Annual Report

St. Joseph Lead Company

FOR THE FISCAL YEAR ENDING

DECEMBER 31, 1915

ANNUAL REPORT

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DECEMBER 31, 1915

OFFICES: 61 Broadway, New York, N. Y.

Bonne Terre, Missouri.

PRESIDENT'S ANNUAL REPORT TO THE STOCKHOLDERS
OF THE
ST. JOSEPH LEAD COMPANY
FOR THE FISCAL YEAR ENDING DECEMBER 31, 1915.

GENERAL.

The curtailment of output begun in the fourth quarter of the year 1914 was continued until the middle of March, 1915, when a growing demand for your company's product enabled your management to resume full production.

The combined net income of the St. Joseph Lead Company and its affiliated companies for the year ending December 31, 1915, was $2,853,863.52.

Dividends to the amount of $854,980.05 were paid from income during the year 1915.

The average price received for lead at East St. Louis for the year was $90.00 a ton as compared with $74.00 for the previous year.

The output of pig lead at the smelter for the year 1915 was 84,356 tons as compared with 77,404 tons produced in the year 1914.

FINANCIAL.

The mortgage on the property of the Doe Run Lead Company which fell due March 1, 1915, was extended by a three-year loan at 6% with the Farmers Loan & Trust Company, the mortgage being kept alive and new notes issued which were endorsed by the St. Joseph Lead Company. These new notes less commissions and all expenses netted the company 98.

On January 19, 1915, the St. Joseph Lead Company sold to Messrs. White, Weld & Company and Smith, Moore & Company $500,000. par value additional of its Gold Notes at 94 and interest, the proceeds being used to retire the outstanding loan of the St. Francois County Railroad Company which had been guaranteed by the Mississippi River & Bonne Terre Railway and to finance the purchase of an additional amount of Doe Run Lead Company stock. In October the Mississippi River & Bonne Terre Railway called and paid its outstanding Equipment Notes and on December 31, 1915, the St. Joseph Lead Company called and paid the outstanding Gold Notes. The reduction of the indebtedness of the St. Joseph Lead Company and its affiliated companies during the year 1915 amounts to $2,428,313.07.

LABOR.

Labor conditions in the district are satisfactory. A bonus of 10% has been paid to labor since the high price of lead in June.

NEW CONSTRUCTION.

New construction work has been light throughout the year. Details will be found in the operating reports.

MINES AND MILLS.

Detailed reports of operations are attached.

SMELTER.

The smelter has been run to the limit of its capacity since June. The desilverizing plant which was finished in the early part of the year was finally put into operation in December. The company is now in a position to furnish corroding lead as well as its ordinary product.

It is interesting to note that living conditions have been so improved at Herculaneum, that the proportion of married men in our employ has very greatly increased and the public school has grown from 50 to 400 pupils.

DOE RUN LEAD COMPANY.

Since my last report the St. Joseph Lead Company has acquired by purchase 97 shares of the Doe Run Lead Company's stock.

MISSISSIPPI RIVER & BONNE TERRE RAILWAY.

The railroad as well as the lead company has had a record year. Both the Interstate Commerce Commission and the Public Service Commission of the State of Missouri have had their valuation experts for months on the road making careful inventories and surveys for the purpose of valuation.

Up to this writing we have received no appraisal report from either Commission. This work of appraisal has been of very distinct advantage to the company and has enabled us to place a present day value on our equipment and to begin a systematic charge of depreciation which will enable us to set aside monthly a sufficient sum to keep the equipment up to its present efficiency. In order to reduce the book value of equipment to its present value we wrote off in June, 1915, $234,412.23, and since that time have been charging off monthly about $4,240.24. Our petition to the Public Service Commission of Missouri for relief from the present passenger rate of two cents a mile has not yet been answered.

BONNE TERRE FARMING & CATTLE COMPANY.

The principal matter of interest in regard to the company for the past year has been the sale of houses on the installment plan to employes of the company at Herculaneum, also the building by the company of additional houses at this point.

NEW YORK, February 21, 1916.

CLINTON H. CRANE,
President.

ST. JOSEPH LEAD COMPANY.

Condensed General Balance Sheet—December 31, 1915.

ASSETS.

LAND		$ 6,732,053.01
BUILDINGS AND EQUIPMENT		3,980,013.06
INVESTMENTS:		
Capital Stocks and Bonds of Subsidiary Companies	$8,601,249.32	
Other Investments	40,247 42	
Total Investments		8,641,496.74
WORKING AND TRADING ASSETS		413,951.17
CURRENT ASSETS:		
Cash	$ 442,127.03	
Accounts Receivable	279,180.57	
Total Current Assets		721,307.60
DUE FROM AFFILIATED COMPANIES		31,380.65
DEFERRED ASSETS		318,294.23
TOTAL		$20,838,496.46

LIABILITIES.

