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June 30, 1945

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AUDIT REPORT

Poston Cooperative Enterprises, Inc.

POSTON, ARIZONA

July 1, 1944 to June 30, 1945

Jacobson, Jentsch, Rector and Company

PUBLIC ACCOUNTANTS

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

REPORT OF AUDIT

June 30, 1945

JACOBSON, JENTZSCH, RECTOR & COMPANY

PUBLIC ACCOUNTANTS & AUDITORS

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Board of Directors
Poston Cooperative Enterprises, Inc.
Poston, Arizona

Gentlemen:

We have audited your books and records for the period
July 1, 1944 to June 30, 1945 and present herewith our report as
indexed on the next page.

Based on our examination and subject to the auditor's
comments the Balance Sheet properly sets forth your financial
condition on June 30, 1945 and the Operating Statement the correct
results from operations for the period under review.

Respectfully submitted,

Jacobson, Jentzsch, Rector & Co.
JACOBSON, JENTZSCH, RECTOR & COMPANY

JJR&C/ld
September 27, 1945
Walla Walla, Washington

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

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POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

ORGANIZATION

Name: Poston Cooperative Enterprises, Inc.

Address: Poston, Yuma Co., Arizona.

Organized: May 11, 1942.

Under: The District of Columbia Cooperative Association Act, operating under trust agreement with W.R.A. until April, 1944, when approved by State of Arizona to file as a non-profit organization.

Fiscal Year Ends: June 30 each year.

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

AUDITOR'S COMMENTS

Scope of Audit

The audit consisted of the verification and analysis of Asset, Liability and Member Equity accounts, and test-checking of operations, in accordance with generally accepted auditing procedure, subject to comments and exceptions as noted in the following comments and footnotes on various supporting schedules.

Financial Condition

In analyzing your financial condition in previous audits it has been based on the ratio of current assets to current liabilities. When you reached a point where you had a ratio of 3 to 1 you were considered to be in a very good financial condition. In this audit analysis on the same basis or ratios are of no particular value. You have received your final closing orders and you are terminating your operations during the month of September. Your chief concern now, is what can be realized from your total assets. Has the estimate allowance for depreciation been sufficient? How much loss is to be expected in the final disposal of your assets?

A brief analysis on this basis follows:

Accounts Receivable, Prepaid Purchases and Deposits can be realized 100%.

On your Fixed Assets you had no definite offers but there were several buyers who were interested in buying the whole lot. Discussions with the buyers indicated that it is possible to realize the net book value on your Fixed Assets.

Investments in other Cooperatives are 100% good.

Prepaid Insurance and supplies that are not returnable or refundable will be charged against the operations during the final period.

Information to the effect that you are exempt from Federal Income Taxes has just been received. Claims are being filed for the refund of Federal Income and Capital Stock Taxes paid. The amount claimed is \$1,724.33. This amount, however, does not appear on the June 30th Balance Sheet.

Disposal of your inventories is your biggest worry. During the audit there was nothing definite and you still had close to \$30,000.00 worth of merchandise on hand and only about two or three weeks time to turn it into cash. You have been unfortunate in retaining the same general manager any length of time during the past year. Since the June 30, 1944 audit you have had three different general managers and this has retarded

the liquidation of your large stocks earlier in the year, and as a result a considerable amount will be left in your hands after the stores are closed. There was no definite estimate of the loss that could be expected but it would not be surprising if the loss suffered would go as high as \$10,000.00 on this amount of merchandise.

It, therefore, appears from the above analysis that bulk of the liquidation loss will be from the disposal of your inventories.

Liquidation Problems

Matters pertaining to liquidation were discussed by Mr. Lippian, Assistant Project Director and myself, with your Board of Directors. Legal problems in connection with the liquidation have been under the advisement of Mr. Scott Rowley, Project Attorney. At the time of the audit there were several matters requiring immediate attention and were left unattended because of the loss of your Executive Secretary. Someone familiar with the problems should be appointed to take care of the many legal and other requirements.

Inventories remain your chief cause of worry. Other matters are routine and clerical and will be taken care of by your chief accountant.

