PRESIDENT'S ANNUAL REPORT

TO THE STOCKHOLDERS OF THE

St. Joseph Lead Company

FISCAL YEAR ENDING

DECEMBER 31, 1917

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OF THE

ST. JOSEPH LEAD COMPANY

FISCAL YEAR ENDING DECEMBER 31, 1917

In the year 1917 dividends to the amount of $3,535,531.50 have been paid to shareholders.

Distributions from amortization amounting to $1,479,906 have been made to shareholders. In accordance with the Federal Income Tax Law of October, 1917, the amortization distribution of September 20, 1917, has been counted as a dividend.

Your smelter produced for the year 94,820 tons of pig lead.

Your mills produced 157,767 tons of lead concentrates, 136,658 tons of which were shipped to your smelter and 21,109 tons sold to other smelters.

Your mines produced 2,485,431 tons of ore.

FINANCIAL.

During the year your company has purchased and now holds in its Treasury or in the Sinking Fund $177,000 par value additional bonds of the Mississippi River & Bonne Terre Railway.

It has purchased $2,000,000 U. S. Government 3½s and $805,000 U. S. Government 4s for its own account and $39,200 3½s and $72,500 4s for the account of its employes, the employes being allowed to pay for these bonds on a weekly installment plan.

DOE RUN LEAD COMPANY.

The Doe Run Lead Company was dissolved by order of the Circuit Court of Farmington on June 12, 1917. The physical property of the company was sold by the Liquidating Trustees to the St. Joseph Lead Company. Since August 15, 1917, the properties formerly belonging to the Doe Run Lead Company have been operated as the Rivermines Division of the St. Joseph Lead Company. The minority stockholders appealed against the decision of the Circuit Court, but failed to give bond, so the appeal did not act as a stay to the sale of the property. The case is now before the Supreme Court of Missouri.

NEW CONSTRUCTION.

The principal items under new construction begun at the mills in 1916 have been completed and there is almost no new construction work going on at the mills at the present time.

At the smelter the mixing bins for the roasting plant and the Cottrell plant have still to be completed.

TAXES.

Owing to delay on the part of the Treasury Department in issuing rulings as to the interpretation of the new excess profits tax law, it has not been possible to estimate the exact amount of Federal tax which the companies will be required to pay. The earnings have been large and the tax will be large.

CLINTON H. CRANE,
President.

BALANCE SHEETS

ST. JOSEPH L

AND SUBSIDI Y

CONSOLIDATED GENERAL BALANCE SHEET

ASSETS

CAPITAL ASSETS:		
Ore Reserves and Mineral Rights	$16,286,015 10	
Less Reserve for Depletion	8,540,635.97	
		$7,745,379 13
Buildings and Equipment at Mines	$7,290,254.13	
Less Reserve for Depreciation	389,932.82	
		6,900,321.31
Real Estate		51,939.08
Farm Lands, Buildings, and Equipment	$1,028,702.86	
Less Reserve for Depreciation	41,805 67	
		986,897.19
Railroad Property and Equipment	$4,195,283.31	
Less Reserve for Depreciation	207,859.43	
		3,987,423.88
SINKING FUND—CASH AND ACCRUED INTEREST		10,686.37
CURRENT ASSETS:		
Cash	$2,659,795.71	
United States Government Liberty Loan Bonds	2,884,589.05	
Accounts and Notes Receivable	1,225,977.05	
Lead on Hand and in Process	228,377.97	
Materials and Supplies	1,302,318 74	
Store Accounts (Net)	22,626 88	
		8,323,685.40
DEFERRED DEBIT ITEMS:		
By-Product (Matte)	$271,164.90	
Real Estate Sold on Long Term Contracts	161,855.95	
Advances to Bonne Terre Hospital Association	54,000.00	
Insurance Premiums, Unexpired Portion	24,892 73	
Miscellaneous Items in Suspense	158,479.48	
		670,393 06
TOTAL		$28,676,725 42

