

WINNIPEG
ELECTRIC
RAILWAY
COMPANY

24th ANNUAL REPORT
NINETEEN - SIXTEEN

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MCGILL UNIVERSITY

Directors:

SIR WM. MACKENZIE - - - President
A. M. NANTON - - - Vice-President
F. MORTON MORSE - - - Sec.-Treasurer

Sir D. D. Mann
D. B. Hanna G. V. Hastings Hugh Sutherland
R. J. Mackenzie J. D. McArthur

General Manager:
WILFORD PHILLIPS

The ANNUAL REPORT
of the Winnipeg Electric Railway
Company for the Fiscal Year ended
Thirty-First of December,
Nineteen-Sixteen

SUBMITTED AT THE TWENTY-
FOURTH ANNUAL MEETING,
HELD ON THE FOURTH
DAY OF APRIL, NINE-
TEEN . SEVENTEEN

Report of the President and Directors

For the Year Ended Dec. 31st, 1916

To THE SHAREHOLDERS:—

Your Directors beg to submit statement of the operation of Winnipeg Electric Railway Company for the year ended December 31st, 1916.

Gross Earning from Operation.....	\$3,311,169.69
Operating Charges.....	1,939,041.36

Net Operating Revenue for Year	1,372,128.33
Miscellaneous Income.....	26,010.42

Gross Income available to meet fixed charges	<u>1,398,138.75</u>
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Fixed Charges:

Sinking Fund Requirement.....	\$ 60,000.00
City Percentage and Taxes	201,797.01
Other Charges	<u>691,090.29</u>

Net Income.....	<u>\$ 445,251.45</u>
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or equivalent to about 5 per cent. on the Capital Stock of the Company.

The net income this year compared with the figures for the year ended 31st December, 1915, show a decrease of \$35,742.33.

Your Directors regret that owing to very substantial increases in the cost of all materials necessary in the operation of the railway, gas and lighting departments, as well as to the serious competition of the jitneys in the city, the results for the year have been disappointing. For these and other reasons, very careful consideration was given to the question of continuing the payment of any dividends on the Capital Stock.

It was felt that due to financial conditions and the impossibility of disposing of long term securities at satisfactory prices to retire

temporary loans, a discontinuance of dividends for the time being would strengthen the financial position of the Company and more quickly guarantee an earlier date for the resumption of such dividends.

Having reached this conclusion, no dividend was declared during the year.

It is, however, a matter for congratulation that as a result of a thorough investigation of all your properties by the well known experts, The J. G. White Engineering Corporation of New York, their appraisal goes to show that the properties have been well maintained and taken care of, which points to the conservative treatment adopted by the Board heretofore. The Board have therefore adopted the appraisal in accordance with the statement made in their previous report and are pleased to state that all depreciation has been taken care of to date.

With the knowledge that the Company's properties have so far been maintained to a high standard of physical efficiency, it is reasonable to assume that with a return to normal conditions the revenue from the various departments of your Company's activities may be expected to show satisfactory increases.

In accordance with the orders of the Public Utilities Commission in regard to the classification of accounts the system of accounting of your Company has been altered to meet the requirements of the Commission.

Respectfully submitted,

WM. MACKENZIE,

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, 1916, and have compared them with the accompanying Balance Sheet and Income Account, which are in accordance with the books.

In accordance with the statement made last year, the physical properties of the Company have been valued by The J. G. White Engineering Corporation and the values thus ascertained included in the Balance Sheet, which, in our opinion, presents a correct statement of the affairs of the Company. This valuation shows that the value of the properties have been so maintained that no charge requires to be made in respect of depreciation for the past year. The Income Account has been prepared on this basis and correctly shows the result of the operations for the year.

MARWICK, MITCHELL, PEAT & CO.,
Chartered Accountants

Winnipeg, March 26, 1917.

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		\$24,395,158.70
SINKING FUND INVESTMENT:		
Investment	\$ 60,000.00	
Cash	63,402.74	123,402.74
ADVANCES TO AND STOCK HELD IN SUBSIDIARY COMPANIES AT COST		1,772,868.71
CURRENT ASSETS:		
Cash in Bank and on Hand	\$ 36,835.51	
Cash in Bank—Special Account	129,525.50	
Notes Receivable	2,964.95	
Consumers' and other Accounts Receivable, less Reserve for Doubtful Accounts	153,254.59	
Materials and Supplies	360,742.92	683,323.47
PREPAID AND DEFERRED CHARGES		89,081.27
TOTAL		\$27,063,834.89

Company, Balance Sheet

DECEMBER, 1916

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

DEBENTURE STOCK:

4½% Perpetual Consolidated (Total issue £1,300,000)

4,380,000.00

NOTE—£400,000 is pledged with Trustees to secure 6% Gold Notes in amount of \$1,500,000.00.

FUNDED DEBT:

Bonds:

5% First Mortgage Bonds, Winnipeg Electric Street Railway Company, redeemable January 1, 1927 .. \$1,000,000.00

First Refunding Mortgage

30 Year 5% Sinking

Fund Gold Bonds, re-

deemable January 1,

1935

\$5,000,000.00

Less:

Held in escrow to re-deem Winnipeg Electric Street Railway Company Bonds .. \$940,000.00

Held by Sinking Fund Trustees .. 60,000.00

1,000,000.00

4,000,000.00

Gold Notes 6%:

Due January 15, 1917 and 1918.....

1,500,000.00

6,500,000.00

CURRENT AND ACCRUED LIABILITIES:

Notes Payable to Bankers, partly secured by Under-

lying Bonds

\$1,540,000.00

89,327.05

Accounts Payable

110,227.17

City Percentage and Car License

62,767.64

Wages Payable

42,158.76

Consumers' Security Deposits

13,980.21

Unredeemed Tickets

77,881.39

Other Liabilities

104,955.60

Accrued Interest Charges, etc.

125,000.00

2,166,297.82

DEFERRED LIABILITY PAVEMENT CHARGES PAYABLE IN

INSTALMENTS, 1917-1934

725,468.19

RESERVE FOR INJURIES, DAMAGES, ETC.....

166,810.21

SINKING FUND RESERVE

123,402.74

DEPRECIATION RESERVE

2,873,780.01

SURPLUS

1,128,075.92

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 Com-

pany

200,000.00

TOTAL

\$27,063,834.89

*Winnipeg Electric Railway Company
Income Account*

For the Year Ended December 31, 1916

GROSS EARNINGS FROM OPERATIONS.....	\$3,311,169.69
OPERATING CHARGES	1,939,041.36
Net Operating Revenue for Year	1,372,128.33
MISCELLANEOUS INCOME	26,010.42
Gross Corporate Income available to meet Fixed Charges	1,398,138.75
DEDUCT FIXED CHARGES:	
Interest Charges on Debenture Stock, Bonds, Gold Notes, etc.....	\$643,991.22
Sinking Fund Requirements	60,000.00
Extinguishment of Discount on Securities...	22,929.91
City Percentage and Car License.....	110,227.17
Taxes	91,569.84
Miscellaneous Non-operating Expenses	17,503.40
Other Income Deductions	6,665.76
	952,887.30
NET CORPORATE INCOME	\$ 445,251.45
SURPLUS BROUGHT FORWARD FROM 1915, AS ADJUSTED	\$ 682,824.47
NET INCOME FOR YEAR	445,251.45
SURPLUS CARRIED FORWARD	\$1,128,075.92