The Board of Directors have decided to make the final allocation soon after the stores have been closed and accounting completed for the final period. At that time a fairly accurate budget can be estimated to take care of liquidation expenses, trustees fund and other reserves. As soon as this has been done the final allocation can be made. The final audit has been scheduled for about November 1st.

Operations

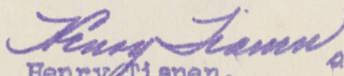
The operating statement for the year ending June 30, 1945 has been prepared on the same basis as in the prior years. Sales are down approximately \$130,000. Gross margin realized on total operations is 20.79% of net sales while in the prior year the gross was 21.75% or approximately 1% less this year. Operating expenses are $\frac{1}{4}$ of 1% higher with a result that savings on operations are $1\frac{1}{2}\%$ less in comparison to sales than in the previous year. In the prior year you had non-operating income amounting to $\frac{1}{3}$ of 1% of the sales while this year you have other expenses .55% of the sales. This brings down the net savings for the year to 9.31% or \$75,431.26 as compared with 11.40% or \$107,353.77 in the prior year. The large amount in the other expense group is loss on reduction sales amounting to \$6,600.00.

Taking into consideration the decrease in sales volume, lower gross margin and slightly higher expenses, and losses resulting from reduction sales, the final net savings are satisfactory.

Gross margins realized in various departments can be studied from the operating statement.

I wish to thank the office personnel for their assistance and help during the audit.

Respectfully yours,


Henry Tannen,
Public Accountant and Auditor.

HT/ld
September 27, 1945
Walla Walla, Washington

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

EXHIBIT "A"

BALANCE SHEET

June 30, 1945

ASSETS

<u>Current:</u>	<u>Condition 6-30-45:</u>	<u>Condition 6-30-44:</u>
Cash on Hand - Schedule 1	\$29,121.85	
Cash in Bank - Schedule 2	<u>36,168.39</u>	\$ 65,290.24
Accounts Receivable - Schedule 3		646.15
Prepaid Purchases - Schedule 4		3,704.60
Purchase Deposit - Federation		3,000.00
Inventories: - Schedule 5		
Stores	\$57,257.76	
Warehouse	<u>11,569.50</u>	<u>68,827.26</u>
		156,572.90
<u>Total Current Assets</u>		<u>\$141,468.25</u>
		<u>\$242,867.15</u>
<u>Fixed Assets: - Schedule 6</u>		
Equipment, Furniture & Fixtures	\$21,852.74	\$ 19,861.89
Less: Allowance for Depreciation	<u>13,366.94</u>	<u>8,348.18</u>
<u>Net Book Value</u>		<u>8,485.80</u>
		<u>\$ 11,513.71</u>
<u>Other Assets:</u>		
Investments - Schedule 7	\$ 850.70	\$ 142.87
Prepaid Insurance	1,053.00	
Supplies	<u>58.05</u>	<u>1,961.75</u>
		\$ 881.87
<u>TOTAL ASSETS</u>		<u>\$151,915.80</u>
		<u>\$255,405.60</u>

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

BALANCE SHEET

EXHIBIT "A"

June 30, 1945

LIABILITIES & MEMBER EQUITIES

<u>Current:</u>	<u>Condition 6-30-45:</u>	<u>Condition 6-30-44:</u>
Accounts Payable - Schedule 8	\$ 13,682.05	\$ 53,984.77
Accounts Payable - W.R.A.	10,962.72	2,470.88
Fishing License Fees Payable	134.75	-
Patronage Refunds Payable	38,200.33	-
Checks held for Cashing - Schedule 9	2,213.15	(20,385.63
Personal Deposits - Schedule 10	5,825.42	(
Deposits on Merchandise	187.00	349.10
Accruals:		
Salaries	\$ 4,460.47	
Payroll Taxes	465.51	
State Sales Tax	916.00	
Federal Excise Tax	399.94	
Barber Equipment Rental	452.77	
Auditing	700.00	
	<u>7,394.69</u>	<u>9,416.45</u>
<u>Total Current Liabilities</u>	<u>\$ 78,600.11</u>	<u>\$ 86,606.83</u>
<u>Member Equities:</u>		
Patronage Refunds 1-1 to 6-30-45	\$27,362.01	
Memberships	4,626.00	
Certificates of Indebtedness	709.02	
Allocated General Reserve - Schedule 12	28,301.28	
Unallocated General Reserve - Schedule 11	12,317.38	
Net Savings 7-1-44 to 6-30-45	\$75,431.26	
Distribution:		
Patronage Refunds Payable	60,954.19	
Allocated General Reserve	6,954.66	
Unallocated Reserve	<u>7,522.41</u>	<u>-</u>
<u>Total Member Equities</u>	<u>73,315.69</u>	<u>168,798.77</u>
<u>TOTAL LIABILITIES & MEMBER EQUITIES</u>	<u>\$151,915.80</u>	<u>\$255,405.60</u>

