REPORT OF MR. R. E. REED RELATING TO AUDIT OF THE

ANACONDA LEAD PRODUCTS COMPANY - EAST CHICAGO, INDIANA

DECEMBER 28TH, 1926

PERIOD COVERED BY AUDIT:

Cash Audit	-	June 11th 1926 to November 30th 1926
General Audit	-	May 1926 to October 1926, inclusive

TIME REQUIRED FOR AUDIT:

8 Days

CASH:

Cash Book Balance - November 30th - 1926	None
Cash on hand - Morning of December 1st 1926-	None

BOOKS AND RECORDS CHECKED:

CASH BOOK:

Footings of cash book	-	July 1st 1926 to November 30th 1926
Paid local Bank checks to cash book-		August 1926 to November 1926, inclusive
Verified outstanding checks	-	As of November 30th 1926
Verified certificate of balance furnished by the First Calumet Trust and Savings Bank, East Chicago, Ind.		As of November 30th 1926

[illegible] OF CASH [illegible] - JUNE 1ST 1926 TO NOVEMBER 30TH 1926:

Cash Book Balance June 1st 1926 -		$ 196.07
RECEIPTS:		
New York Drafts deposited in East Chicago bank	$ 14,000.00	
New York Drafts drawn against vouchers	15,856.27	
Sundry Receipts	[illegible]	
		40,911.55
Total-		$ 41,107.62
DISBURSEMENTS:		
New York Drafts drawn	$ 15,856.27	
Local Checks drawn	[illegible]5,079.74	
Deposits to credit of A.C.M.Co., New York	[illegible]	
		40,238.27
Cash Book Balance November 30th 1926-		$ 869.35
Made up as follows:		
First Calumet Trust & Savings Bank, East Chicago-	$ 869.35	

PNYC 00011946

APPARENT ERRORS AND DISCREPANCIES : Continued:

SALES RECORD:

Claim No. 40, Reading Railroad Company-
228 Lbs. White Lead, lost in reconditioning, @ 10-3/4¢ — $ 24.51

Records in this office show that Warehouse was given credit for only 163 lbs., it having been discovered later that this was the actual amount lost. The claim stands as originally made. Attention was called to this and Mr. Stolte has promised to correct the error.

Invoice No. 193 - The Florman Manufacturing Company, Pueblo, Colorado.

3,000 Lbs. White Lead @ 10-7/8¢		$ 326.25
Freight as follows:		
LCL rate, East Chicago to Pueblo	$1.29-1/2	
C/L " " " " "	.59	
	.70-1/2	21.93
		$ 348.18
Less 2% Discount		6.96
		$ 341.22

The discount should have been 2% of $326.25, or $ 6.53. Mr. Stolte's attention was called to this error and I suggested that he have invoices checked more closely.

LEDGER:

When credit memorandums are posted from the Sales Record to the Customers Ledger they are entered on the debit side of the account in red ink. This will be discontinued in the future.

Freight claims are not set up until collections are made.

ACCOUNTS RECEIVABLE:

Below is a detail of Accounts Receivable, past due, at December 5th 1926:

	Overdue December 5th			Not Due	
Name	Date	Days	Amount	Date	Amount
Detroit Graphite Company, Detroit, Mich.	9-23-26	12	$2,110.50		
E. B. Davis Company, Baltimore, Md.	9-13-26	22	6,375.00	11- 4-26	$6,375.00
Sargent Gerke Company, Indianapolis, Ind.	7- 9-26	86	322.50	10- 7-26	322.50
	7-20-26	64	322.50		
	8- 8-26	27	322.50		

All Accounts Receivable standing on the books at this time are considered collectible.

PROFIT AND LOSS AND INCOME STATEMENT - TEN MONTHS ENDING OCTOBER 31ST, 1926:

	POUNDS	AMOUNT
SALES OF WHITE LEAD:		
From East Chicago	7,676,131	$ 772,898.26
From Agency Stock	2,695,989	285,164.87
Total-	10,372,120	$ 1,058,063.13
DEDUCT: FREIGHT, EXPRESS AND CARTAGE TO CUSTOMERS:		37,286.05
Net Sales-		$ 1,020,777.08
COST OF WHITE LEAD SOLD:		
From East Chicago		
From Agency Stock		$ 927,896.04
Gross Profit from Sales-		$ 92,881.04
SELLING EXPENSES:		21,929.17
Selling Profit-		$ 70,951.87
DEDUCT:		
Agency Stock Expense	$ 5,857.13	
General Expense	500.00	
Cash Discount Allowed	21,144.88	
		28,502.01
Net Profit from Sales		$ 42,449.86
OTHER DEDUCTIONS:		
Shut Down Expenses - June 1926 to October 1926, incl.		27,003.59
Total-		$ 15,446.27

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