

TWENTY-SIXTH

# Annual Report

OF THE

## Winnipeg Electric Railway Company



NINETEEN-EIGHTEEN

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McGILL UNIVERSITY



*DIRECTORS:*

SIR WM. MACKENZIE, *President*

SIR AUGUSTUS NANTON, *Vice-President*

F. MORTON MORSE, *Secretary.*

SIR DONALD MANN

HUGH SUTHERLAND

D. B. HANNA

R. J. MACKENZIE

G. V. HASTINGS

J. D. McARTHUR

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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 EIGHTEEN

*Submitted at the Twenty-sixth Annual Meeting  
held on the Twelfth day of February,  
Nineteen-nineteen*

# REPORT OF THE PRESIDENT AND DIRECTORS

*For the Year ended December 31st, 1918*

To THE SHAREHOLDERS:

Your Directors beg to submit a statement of the operations for the year ended the 31st December, 1918, as follows:

Gross Earnings from Operations.....	\$3,588,723.09
Operating Expenses, before charging Depreciation.....	2,412,226.47
Net Operating Revenue.....	1,176,496.62
Miscellaneous Income.....	44,931.65
Income available to meet fixed charges, etc.....	1,221,428.27
From which the following Deductions are made:	
Interest Charges on Debenture Stock, Bonds, Gold Notes, etc.....	\$668,341.96
Extinguishment of Discount on Securities.....	16,254.98
City Percentage and Car License.....	114,509.46
Taxes.....	114,927.79
Miscellaneous Non-operating Expenses.....	2,190.66
Other Income Deductions.....	15,419.34
Net Income as shown on Accounts submitted herewith, excluding Depreciation.....	<u>\$ 289,784.08</u>

The Gross Earnings for the Year 1918 show an increase of \$249,713.20 over the previous year, but increased wages and operating expenses have swelled the operating charges so that for the year under review the net income shows a decrease of \$63,845.57, as compared with last year.

During the year 1918 great difficulties have been encountered. The prevalence of the influenza epidemic was responsible for a large loss in revenue, and in May the Company's motormen and conductors went out on a sympathetic strike with the city fire brigade, tying the service up for several days.

Our motormen and conductors were granted a Board of Conciliation, which awarded to them very large increases of wages, dating from the first October last. A similar result ensued from a Board of Conciliation appointed at the request of our shop and track men. The increased wages thus awarded, together with higher wages paid in all departments, and increased cost of materials, made a very large addition to operating costs.

On the other hand, your Directors are glad to be able to report that the "jitney" competition, which this Company had to endure so long, and which was a source of much financial loss to it, has been eliminated. The Public Utilities Commission, upon the application of the Company, made an order providing for a temporary increase of fares, effective on the first November, 1918. Application for a permanent increase of fares is now before the Commission.

Unless further unforeseen adverse conditions have to be contended with, the outlook for the year 1919 is much brighter and more hopeful than for a number of years past. With the return of peace, business is gradually 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.

WM. MACKENZIE,  
*President.*

## AUDITORS' REPORT

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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, 1918, 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, 1918, 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, February 12, 1919.

## 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 ..... \$25,014,198.44

### SINKING FUND:

Investment.....	\$189,161.51
Cash.....	10,041.23
	199,202.74

## ADVANCES TO AND STOCK HELD IN SUBSIDIARY COMPANIES

ANCES TO AND STOCK HELD IN SUBSIDIARY COMPANIES AT COST 1,979,135.47

**CURRENT ASSETS:**

Cash in Bank and on Hand.....	\$ 43,844.69
Cash in Bank—Special Account.....	226,594.53
Consumers' and other Accounts Receivable less Reserve for Doubtful Accounts.....	234,275.50
Deposit with Workmen's Compensation Board.....	7,264.86
Materials and Supplies.....	395,541.13
	907,520.71

PREPAID AND DEFERRED CHARGES..... 192,815.15

Total..... \$28,292,872.51

# COMPANY—BALANCE SHEET

December, 1918

## 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.....	\$ 807,500.00
Held by Sinking Fund Trustees.....	192,500.00
	<u>1,000,000.00</u>

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, 1919..... 750,000.00 5,750,000.00

### CURRENT AND ACCRUED LIABILITIES:

Notes Payable to Bankers, partly secured by underlying Bonds, Debenture Stock and Lien.....	\$2,290,000.00
Notes Payable Miscellaneous.....	6,500.00
Accounts Payable.....	280,350.61
City Percentage and Car License.....	114,509.46
City of Winnipeg and Provincial Taxes.....	405,843.26
Wages Payable.....	90,377.18
Consumers' Security Deposits.....	50,699.79
Unredeemed Tickets.....	1,685.84
Other Liabilities.....	134,036.63
Accrued Interest Charges, etc.....	100,368.21
Bond Interest (Payable January 1, 1919).....	125,000.00
	<u>3,599,370.98</u>

DEFERRED LIABILITY—Pavement Charges payable in instalments, 1919-1934 649,703.45

RESERVE FOR INJURIES AND DAMAGES, etc..... 135,634.33

ACCRUED DEPRECIATION..... 3,276,095.30

SINKING FUND RESERVE..... 259,202.74

SURPLUS—Invested in Company's Properties..... 1,242,865.71

Total..... \$28,292,872.51

### 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

WINNIPEG ELECTRIC RAILWAY COMPANY

INCOME ACCOUNT

*For Year ended December 31st, 1918*

GROSS EARNINGS FROM OPERATIONS.....	\$3,588,723.09
OPERATING EXPENSES—Before charging Depreciation.....	2,412,226.47
Net Operating Revenue.....	\$1,176,496.62
MISCELLANEOUS INCOME.....	44,931.65
Gross Income.....	1,221,428.27
DEDUCT:	
Interest Charges on Debenture Stock, Bonds, Gold Notes, etc.....	\$668,341.96
Extinguishment of Discount on Securities..	16,254.98
City Percentage and Car License.....	114,509.46
Taxes.....	114,927.79
Miscellaneous Non-operating Expenses.....	2,190.66
Other Income Deductions.....	15,419.34
	931,644.19
NET INCOME—Before charging Depreciation..	289,784.08
DEDUCT:	
DEPRECIATION.....	201,050.00
NET INCOME TRANSFERRED TO SURPLUS.....	\$88,734.08
SURPLUS BROUGHT FORWARD FROM 1917 AS ADJUSTED.....	1,214,131.63
NET INCOME FOR YEAR TRANSFERRED.....	88,734.08
SINKING FUND APPROPRIATION.....	1,302,865.71
SURPLUS CARRIED FORWARD.....	\$1,242,865.71



