEAR
ENDED THIRTY-FIRST OF DECEMBER
NINETEEN-NINETEEN

*Submitted at the Twenty-seventh Annual Meeting
held on the Tenth day of March,
Nineteen-twenty*

REPORT OF THE PRESIDENT AND DIRECTORS

For the Year ended December 31st, 1919

To the Shareholders:

Your Directors beg to submit a statement of the operations for the year ended the 31st December, 1919, as follows:

Gross Earnings from Operations.....	\$4,284,479.11
Operating Expenses, before charging Depreciation.....	3,019,495.11
Net Operating Revenue.....	1,264,984.00
Miscellaneous Income.....	58,639.40
Income available to meet fixed charges, etc....	1,323,623.40
From which the following deductions are made:	
Interest Charges on Debenture Stock, Bonds, Gold Notes, etc.....	\$ 696,489.94
Extinguishment of Discount on Securities.....	37,672.04
City Percentage and Car License Taxes.....	146,395.16
Taxes.....	126,760.89
Miscellaneous Non-Operating Expenses.....	2,018.05
Other Income Deductions.....	16,432.21
Net Income as shown on Accounts submitted herewith, excluding depreciation.....	<u>\$ 297,855.11</u>

The Gross Earnings for the Year 1919 show an increase of \$695,756.02 over the previous year. Notwithstanding the heavy increase in wages and other operating expenses, the net revenue shows an increase for the year of \$8,071.03.

During the year 1919 many of the difficulties still prevailed that were encountered in 1918. The effect upon travel of the influenza epidemic continued well into the first months of 1919, but the most serious effect upon its revenue which your Company had to contend with was the strike of its employees, who went out in sympathy with other Trade Unions in the general suspension of all industries that took place in Winnipeg for forty-two days during May and June, during which time your railway department was unable to operate and the Gas and Electric Light and Power Departments were also severely affected. Your Motormen and Conductors, Shopmen, Trackmen, Electricians and allied crafts were granted a Board of Conciliation which awarded to them very large increases in wage, dating in some instances from May 1st, and in other instances from June 26th. Increased wages thus awarded, together with higher wages paid in all departments and increased cost of material, made a very large addition to operating costs.

On the other hand, your Directors are glad to be able to report that, effective October 9th, 1919, an interim order was secured from the Public Utilities Commission, permitting the Company to charge an increased fare, which resulted in sufficient additional revenue being obtained to largely compensate for the heavy uncontrollable increase in operation.

An appraisal of the physical properties of your Company is now under way in connection with the Company's application for increased fares now pending before the Commission, and when completed the appraisal will be made the basis for fixing a rate of fare which will provide a reasonable return upon capital invested, over and above operating costs and fixed charges.

With the return of Peace, business is rapidly resuming its normal activity, and provision is being made by the Management to take advantage of the increased business which is looked forward to.

Respectfully submitted.

(Sgd.) 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 31st, 1919, 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, 1919, and the Income Account correctly reflects the results of the operations for the year ended that date. The allowance made for depreciation has been provided in accordance with the reports of the J. G. White Engineering Corporation.

MARWICK, MITCHELL, PEAT & CO.,
Chartered Accountants.

Winnipeg, March 1, 1920.

WINNIPEG ELECTRIC RAILWAY

As at 31st

ASSETS

PHYSICAL PROPERTIES at Reproduction Cost as Appraised by
The J. G. White Engineering Corporation, as of December
31, 1916, and Additions since..... \$25,763,570.45

SINKING FUND:

Investment.....	\$276,306.35
Cash.....	6,014.66
	282,321.01

ADVANCES TO AND STOCK HELD IN SUBSIDIARY COMPANIES
AT COST..... 2,075,562.55

CURRENT ASSETS:

Cash in Bank and on Hand.....	\$ 55,742.23
Cash in Bank—Special Account.....	348,773.10
Consumers' and other Accounts Receivable less Reserve for Doubtful Accounts.....	318,486.40
Deposit with Workmen's Compensation Board.....	7,250.00
Materials and Supplies.....	446,706.37
	1,176,958.10