CAPITAL STOCK, 1,409,466 Shares of $10.00 each		$14,094,660.00
MISSISSIPPI RIVER & BONNE TERRE RAILWAY COMPANY, Loan due October 1, 1931, at 5%		2,359,769.16
CURRENT LIABILITIES:		
Notes Payable	$ 5,000.00	
Accounts and Wages Payable	189,805.41	
Accrued Accounts	18,807.35	
Total Current Liabilities		213,612.76
DUE TO AFFILIATED COMPANIES		559,918.36
RESERVES, for depreciation of Buildings and Equipment and for other purposes		349,260.60
SURPLUS		3,261,275.58
TOTAL		$20,838,496.46

THE DOE RUN LEAD COMPANY.

Condensed General Balance Sheet—December 31, 1915.

ASSETS.

Plant Property:		
Land	$11,770,767.91	
Plant and Equipment	2,646,779.52	
Total Plant Property		$14,417,547.43
Investments		18,000.00
Cash in Sinking Fund for Redemption of 6% Gold Notes		1,000.00
Working and Trading Assets		246,805.74
Current Assets:		
Cash	$ 206,910.14	
Accounts Receivable	3,534.66	
Total Current Assets		210,444.80
Due from Affiliated Companies		444,890.90
Deferred Assets		4,500.00
Total		$15,343,188.87

LIABILITIES.

Capital Stock—65,749 Shares of $100.00 Each		$6,574,900.00
6% Gold Notes, due March 1, 1918, secured by $985,000 1st Mortgage 6% Sinking Fund Gold Bonds due March 1, 1915		986,000.00
Current Liabilities:		
Notes Payable, due April 1, 1916	$ 53,500.00	
Accounts and Wages Payable	100,126.34	
Accrued Accounts	36,627.19	
Total Current Liabilities		190,253.53
Due to Affiliated Companies		48,558.19
Reserves for Depreciation of Plant and Equipment and for Other Purposes		303,371.88
Surplus		7,240,105.27
Total		$15,343,188.87

MISSISSIPPI RIVER & BONNE TERRE RAILWAY.

Condensed General Balance Sheet—December 31, 1915.

ASSETS.

PROPERTY:		
Road and Equipment:		
Road	$2,425,033.37	
Equipment	1,176,704.97	
Total Road and Equipment		$3,601,738.34
SECURITIES PLEDGED	$2,359,769.16	
STOCK OF SUBSIDIARY COMPANIES	12,187.28	
Total Property Investment		2,371,956.44
CASH IN SINKING FUND FOR REDEMPTION OF FIRST MORTGAGE BONDS		505.84
(In addition there are held by the Sinking Fund Trustees Bonds of a par value of $138,000.00, which have been deducted from the Bonds outstanding per contra)		
WORKING AND CURRENT ASSETS:		
Cash	$ 141,440.50	
Accounts Receivable	32,365.03	
Materials and Supplies and other Working Assets	35,377.84	
Total Working Assets		209,183.37
DUE FROM AFFILIATED COMPANIES, INCLUDING ACCRUED INTEREST, NOT DUE		103,385.29
DEFERRED DEBIT ITEMS		6,091.64
TOTAL		$6,292,860.92

LIABILITIES.

CAPITAL STOCK, 30,000 SHARES OF $100.00 EACH		$3,000,000.00
FUNDED DEBT:		
FIRST MORTGAGE, SINKING FUND, 20-YEAR, 5% GOLD BONDS, DUE 1931	$2,500,000.00	
LESS—Bonds in hands of Sinking Fund Trustees	138,000.00	
Total Funded Debt		2,362,000.00
CURRENT LIABILITIES:		
Traffic and Car Service Balances Due to Other Companies	$ 51,173.43	
Accounts Payable	18,131.92	
Accrued Liabilities	32,713.01	
Total Working Liabilities		102,018.36
DUE TO AFFILIATED COMPANIES		457.58
DEFERRED CREDIT ITEMS		812.24
RESERVE FOR DEPRECIATION OF EQUIPMENT AND FOR OTHER PURPOSES		276,137.22
SURPLUS		551,435.52
TOTAL		$6,292,860.92

NOTE.—The Railway has a contingent liability as guarantor of the $250,000.00, First Mortgage, 20-Year, 5% Gold Bonds of St. Francois County Railroad Company, held by the St. Joseph Lead Company.

BONNE TERRE FARMING & CATTLE COMPANY.

Condensed General Balance Sheet—December 31, 1915.

ASSETS.

PROPERTY:		
Land (Surface Value only)	$422,344.65	
Buildings—Bonne Terre, Herculaneum and Leadwood	287,306.71	
Land and Buildings—St. Louis	24,500.00	
Live Stock, Implements, etc.	20,820.02	
Electric Power Lines and Equipment—Bonne Terre	8,630.39	
Other Assets	43,385.00	
Total Property		$806,986.77
WORKING ASSETS		38,406.70
CURRENT ASSETS:		
Cash	$ 14,210.93	
Accounts Receivable	9,236.66	
Total Current Assets		23,447.59
DUE FROM AFFILIATED COMPANIES		33,163.73
DEFERRED ASSETS		59,890.28
TOTAL		$961,895.07

LIABILITIES.

