

### Heavy Tax Arrears

Receivables of \$3,257,956 among revenue assets are made up chiefly of unpaid taxes amounting to \$3,163,673 (net). Included in this amount are property taxes of over \$75,000 levied prior to the year 1914 and as far back as 1897. The auditors state that while some of these old arrears may be collected, others are doubtful, while many are acknowledged to be uncollectible. Business tax arrears totalling over \$60,000 are also treated as assets, although the possibility of collection of more than 25% thereof is considered remote. The auditors indicate that altogether \$100,000 of taxes in arrears are extremely doubtful assets.

Mention is made that the claim against the guarantee company to cover defalcations discovered by the auditors in the license department is not included in the accounts, the amount at date of balance sheet not having been determined.

### Year's General Revenue Operating Account

Accompanied by suitable detail and comparisons, the operations for the fiscal year ending April 30, 1917, are stated by the auditors to have been as follows:

<b>General Government</b> .....	<b>Expenditure</b>
<b>Protection of Persons and Property</b> .....	\$ 211,737.64
<b>Preservation of Health and Sanitation</b> .....	1,087,418.92
<b>Highways and Bridges</b> .....	490,666.79
<b>Education</b> .....	310,000.21
<b>Recreation</b> .....	1,187,855.03
<b>Miscellaneous Services</b> .....	198,496.74
<b>Unclassified Expenditures</b> .....	398,756.05
	<b>1,327,342.79</b>
<b>Total General Expenditure for Year</b> .....	<b>\$5,212,274.17</b>
<b>LESS: Unexpended Balance from Previous Year</b> .....	<b>74,109.62</b>
<b>Total Amount Required for Year's General Expenditure</b> .....	<b>\$5,138,164.55</b>
<b>DEDUCT: Income other than from Taxation</b> .....	<b>609,171.97</b>
<b>Net amount required from General Taxation</b> .....	<b>\$4,528,992.58</b>
<b>Actual Taxation—General and Business</b> .....	<b>4,707,932.40</b>
<b>Balance, So-called Surplus, taken to credit of 1917-18 Budget</b> .....	<b>\$ 178,939.82</b>
<b>Adjusted, General Expenditure (Net) not provided for</b> .....	<b>252,156.86</b>
<b>Revenue Account Deficit (After adjustment)</b> .....	<b>\$ 73,217.04</b>

This statement deals with the cost of operating the Civic Departments named therein, and is classified in accordance with a system followed by other cities of importance, and adopted by Winnipeg in preparing its estimates for the year ending April 30th, 1918—the intention being to attain a standardized form, by which accurate comparisons may be made. The ability to make such comparisons should prove of great benefit to civic administration.

It is pointed out by the auditors, that no provision is made for uncollectible taxes—which as already explained, may total \$100,000—and further that Expenditures not provided for (of \$252,156) have not been included in the classification although the latter amount is shown in bulk in the Revenue Account as prepared by them. This adjustment by the auditors results in a revenue account deficit of \$73,217, compared with the claimed Surplus of \$178,940, shown in the City Comptroller's Accounts. It is, of course, to be kept in view that the entire amount of the deficit is not claimed by the auditors to be the result of the one year's operations. As their report points out, in order to arrive at a correct Revenue Statement for the year "it would be necessary to make due provision for unpaid accounts at beginning and end of year and apportion them to the relative appropriations."

The charging of a proper proportion of certain Expenses—now charged to the ratepayers at large—to the Water and Hydro-Electric systems, is recommended.

### Bond Conversion Results

The immediate result of the Bond Conversion carried out in 1916, was as follows:

	1940 Stock Conversion	1940-60 Stock Conversion	Total
Stock purchased and cancelled.....	\$4,866,666.67	2,924,295.19	\$7,790,961.85
Debentures issued (new).....	4,153,000.00	2,352,000.00	6,505,000.00
<b>Debt reduction</b> .....	<b>\$ 713,686.66</b>	<b>\$ 572,295.19</b>	<b>\$1,285,961.85</b>

The report states that although the conversion has resulted in a reduction of the Debt of \$1,285,961, the ultimate profit may not be equal to this amount. Possible future losses or gains must be considered before the result of the conversion can be determined. The auditors here outline possible factors in detail.

Assuming that the City will be able to extend its credit for the necessary periods without loss or gain, the ultimate profit on the conversion should, according to the auditors, be approximately \$984,194.