PRESIDENT'S ANNUAL REPORT

TO THE STOCKHOLDERS OF THE

St. Joseph Lead Company

FISCAL YEAR ENDING

DECEMBER 31, 1921

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President's Annual Report to the Stockholders

OF THE

ST. JOSEPH LEAD COMPANY

FISCAL YEAR ENDING DECEMBER 31, 1921

In the year 1921 dividends to the amount of $1,549,363.75 in cash have been paid to stockholders and to minority stockholders in subsidiary companies $235,078.

The changes in surplus in the fiscal year may be commented on briefly as follows:

Diamond drilling having disclosed additional ore reserves not included in the Finlay appraisal of an appraised value of $3,500,000. it was deemed advisable to reflect this fact in the consolidated balance sheet of the company. There was a deficit of $185,011.33 after all charges for depreciation and depletion resulting from the operation for the fiscal year.

Your mines produced 2,266,911 tons of ore.

Your mills produced 141,351 tons of concentrates.

Your smelter produced 70,948 tons of pig lead.

The sales of pig lead for the year amounted to 63,887 tons.

FINANCIAL

During the year your company sold Liberty Bonds and certificates of indebtedness to provide cash for the payment of dividends and for the accumulation of product. Holdings of Government securities on December 31, 1921, were as follows:

$860,000 Third U. S. Liberty Loan 4¼%

Federal Income and Excess Profits Taxes amounting to $382,734.03 were paid in 1921 on account of 1920 income.

The Bureau of Internal Revenue has finally determined the invested capital and the rates of depletion and depreciation, which will be used in the assessment of the Federal taxes of your company. The amended returns of the company for the years 1917, 1918, 1919 and 1920 set forth a balance due of approximately $1,000,000 which must be paid on March 15 next.

GENERAL

In order to maintain its organization and in recognition of its obligation to its employees and to the community, (which is almost wholly dependent on the mines), the company continued operations, although it could not sell its production and has, in fact, accumulated a very substantial stock.

The company's employees have shown their appreciation of this policy by their successful cooperation in the reduction of costs.

The year has been a trying one for all corporations, particularly those in the metal mining business. The price of the metal has been lower than at any time since before the war and the company's earnings have consequently been smaller than at any time since 1912. The outlook for 1922 is much brighter and the stockholders have every reason to expect improved business for the coming year.

CLINTON H. CRANE,
President.

BALANCE SHEET

ST. JOSE

AND SUBSIDI

CONSOLIDATED GENERAL BAL

ASSETS

Capital Assets:			
Ore reserves and mineral rights	$21,704,454.99		
Less reserve for depletion	8,221,722.86	$13,482,732.13	
Buildings and equipment at mines and smelter	$ 7,843,534.19		
Less reserve for depreciation	1,000,554.61	6,842,979.58	
Real estate		99,659.28	
Farm lands, buildings, and equipment	$ 563,662.37		
Less reserve for depreciation	14,172.11	549,490.26	
Railroad property and equipment	$ 4,321,534.48		
Less reserve for depreciation	504,620.15	3,816,914.33	$24,791,775.58
Investment—Missouri-Illinois Railroad Company			302,800.00
Sinking Fund and Reserve Fund Assets—Cash and Accrued Interest			14,334.08
Current Assets:			
Cash		$ 1,244,789.98	
Cash in transit		179,946.00	
United States Liberty Loan Bonds, Par Value $860,000.00		778,998.01	
Accounts and notes receivable		665,630.77	
Lead on hand and in process		1,877,304.53	
Materials and supplies		1,344,541.90	
Store accounts (net)		39,584.46	6,130,795.65
Deferred Debit Items:			
By-product (matte)		$ 127,974.85	
Real estate sold on long term contracts		68,828.15	
Advances to Bonne Terre Hospital Association		54,000.00	
Insurance premiums—Unexpired portion		30,644.28	
Taxes paid in advance		18,302.56	
Miscellaneous		29,404.46	329,154.30
Total			$31,568,859.61

CERTIFICATE OF AUDIT

We have audited the books and accounts of the St. Joseph Lead Company and its subsidiary companies for the year ended December 31, 1921, and

We Hereby Certify that, in our opinion, the above Consolidated General Balance Sheet correctly sets forth the financial position of the Companies at the date shown.

New York, February 16, 1922. HASKINS & SELLS.

AD COMPANY

MPANIES

EET, DECEMBER 31, 1921

LIABILITIES

Capital Stock:				
St. Joseph Lead Company:				
Authorized—2,000,000 shares of $10.00 each, of which there have been issued 1,605,744.6 shares			$16,057,446.00	
Less held in treasury, 56,332 shares			563,320.00	$15,494,126.00
Subsidiary companies, minority stock held by public				235,640.00
Funded Debt:				
Mississippi River & Bonne Terre Railway First Mortgage, 5% Bonds, Due 1931			$ 2,500,000.00	
Less:				
Held in sinking fund		$ 532,000.00		
Held in treasury		597,000.00	1,129,000.00	1,371,000.00
Current Liabilities:				
Accounts and wages payable			$ 567,986.98	
Traffic and car service balances			64,466.94	
Accrued taxes			53,633.34	
Accrued interest			29,828.12	715,915.38
Deferred Credit Items				126,874.14
Reserves:				
Profit on lease agreements			$ 28,715.39	
Premium on bonds to be purchased for sinking fund			23,126.32	
Contingencies (includes unused portion of provision for Federal taxes in prior years)			1,155,295.10	1,207,136.81
Surplus:				
Balance, March 1, 1913			$ 3,925,000.00	
Less amortization distributions therefrom			3,523,665.00	
Remainder			$ 401,335.00	
Undistributed profits accumulated March 1, 1913, to December 31, 1920		$10,697,617.31		
Add:				
Revaluation of ore reserves and mineral rights due to diamond drilling	$ 3,500,000.00			
Miscellaneous surplus adjustments (net)	13,122.03	3,513,122.03		
Total		$14,210,739.34		
Deduct:				
Adjustments of city, state, and Federal taxes (net)	$ 73,211.14			
Exploration department expenses transferred from ore reserves and mineral rights account	151,242.84	224,453.98		
		$13,986,285.36		
Net income for the year ended December 31, 1921, after providing for depreciation of plant and equipment	$ 1,096,272.73			
Less provision for depletion of ore reserves and mineral rights	1,281,284.06	*185,011.33		
Total		$13,801,274.03		
Less dividends paid in 1921		1,784,441.75		
Remainder			$12,016,832.28	12,418,167.28
Total				$31,568,859.61

* Deficit for the year.