



23rd. ANNUAL REPORT

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The ANNUAL REPORT
of the Winnipeg Electric Railway
Company and Subsidiary Companies
for the Fiscal Year ended Thirty-First of
December, Nineteen hundred and Fifteen



SUBMITTED AT THE TWENTY-THIRD ANNUAL
MEETING, HELD ON THE TWENTY-THIRD DAY
OF FEBRUARY, NINETEEN-SIXTEEN

Directors:

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

Sir W. C. Van Horne

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

Manager:

WILFORD PHILLIPS

Report of the President and Directors

FOR THE YEAR ENDED DEC. 31, 1915



TO THE SHAREHOLDERS:—

Your Directors beg leave to submit a statement of the operations of your properties for the year ended December 31, 1915, together with a Consolidated General Balance Sheet of the parent and subsidiary Companies and a Consolidated Income Account.

The net earnings from the operations of the combined properties amounted to \$1,331,737.28, in comparison with \$1,769,114.51 for the previous year. Of this amount, the fixed charges, including taxes, city percentages, car licenses, interest on the funded debt and other contingent charges, absorbed \$835,635.45. The surplus earnings for the year were \$496,101.83, which, when added to the surplus brought forward from the previous year, as adjusted, aggregate \$1,637,598.55.

Quarterly dividends were declared and paid by your Directors at an average rate of $9\frac{1}{2}$ per cent. per annum, amounting to \$855,000.00.

The decrease in earnings was due to the general depression following the first winter of the war, coupled with the advent of the jitneys in the spring. The duration of the depression from both causes was temporary. The excellent crop prospects of the West, followed by an enormous yield, had a stimulating effect upon the business of the Company and caused a gradual advance toward normal conditions.

Your Directors are therefore pleased to be able to report that the net earnings for the months of November, December and January compare favorably with a similar period of previous years.

In order to verify the value of the physical properties of the Company as shown by the books and to reclassify the capital expenditures to bring them into conformity with the classification prescribed by the Public Utilities Commissioner, your Directors are having the properties of the Company appraised by the J. G.

White Engineering Corporation of New York. The appraised value of the properties, which is expected will exceed the book values, will be substituted for the book values shown in the Balance Sheet, when ascertained.

Further economies in the operation of your properties are in contemplation and your Directors confidently anticipate an increase in net earnings during the ensuing year.

During the year, in accordance with the orders of the Public Utilities Commissioner, changes in the system of accounting have been effected with the view of introducing a classification of accounts prescribed by the Commissioner. For this reason it is found impracticable to submit comparisons between operating figures of the current year and the previous year, as adjustments in the figures of 1915 have been made to conform with the new classification.

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 and its Subsidiary Companies for the year ended December 31, 1915, and have compared them with the accompanying consolidated Balance Sheet and Income Account, which are in accordance with the books.

The Balance Sheet and relative Income Account, in our opinion, correctly reflect the financial condition of the combined Companies, as at December 31, 1915, and the result of their operations for the year ended on that date.

The Directors report that, as in past years, the properties have been fully maintained. An appraisal of the physical properties is being made by The J. G. White Engineering Corporation of New York, and their valuation will be substituted for the book values which have been adopted in the accompanying statements.

MARWICK, MITCHELL, PEAT & CO.,
Chartered Accountants

Winnipeg, February 8, 1916.

Winnipeg Electric Railway Com

CONSOLIDATED GENERAL BALANCE

ASSETS

PHYSICAL PROPERTIES, at book values	\$24,956,030.52
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CURRENT ASSETS:

Cash in Bank and on Hand	\$ 52,824.55
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Cash in Bank—Special Account	129,623.63
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Notes Receivable	3,476.06
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Consumers' and other Accounts Receivable	179,671.67
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Materials and Supplies	202,367.08
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567,962.99

PREPAID AND DEFERRED CHARGES	39,156.93
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NOTE—A liability exists in respect of deferred annual instalments of Pavement Taxes, amounting to \$1,089,586.84, payable 1916-1934.

TOTAL	<u>\$25,563,150.44</u>
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any and Subsidiary Companies

SHEET, as at December 31, 1915

LIABILITIES

CAPITAL STOCK:

Authorized:

100,000 Shares Common Stock of \$100.00 each	\$10,000,000.00
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Issued:

90,000 Shares Common Stock of \$100.00 each	9,000,000.00
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DEBENTURE STOCK:

£900,000 4½% Perpetual Consolidated (Total Issue £1,300,000)	4,380,000.00
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NOTE—£400,000 is pledged with Trustees
to secure 6% Gold Notes in amount of
\$1,500,000.00.