PREPAID AND DEFERRED CHARGES..... 181,153.30

Total..... \$29,479,565.41

COMPANY—BALANCE SHEET

December, 1919

LIABILITIES

CAPITAL:

Authorized—100,000 Shares Common Stock of \$100.00 each..... \$10,000,000.00
 Issued—90,000 Shares Common Stock of \$100.00 each..... 9,000,000.00

NOTE—In addition there is a lien on 10,000 Shares for advances and underwriting thereof.

DEBENTURE STOCK:

£900,000 4½% Perpetual Consolidated (Total issue £1,300,000)..... 4,380,000.00

NOTE—£400,000 is pledged as security for Gold Notes and Notes to Bankers.

FUNDED DEBT:

Bonds:

5% First Mortgage Bonds, Winnipeg Electric Street Railway Company, redeemable January 1, 1927:
 Held by Public..... \$ 711,000.00
 Held by Sinking Fund Trustees..... 289,000.00

1,000,000.00

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

Less:
 Held in escrow..... 1,000,000.00

4,000,000.00

Gold Notes 6%:
 Due January 15, 1921..... 750,000.00

5,750,000.00

CURRENT AND ACCRUED LIABILITIES:

Notes Payable to Bankers, partly secured..... \$2,560,000.00
 Accounts Payable..... 563,501.73
 City Percentage and Car License..... 146,395.16
 City of Winnipeg and Provincial Taxes..... 530,716.57
 Wages Payable..... 102,263.08
 Consumers' Security Deposits..... 54,554.95
 Unredeemed Tickets..... 13,679.64
 Other Liabilities..... 210,385.03
 Accrued Interest Charges, etc..... 98,655.93
 Bond Interest (Payable January 1, 1920)..... 125,000.00

4,405,152.09

DEFERRED LIABILITY—Pavement Charges payable in instalments, 1920-1934
 RESERVE FOR INJURIES AND DAMAGES, ETC..... 611,821.08
 245,871.45

3,477,145.34

ACCRUED DEPRECIATION..... 330,402.74

1,279,172.71

SINKING FUND RESERVE
 SURPLUS—Invested in Company's Properties.....

Total..... \$ 29,479,565.41

CONTINGENT LIABILITY:

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
 On Demand Note of Winnipeg River Power Co., Ltd..... 200,000.00
 On Guarantee for Winnipeg River Power Co., Ltd..... 229,336.80

WINNIPEG ELECTRIC RAILWAY COMPANY

INCOME ACCOUNT

For Year ended December 31st, 1919

GROSS EARNINGS FROM OPERATIONS.....	\$4,284,479.11
OPERATING EXPENSES—Before charging Depreciation.....	3,019,495.11
Net Operating Revenue.....	1,264,984.00
MISCELLANEOUS INCOME.....	58,639.40
Gross Income.....	1,323,623.40
DEDUCT:	
Interest Charges on Debenture Stock, Bonds Gold Notes, etc.....	\$696,489.94
Extinguishment of Discount on Securities.....	37,672.04
City Percentage and Car License.....	146,395.16
Taxes.....	126,760.89
Miscellaneous Non-operating Expenses.....	2,018.05
Other Income Deductions.....	16,432.21
	1,025,768.29
NET INCOME—Before charging Depreciation.....	297,855.11
DEDUCT:	
DEPRECIATION.....	201,050.00
NET INCOME TRANSFERRED TO SURPLUS.....	96,805.11
SURPLUS BROUGHT FORWARD FROM 1918 AS ADJUSTED.....	1,242,367.60
NET INCOME FOR YEAR TRANSFERRED.....	96,805.11
	1,339,172.71
SINKING FUND APPROPRIATION.....	60,000.00
SURPLUS CARRIED FORWARD.....	<u>\$1,279,172.71</u>

