

ANNUAL REPORT AND STATEMENTS OF ACCOUNT  
OF THE  
**Montreal Water & Power Company**  
For the Year Ended 30th April, 1915.

**PRESIDENT'S REPORT.**

**To the Shareholders of the Montreal Water & Power Company:**

GENTLEMEN :—

Your Directors have pleasure in submitting herewith their Report and Statements of Account of your Company for the year ended 30th April, 1915.

The Gross Revenue shows a falling off of some \$8,000.00 as compared with the revenue for the previous year; but the previous year's revenue was abnormal in consequence of the large amount received from the City of Montreal for water supplied at the time of the breakdown of the City System. Apart from this feature, however, the steady business of the Company again showed an increase over the previous year of some 5%, and this notwithstanding the depression in business that has existed during the year under review. The Directors therefore feel that the Shareholders should be gratified at the results shown.

It will be seen that the operating costs are slightly in excess of those of last year, but this success is more than accounted for by extraordinary expenditures that have benefited the system, although charged to operating expenses.

Out of the year's profits there has been provided the year's proportion of the discount on the outstanding bonds, and also the year's proportion of the premium due at maturity on outstanding bonds, and these two items absorbed the sum of \$29,936.30.

Ample provision has also been made for all possible losses, etc., and the sum of \$40,000.00 has been added to Reserve Account for general depreciation, leaving a balance to be carried forward to the credit of Profit and Loss Account of \$312,665.34.

**PHYSICAL CONDITION.**

As usual, the general system has been maintained at a high state of efficiency, many improvements having been carried out during the year, the whole cost of which has been borne by Operating Expenses.

**NEW MAINS AND SERVICES**—During the year there has been added to the system a little over five miles of distribution mains, making a total now in use of about 181½ miles, while there have been installed 2,658 new services, making a total up to the 30th of April, 1915, of 51,584.

**RESERVOIR**—In December, 1914, the Company commenced to receive some benefit from the western half of the new Reservoir, but it is still incomplete and its full use will not be available until the Autumn of 1915.

You will be pleased to learn that during the year some very important law suits that had been instituted against the Company, on the ground that the Company was liable for loss in case of fire, were decided by the Supreme Court of Canada in favor of the Company, the Company's contention in this connection being upheld. The costs borne by the Company of all these suits were charged to Operating Expenses.

In view of incorrect and contradictory statements that have been published regarding the actual physical value of the Company's plant and assets, your Directors thought it prudent to have the entire system valued by experts, outside of any local influence. Accordingly, arrangements were made with the well-known American Appraisal Company, of Milwaukee, Wisconsin, to undertake the work on a reproductive value basis less depreciation. Their report, after an investigation of over six months, is now in the Company's hands and the Directors have great pleasure in stating that their valuation of your plant, after providing most adequate depreciation, shows it to be much in excess of the amount it stands at on the Company's books. This valuation of the American Company is the most complete report it is possible to make, covering as it does every detail and item of the Company's system, and constitutes a minute inventory and valuation of the physical assets of the Company that no ordinary valuation would embrace, and that cannot but be of much value to the Company. In addition to the valuation of the physical assets, the Appraisal Company has also valued the Intangible Properties of the Company, and which valuation is based upon American principles established by decisions of Public Utility Service Commissions and confirmed by the American Courts.

The City of Montreal has not signified its intention of exercising any of the powers of expropriation or purchase granted to them under 4 George V., Cap. 109, and therefore matters in this respect remain in abeyance.

The strong position of the Company would, as foreshadowed in the last Annual Report, have justified a dividend on the Share Capital of the Company, but in view of existing financial conditions caused by the War it has been deemed prudent to defer its consideration to the coming fiscal year.

The Directors have pleasure in testifying to the efficiency and loyalty of the Officers and Employees of the Company.

The Auditors, Messrs. Riddell, Stead, Graham & Hutchison, retire and offer themselves for re-election.

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**RESPECTFULLY SUBMITTED.**

**EDWIN HANSON,**  
President.

Montreal, 21st June, 1915.

The President and Directors of the  
Montreal Water & Power Company :

Gentlemen :—

We have audited and examined the books and accounts of the Montreal Water & Power Co., for the year ended 30th April, 1915, and beg to report that the accompanying Balance Sheet and Relative Profit and Loss Account for the year, bearing our certificate, exhibit, in our opinion, a true and correct view of the state of the Company's affairs as at 30th April, 1915, as shown by the Books.

The inventories of materials and stock on hand have been certified by the storekeeper and accepted by us as correct.

Your obedient servants,  
**RIDDELL, STEAD, GRAHAM & HUTCHISON,**  
Chartered Accountants, Auditors.

Montreal, 21st June, 1915.