EXHIBIT "B"

MERCHANDISING & COMBINED OPERATING STATEMENT

July 1, 1944 to June 30, 1945

	CAMP NUMBER 1				CAMP NUMBER 2				CAMP NUMBER 3			
	Store 1:	Store 2:	Store 3:	Store 4:	Store 1:	Store 2:	Store 3:	Store 4:	Store 1:	Store 2:	Store 3:	Store 4:
Gross Sales	\$149,995.23	\$7,785.28	\$44,380.43	\$167,717.53	\$71,210.64	\$2,011.11	\$6,499.08	\$62,968.22	\$83,679.70	\$7,865.93	\$6,903.75	\$71,507.75
Less Sales Return	2.91	-	-	27.20	-	-	-	12.93	7.66	-	-	6.55
Net Sales	\$149,992.32	\$7,785.28	\$44,380.43	\$167,690.33	\$71,210.64	\$2,011.11	\$6,499.08	\$62,955.29	\$83,672.04	\$7,865.93	\$6,903.75	\$71,501.20
Cost of Goods Sold:												
Inv. 7-1-44	\$ 7,707.53	\$2,757.75	\$ 2,895.48	\$ 34,731.63	\$ 4,734.23	\$1,945.81	\$2,046.87	\$19,512.13	\$ 3,577.87	\$1,458.48	\$1,635.00	\$21,172.02
Purchases	113,067.15	3,575.94	33,363.69	120,229.73	54,492.52	267.98	3,206.66	39,676.75	65,103.51	4,877.94	4,173.15	44,437.36
	\$120,774.68	\$6,333.69	\$36,259.17	\$154,961.36	\$59,226.75	\$1,677.83	\$5,253.53	\$59,188.88	\$68,681.38	\$6,336.42	\$5,808.15	\$65,609.38
Less: Inv. 6-30-45	3,356.69	-	830.45	23,993.04	2,129.81	-	-	10,159.97	2,456.47	-	-	10,168.87
	\$117,417.99	\$6,333.69	\$35,428.72	\$130,968.32	\$57,096.94	\$1,677.83	\$5,253.53	\$49,028.91	\$66,224.91	\$6,336.42	\$5,808.15	\$55,440.51
Add: Whse. Exp. Sch. B-1	4,712.19	110.42	1,337.08	5,756.40	2,261.27	-	100.82	1,901.19	2,746.18	180.04	151.23	2,040.42
Total Cost	\$122,130.18	\$6,444.11	\$36,765.80	\$136,724.72	\$59,358.21	\$1,677.83	\$5,354.35	\$50,930.10	\$68,971.09	\$6,516.46	\$5,959.38	\$57,480.93
Gross Operating Income	\$ 27,862.14	\$1,341.17	\$ 7,614.63	\$ 30,965.61	\$11,852.43	\$ 333.28	\$1,144.73	\$12,025.19	\$14,700.95	\$1,349.47	\$ 944.37	\$14,020.27
Selling Expense:												
Salaries	\$ 3,741.75	\$ 204.72	\$ 1,139.33	\$ 5,411.70	\$ 2,373.12	\$ 112.88	\$ 324.09	\$ 2,426.75	\$ 2,890.54	\$ 315.64	\$ 288.94	\$ 2,599.72
Payroll Taxes	187.05	10.23	56.97	270.54	118.84	5.64	16.20	121.33	144.50	15.78	14.45	129.97
Store Supplies	287.77	22.32	139.24	384.32	159.50	16.46	20.56	221.67	262.77	42.88	23.21	151.60
Damaged Goods	330.16	81.15	140.36	234.06	361.21	27.34	79.87	92.60	230.77	16.82	43.98	65.03
Ice Expense	197.83	-	46.69	29.25	244.92	-	34.00	16.58	85.30	-	-	16.58