DECEMBER 31, 1917

LIABILITIES

CAPITAL STOCK:			
St. Joseph Lead Company:			
Authorized—2,000,000 shares of $10.00 each, of which there have been issued 1,464,798 shares		$14,647,980 00	
Less Held in Treasury, 55,332 shares		553,320 00	
			$14,094,660.00
Subsidiary Companies, Minority Stock Held by Public			1,990 00
FUNDED DEBT:			
Mississippi River & Bonne Terre Railway First Mortgage 5% Bonds, Due 1931		$2,500,000.00	
Less Bonds in Sinking Fund and in Treasury		650,000 00	
			1,850,000 00
CURRENT LIABILITIES:			
Accounts and Wages Payable		$735,979.34	
Traffic and Car Service Balances		52,644.21	
Accrued Taxes		142,119 93	
Accrued Interest		28,200.00	
			958,943.48
DEFERRED CREDIT ITEMS			8,939.78
RESERVES:			
For Profit on Lease Agreements		$71,245.80	
For Premiums on Bonds to be Purchased for Sinking Fund		3,850.07	
For Contingencies		17,752 29	
			92,848.16
PROFIT AND LOSS SURPLUS:			
Balance March 1, 1913		$3,925,000.00	
Less Distributions therefrom		3,523,665.00	
Remainder		$401,335.00	
Undistributed Profits Accumulated March 1, 1913, to December 31, 1916		6,142,173.74	
Adjustments Arising Principally from the Acquisition of the Physical Assets of the Doe Run Lead Company		3,051,093.00	
Income for Year Ended December 31, 1917, after Providing for Depreciation of Plant and Equipment	$10,130,459.82		
Less Provision for Depletion, etc.	4,520,186.06		
Remainder	$5,610,273.76		
Dividends	3,535,531.50	2,074,742.26	
			11,669,344.00
TOTAL			$28,676,725.42

NOTE. The St. Joseph Lead Company has made practically no provision in its accounts for its liability at December 31, 1917, on account of Federal Income and War Excess Profits Taxes.

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, 1917, 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 13, 1918. HASKINS & SELLS.

GENERAL BALANCE SHEET

ASSETS

Capital Assets:		
Ore Reserves and Mineral Rights	$16,286,015.10	
Less Reserve for Depletion	8,540,635.97	
		$7,745,379.13
Buildings and Equipment at Mines	$7,290,254.13	
Less Reserve for Depreciation	389,932.82	
		6,900,321.31
Real Estate		51,939 08
Investments in Subsidiary Companies:		
Stocks	$3,257,576.25	
Bonds	250,000.00	
Notes	380,000.00	
		3,887,576.25
Sinking Fund—Cash and Accrued Interest		10,686.37
Current Assets:		
Cash	$2,559,498.65	
United States Government Liberty Loan Bonds	2,884,589.05	
Accounts and Notes Receivable	1,153,259.94	
Due from Subsidiary Company	12.78	
Lead on Hand and in Process	228,377.97	
Materials and Supplies	1,196,488.10	
		8,022,226.49
Deferred Debit Items:		
By-product (Matte)	$271,164.90	
Advances to Bonne Terre Hospital Association	54,000.00	
Insurance Premiums—Unexpired Portion	18,779.40	
Miscellaneous Items in Suspense	153,726.07	
		497,670.37
Total		$27,115,799.00

DECEMBER 31, 1917

LIABILITIES

CAPITAL STOCK:			
Authorized—2,000,000 shares of $10.00 each, of which there have been issued 1,464,798 Shares		$14,647,980 00	
Less Held in Treasury—55,332 Shares		553,320.00	
			$14,094,660.00
NOTES PAYABLE—MISSISSIPPI RIVER & BONNE TERRE RAILWAY		$2,500,000.00	
Less Bonds of that Company in Sinking Fund and in Treasury		650,000.00	
			1,850,000.00
CURRENT LIABILITIES:			
Accounts and Wages payable		$663,265.83	
Accrued Taxes		129,460 87	
Accrued Interest		28,200.00	
Due to Subsidiary Companies		40,252.50	
			861,179.20
DEFERRED CREDIT ITEMS			3,999.07
RESERVE FOR CONTINGENCIES			7,675.36
PROFIT AND LOSS SURPLUS:			
Balance, March 1, 1913		$3,925,000.00	
Less Distributions therefrom		3,523,665.00	
Remainder		$401,335.00	
Accumulated Surplus, March 1, 1913, to December 31, 1916.		2,377,719.06	
Income for Year Ended December 31, 1917, after providing for Depreciation of Plant and Equipment	$7,037,721.54		
Less Provision for Depletion	2,764,978.10		
		4,272,743.44	
Adjustment of Book Value of Capital Stock Owned of the Doe Run Lead Company		6,770,152.87	
Total		$13,821,950.37	
Dividends		3,523,665.00	10,298,285.37
Total			$27,115,799.00

NOTE. The St. Joseph Lead Company has made practically no provision in its accounts for its liability at December 31, 1917, on account of Federal Income and War Excess Profits Taxes.

CERTIFICATE OF AUDIT

We have audited the books and accounts of the St. Joseph Lead Company for the year ended December 31, 1917, and

WE HEREBY CERTIFY that, in our opinion, the above General Balance Sheet correctly sets forth the financial position of the Company at the date shown

NEW YORK, February 13, 1918

HASKINS SELLS