

REPORT

of the Directors to the Shareholders of

The Bell Telephone Company

of Canada

For the Year Ending 31st December, 1919

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES FOR THE YEARS 1918 AND 1919

	1918	1919	Increase
Telephone Revenue	\$12,227,545.33	\$14,149,119.97	\$1,921,574.64
Operation Expenses	\$ 5,463,818.24	\$ 6,735,310.40	\$1,271,492.16
Current Maintenance	1,903,624.51	2,507,791.78	604,167.27
Depreciation	2,648,760.00	2,316,200.00	* 332,560.00
Taxes	534,256.93	654,602.50	120,345.57
Total Telephone Expenses	\$10,550,459.68	\$12,213,904.68	\$1,663,445.00
Net Telephone Earnings	\$ 1,677,085.65	\$ 1,935,215.29	\$ 258,129.64
Sundry Net Earnings	427,602.36	218,108.94	* 209,493.42
Total Net Earnings	\$ 2,104,688.01	\$ 2,153,324.23	\$ 48,636.22
Deduct Interest	562,053.82	670,208.22	108,154.40
Balance	\$ 1,542,634.19	\$ 1,483,116.01	*\$ 59,518.18
Deduct Dividends, 8%	1,440,000.00	1,440,000.00	
Balance carried to Surplus	\$ 102,634.19	\$ 43,116.01	*\$ 59,518.18

*Decrease.

STATISTICS

	At Dec. 31, 1919	Inc. during Year
Number of Company Stations....	337,476	34,271
Number of Connecting and Miscellaneous Stations	106,231	6,523
Total Stations	443,707	40,794
Number of Miles of Wire		964,093
Number of Central Offices		421
Number of Employees, 31st December, 1919.....		11,443
Average Daily Connections, 1919—Exchange	2,593,049	
Average Daily Connections, 1919—Long Distance	29,039	

The following statements show the growth of the Company in five-year periods, beginning at 1900, and for 1919:—

Year	Central Offices	Number of Subscriber Stations	Long Wire Miles	Distance Pole Miles
1900	343	40,094	21,350	6,525
1905	526	82,351	37,082	8,645
1910	508	138,370	54,133	8,861
1915	449	242,784	79,908	9,297
1919	421	337,476	96,753	9,514

Total Assets, and Percentage of Net Earnings thereto, in Five-Year Periods, and for 1919.

Year	Total Assets (Excluding Cash and Receivables)	Exchange Revenue	Long Distance Revenue	Misc. Revenue and Revenue from Outside Investments	Expenses	Net Earnings	% Net Earnings to Total Assets
1890	\$ 2,822,581	\$ 462,600	\$ 109,236	\$ 40,195	\$ 432,176	\$ 179,855	6.3%
1895	4,765,644	834,518	178,313	74,292	760,463	326,660	3.9%
1900	7,498,762	1,137,660	359,801	116,801	1,177,582	436,680	5.8%
1905	14,062,605	2,342,870	901,367	273,357	2,512,696	1,004,898	7.1%
1910	22,541,382	3,838,019	1,415,352	257,314	3,781,109	1,729,576	7.6%
1915	39,789,807	7,156,302	2,306,536	171,836	7,412,689	2,221,985	5.6%
1919	55,252,935	10,108,143	4,040,977	218,109	12,213,905	2,153,324	3.9%

BALANCE SHEET, DECEMBER 31, 1919

ASSETS	
Real Estate	\$ 4,607,535.46
Telephone Plant	45,033,651.12
Furniture, Tools and Supplies	1,817,120.22
Cash	188,941.02
Bills and Accounts Receivable	1,085,876.03
Investments	3,794,627.87
	<u>\$56,527,751.72</u>
LIABILITIES	
Capital Stock Issued	\$22,336,300.00
5% Bonds, 1925	11,149,000.00
Accounts Payable	1,274,943.22
Accrued Liabilities not due	662,344.58
Unearned Revenue	24,531.32
Employees' Benefit Fund	500,000.00
Surplus and Reserves	20,580,632.60
	<u>\$56,527,751.72</u>