CAPITAL STOCK—50,000 SHARES OF $10.00 EACH	$500,000.00
CURRENT LIABILITIES	22,936.54
DUE TO AFFILIATED COMPANIES	3,081.40
DEFERRED CREDIT ITEMS	1,274.56
RESERVES, FOR DEPRECIATION OF BUILDINGS AND FOR OTHER PURPOSES	79,685.96
SURPLUS	354,916.61
TOTAL	$961,895.07

ST. FRANCOIS COUNTY RAILROAD COMPANY.

Condensed General Balance Sheet—December 31, 1915.

ASSETS.

ROAD AND EQUIPMENT		$374,516.87
WORKING AND CURRENT ASSETS:		
Cash	$9,420.50	
Accounts Receivable	236.23	
Materials and Supplies, and other Working Assets	3,925.18	13,581.91
DEFERRED DEBIT ITEMS		616.56
TOTAL		$388,715.34

LIABILITIES.

CAPITAL STOCK, 1,250 SHARES OF $100.00 EACH	$125,000.00
FIRST MORTGAGE 5% GOLD BONDS, DUE JULY 1, 1920	250,000.00
CURRENT LIABILITIES	5,066.42
DEFERRED CREDIT ITEMS	64.69
DUE TO AFFILIATED COMPANIES	805.04
SURPLUS	7,779.19
TOTAL	$388,715.34

ST. JOSEPH LEAD COMPANY AND SUBSIDIARY COMPANIES.

Summary of Consolidated Income and Profit and Loss for the Year Ended December 31, 1915, after Eliminating Inter-Company Interest, Dividends and Rentals.

	Consolidation Total.	Consolidation Eliminations.	St. Joseph Lead Company.	Doe Run Lead Company.	Mississippi River & Bonne Terre Railway.	Bonne Terre Farming & Cattle Company.	St. Francois County Railroad Company.
NET PROFIT FROM OPERATIONS..	$4,283,428 62	....	$2,160,934.20	$1,740,284 87	$333,154.98	$30,870.42	$18,184.15
OTHER INCOME........ ...	108,931.68	$802,418 25	681,620.19	100,579.75	125,038 04	4,111.95	....
GROSS INCOME.........	$4,392,360.30	$802,418.25	$2,842,554.39	$1,840,864.62	$458,193.02	$34,982.37	$18,184.15
INCOME CHARGES...........	902,395.84	230,748.05	660,341.97	308,283.90	135,902.30	14,353.82	14,261.90
NET INCOME FOR THE YEAR.....	$3,489,964.46	$571,670.20	$2,182,212.42	$1,532,580.72	$322,290.72	$20,628.55	$3,922 25
PROFIT AND LOSS CHARGES (less credits).............	636,100.94	....	618,905.74	228,473.89	245,406.63	481.52	219.06
SURPLUS FOR THE PERIOD..	$2,853,863.52	$571,670.20	$1,563,306.68	$1,761,054 61	$76,884.09	$20,147 03	$4,141.31
SURPLUS JANUARY 1, 1915...	9,416,628.70	....	2,543,627.15	6,005,042.66	519,551.43	344,769.58	3,637.88
TOGETHER.....	$12,270,492.22	$571,670.20	$4,106,933.83	$7,766,097.27	$596,435.52	$364,916 61	$7,779.19
DIVIDENDS PAID...........	854,980.05	571,670 20	845,658.25	525,992.00	45,000.00	10,000.00	... .
SURPLUS, DEC. 31, 1915.	$11,415,512.17	$	$3,261,275.58	$7,240,105.27	$551,435.52	$354,916.61	$7,779.19

ST. JOSEPH LEAD COMPANY AND SUBSIDIARY COMPANIES.

Statement of Liabilities at December 31, 1915 (with Inter-Company Accounts Eliminated).

	Total.	St. Joseph Lead Company.	Doe Run Lead Company.	Mississippi River & Bonne Terre Ry. Co.	Bonne Terre Farming & Cattle Company.	St. Francois County Railroad Co.
6% Gold Notes of Doe Run Lead Company due March 1, 1918, secured by $985,000.00 First Mortgage 6% Sinking Fund Gold Bonds due March 1, 1915—Less Cash in Sinking Fund	$985,000.00	....	$985,000.00	....	....	....
First Mortgage 5% Sinking Fund Gold Bonds of Mississippi River & Bonne Terre Railway Co. due October 1, 1931—Less cash and bonds in Sinking Fund	2,359,769.16	....	....	$2,359,769 16	....	....
Notes Payable	58,500.00	$5,000.00	53,500.00	....	....	....
Traffic and Car Service Balances Due to Other Companies	55,215.18	....	....	51,173.43	....	$4,041.75
Accounts and Wages Payable	331,073.34	189,805.41	99,521.72	18,131.92	$22,629 44	984.85
Unclaimed Dividends	241.60	....	138.00	....	103.60	....
Unclaimed Wages	466.62	....	466 62	....	....	....
Accrued Accounts:						
Taxes	38,425.20	18,592.93	16,400.94	3,188.01	203.50	39.82
Interest	49,887.54	136.29	20,226.25	29,525.00	....	....
Expenses	78.13	78.13	....	....	....	....
TOTAL	$3,878,656 77	$213,612.76	$1,175,253.53	$2,461,787.52	$22,936.54	$5,066.42