

WINNIPEG
ELECTRIC
RAILWAY
COMPANY

29TH ANNUAL REPORT
NINETEEN TWENTY-ONE

PURVIS HALL
LIBRARIES

APR 29 1946

MCGILL UNIVERSITY

THE
ANNUAL REPORT

OF

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

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

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

J. D. McARTHUR

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, 1921

To the Shareholders:

Your Directors beg to submit a statement of the operations for the year ended the 31st December, 1921, as follows:

Gross Earnings from Operations.....	\$5,418,023.71
Operating Expenses, before charging Depreciation.....	3,559,380.00
Net Operating Revenue.....	1,858,643.71
Miscellaneous Income.....	161,406.70
Income available to meet fixed charges, etc.....	\$2,020,050.41
From which the following deductions are made:	
Interest Charges on Debenture Stock, Bonds, Gold Notes, etc.....	\$633,331.02
Extinguishment of Discount on Securities.....	52,526.18
City Percentage and Car License Taxes.....	183,069.70
Taxes.....	164,314.55
Miscellaneous Non-Operating Expenses.....	3,311.99
Other Income Deductions.....	54,532.33
	<u>1,091,085.77</u>
Net Income as shown on Accounts submitted herewith, excluding depreciation.....	<u>\$ 928,964.64</u>

The gross earnings for the year 1921 show an increase of \$184,323.06 over the previous year, and the net income shows an increase for the year of \$132,389.41.

The year 1921 was marked by the industrial depression which prevailed practically throughout the world and while Public Utilities in general felt the consequences in a diminished and more frugal use of electricity, gas and traction service,

nevertheless, our property passed through the period in a relatively successful manner.

The Company has continued making extensive improvements, particularly in the rehabilitation of rolling stock, track and roadbed. Substantial extensions were also required to take care of the expansion of the Electric Utility business and there were also improvements at the Gas Works.

It will be observed that after payment of all fixed charges and making the usual provision for depreciation the Company made a net profit of \$727,914.64. From this amount has been deducted the dividends paid on Preference Stock amounting to \$182,367.13 and also an additional allowance for depreciation amounting to \$122,605.82, leaving \$422,941.69 to be transferred to surplus.

The Preferred Stock has all been marketed and the proceeds have been used to retire floating liabilities.

The Company has continued its policy of maintaining good relations with the public and has given wide publicity to the problems confronting it so that all patrons may be acquainted with the conditions surrounding the operation of the properties. Emphasis has been stressed on the Company's desire to provide courteous and efficient service and the public appears to appreciate the sincere efforts on the part of the Company to bring this about.

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, 1921, 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, 1921, 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, March 8th, 1922.

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.....		\$27,021,161.15
LESS DECREASE in Book Value of River Park Property due to proposed Right-of-Way through Park.....		532,858.09
		<u>\$26,488,303.06</u>
RIVER PARK Property Adjustment.....		532,858.09
SINKING FUNDS:		
First Refunding Mortgage 30 Year 5% Sinking Fund, Gold Bonds—at par value.....		433,747.77
ADVANCES TO AND STOCK HELD IN SUBSIDIARY COMPANIES AT BOOK VALUE....		2,353,529.93
CURRENT ASSETS:		
Cash in Bank and on Hand.....		\$ 27,718.65
Cash in Bank—Special Accounts.....		188,766.47
Consumers and Other Accounts Receivable less Reserve for Doubtful Accounts.....		330,576.09
Deposit with Workmen's Compensation Board.....		7,652.45
Materials and Supplies.....		477,947.47
		<u>1,032,661.13</u>
DEFERRED ASSETS, PREPAID ACCOUNTS, UNADJUSTED DEBITS, ETC.		2,650,325.67

Total.....\$33,491,425.65

COMPANY—BALANCE SHEET

December 31st, 1921

LIABILITIES

CAPITAL:

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
	<u>\$14,000,000.00</u>

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....	251,000.00
	<u>\$ 749,000.00</u>

First Refunding Mortgage 30 Year 5% Sinking Fund Gold Bonds, redeemable January 1, 1935.....	\$5,000,000.00
Less held in escrow.....	749,000.00
	<u>\$ 4,251,000.00</u>

CURRENT AND ACCRUED LIABILITIES:

Notes Payable to Bankers, secured.....	\$ 876,500.00
Accounts Payable (Material and Supplies, Operating and Construction).....	516,097.38
City Percentage and Car License.....	182,869.70
City of Winnipeg Taxes.....	245,009.26
Paving Taxes.....	421,244.38
Interest Accrued on Unpaid Taxes.....	80,876.11
Wages Payable.....	123,276.51
Consumers Security Deposits.....	61,691.16
Unredeemed Tickets.....	14,031.54
Other Liabilities.....	132,301.21
Accrued Interest Charges, etc.....	67,834.74
Bond Interest (Payable January 2, 1922).....	125,000.00
Dividend on Preferred Stock (Payable January 2, 1922)....	42,500.00

	<u>2,889,231.99</u>
DEFERRED LIABILITY—Pavement Charges Payable in Instalments, 1922-1935	522,102.48
RESERVE FOR INJURIES AND DAMAGES, ETC.....	131,171.71
ACCRUED DEPRECIATION.....	3,943,677.49
SINKING FUND RESERVE.....	493,667.77
SURPLUS.....	<u>2,131,574.21</u>
Total.....	<u><u>\$33,491,425.65</u></u>

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.....	<u>7,500,000.00</u>

WINNIPEG ELECTRIC RAILWAY COMPANY

INCOME ACCOUNT

For the Year ended December 31st, 1921

GROSS EARNINGS FROM OPERATIONS.....	\$5,418,023.71
OPERATING EXPENSES—Before charging depreciation.....	3,559,380.00
Net Operating Revenue.....	\$1,858,643.71
MISCELLANEOUS INCOME.....	161,406.70
Gross Income.....	\$2,020,050.41
DEDUCT:	
Interest Charges on Debenture Stock, Bonds and Bank Loans.....	\$633,331.02
Extinguishment of Discount on Securities.....	52,526.18
City Percentage and Car License.....	183,069.70
Taxes.....	164,314.55
Miscellaneous Non-Operating Expenses.....	3,311.99
Other Income Deductions.....	54,532.33
	<u>1,091,085.77</u>
NET INCOME before charging Depreciation.....	\$ 928,964.64
DEDUCT:	
Depreciation.....	201,050.00
Net Income transferred to Surplus.....	<u>\$ 727,914.64</u>
SURPLUS BROUGHT FORWARD FROM 1920 AS ADJUSTED.....	\$1,766,052.52
NET INCOME FOR YEAR TRANSFERRED.....	\$727,914.64
DIVIDENDS ON 7% CUMULATIVE PRE- FERRED STOCK.....	\$182,367.13
ADDITIONAL DEPRECIATION.....	122,605.82
	<u>\$304,972.95</u>
	422,941.69
	<u>\$2,188,994.21</u>
SINKING FUND APPROPRIATION.....	57,420.00
SURPLUS CARRIED FORWARD.....	<u>\$2,131,574.21</u>