MINORITY STOCKHOLDERS' INTERESTS in
Capital and Surplus of Winnipeg, Sel-
kirk and Lake Winnipeg Railway Com-
pany

10,495.72

FUNDED DEBT:

Winnipeg Electric Railway Company..	\$6,500,000.00
Subsidiary Companies	1,130,700.00
	<u>7,630,700.00</u>

CURRENT AND ACCRUED LIABILITIES:

Notes Payable to Bankers, partly se- cured by underlying Bonds.....	1,685,000.00
Other Notes Payable	50,000.00
Accounts Payable	69,042.18
City Percentage and Car License.....	99,303.38
Wages Payable	57,005.73
Consumers' Security Deposits	40,578.75
Unredeemed Tickets	18,440.24
Other Liabilities	78,285.02
Accrued Interest Charges, etc.	111,010.92
Bond Interest (Payable Jan. 1, 1916)..	125,000.00
Dividend (Payable Jan. 10, 1916).....	180,000.00
	<u>2,513,666.22</u>

RESERVE FOR INJURIES AND DAMAGES, ETC. 245,689.95

RESERVE 1,000,000.00

SURPLUS 782,598.55

TOTAL \$25,563,150.44

Winnipeg Electric Railway Company

and Subsidiary Companies

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 CONSOLIDATED INCOME ACCOUNT for the Year ended
 December 31, 1915
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OPERATING REVENUE FOR YEAR available to meet Fixed Charges and Dividends	\$1,331,737.28
FIXED CHARGES:	
Interest Charges on Debenture Stock, Bonds, Gold Notes, etc.	\$637,263.35
City Percentage and Car License	99,303.38
Taxes	99,068.72
	<u>835,635.45</u>
Net Income	<u>\$ 496,101.83</u>
Surplus brought forward from 1914, as ad- justed	<u>\$1,141,496.72</u>
Net Income for Year	496,101.83
	<u>\$1,637,598.55</u>
Dividends at the rate of $9\frac{1}{2}\%$, paid quarterly . .	<u>855,000.00</u>
Surplus Carried Forward	<u>\$ 782,598.55</u>

Stock Ownership

As AT DECEMBER 31, 1915

COMPANY	AUTHORIZED	ISSUED	OWNED
WINNIPEG, SELKIRK AND LAKE WINNIPEG RAILWAY COMPANY..\$	500,000.00	\$500,000.00	\$490,000.00
SUBURBAN RAPID TRANSIT COM- PANY	100,000.00	100,000.00	100,000.00
WINNIPEG RIVER POWER COMPANY, LIMITED.....	1,000,000.00	100,900.00	100,900.00
WINNIPEG RIVER RAILWAY COM- PANY	50,000.00	10,000.00	10,000.00

Winnipeg Electric Railway Company and Subsidiary Companies

FUNDED DEBT, as at December 31, 1915

WINNIPEG ELECTRIC RAILWAY COMPANY:

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, redeemable January 1, 1935	\$5,000,000.00
Less held in escrow to redeem Winnipeg Electric Street Railway Company Bonds	1,000,000.00
	<u>4,000,000.00</u>
	\$5,000,000.00

GOLD NOTES 6%, SECURED BY £400,000 DEBENTURE STOCK:

Due January 15, 1916	\$ 750,000.00
Due January 15, 1917	750,000.00
	<u>1,500,000.00</u>

WINNIPEG, SELKIRK AND LAKE WINNIPEG RAILWAY COMPANY (Guaranteed by Winnipeg Electric Railway Company):

5% First Mortgage Gold Bonds, redeemable July 2, 1933	\$ 400,000.00
5% Ten Year General Mortgage and Refunding Bonds, redeemable July 1, 1925	\$1,400,000.00
Less held in escrow to redeem 5% First Mortgage Gold Bonds	400,000.00
	1,000,000.00
	<u>\$1,400,000.00</u>

OUTSTANDING:

5% First Mortgage Gold Bonds	\$ 97,500.00
5% Ten Year General Mortgage and Refunding Bonds	533,200.00
	<u>630,700.00</u>

NOTE—Bonds in the amount of \$769,300.00 are pledged as collateral security for loans to the Winnipeg Electric Railway Company.

SUBURBAN RAPID TRANSIT COMPANY (Guaranteed by Winnipeg Electric Railway Company):

First Mortgage 30 Year 5% Gold Bonds, redeemable January 31, 1938	500,000.00
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TOTAL	<u>\$7,630,700.00</u>
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