Total Selling Exp.	\$ 4,744.56	\$ 318.42	\$ 1,522.59	\$ 6,329.87	\$ 3,257.59	\$ 162.32	\$ 474.72	\$ 2,878.93	\$ 3,613.88	\$ 391.12	\$ 370.58	\$ 2,962.90
General Expense:												
Ins. & Bonding	\$ 160.29	\$ 9.33	\$ 41.38	\$ 466.16	\$ 80.10	\$ 4.92	\$ 9.64	\$ 256.33	\$ 83.20	\$ 9.08	\$ 10.40	\$ 283.46
Rent of Bldgs.	470.04	28.20	61.16	944.04	470.04	21.54	36.80	472.08	470.04	37.60	43.88	472.08
Depr. of Equip.	330.17	20.69	89.38	406.79	228.38	14.12	33.52	137.36	238.42	25.76	25.17	137.44
Equip. Rental	-	-	-	-	-	12.00	-	-	-	-	-	-
Shrinkage Expense	5.39	-	-	-	-	-	-	29.82	-	-	-	-
Maint. & Repairs	26.61	3.58	26.63	146.75	31.40	-	.60	159.26	82.08	-	-	103.31
Misc. Expense	156.03	-	12.48	85.45	79.78	-	2.97	71.59	59.54	-	.65	85.98
Total General Exp.	\$ 1,148.53	\$ 61.80	\$ 231.03	\$ 2,049.19	\$ 889.70	\$ 52.58	\$ 83.53	\$ 1,126.44	\$ 933.28	\$ 72.44	\$ 80.10	\$ 1,082.27
Admin. Expense B-2	\$ 5,698.27	\$ 295.69	\$ 1,687.92	\$ 6,372.82	\$ 2,707.45	\$ 77.00	\$ 246.41	\$ 2,393.27	\$ 3,181.79	\$ 298.77	\$ 261.81	\$ 2,716.69
Total Expenses	\$ 11,591.36	\$ 675.91	\$ 3,441.54	\$ 14,751.83	\$ 6,854.74	\$ 291.90	\$ 804.66	\$ 6,398.64	\$ 7,728.95	\$ 762.33	\$ 712.49	\$ 6,761.86
NET OPERATING INCOME	\$ 16,270.78	\$ 665.26	\$ 4,173.09	\$ 16,213.73	\$ 4,997.69	\$ 41.38	\$ 340.07	\$ 5,626.55	\$ 6,972.00	\$ 587.14	\$ 231.88	\$ 7,258.41
Deduct: Net Other Expense-Sch. B-3												
Percentages:												
Gross Margin	18.58%	17.23%	17.16%	18.47%	16.64%	16.57%	17.61%	19.10%	17.57%	17.16%	13.68%	19.61%
Total Operating Exp.	7.73%	8.68%	7.75%	8.80%	9.63%	14.51%	12.38%	10.16%	9.24%	9.69%	10.32%	9.46%
Net Operating Income	10.85%	8.55%	9.41%	9.67%	7.01%	2.06%	5.23%	8.94%	8.33%	7.47%	3.36%	10.15%
Other Expense												
Net Savings												

MERCHANDISING & COMBINED OPERATING STATEMENT

EXHIBIT "B"

July 1, 1944 to June 30, 1945

Rainbow Market:	Total Merchandising:	Total Service Division:	Combined Mdse. & Service:	Shoe Camp 1:	Shoe Camp 2:	Shoe Camp 3:	Beauty Block 12:	Beauty Block 28:	Beauty Camp 2:	Beauty Camp 3:	Barber Block 12:	Barber Block 28:	Barber Block 46:	Barber Hosp:
\$75,639.34	\$758,163.99	\$52,276.79	\$810,140.78	\$10,539.76	\$4,530.50	\$5,392.10	\$5,011.34	\$ 57.70	\$1,346.75	\$2,896.12	\$112.20	\$1,693.65	\$2,295.00	\$ 33.00
13.49	70.74	15.40	86.14	1.00	-	-	-	.55	1.00	-	-	-	-	-
\$75,625.85	\$758,093.25	\$52,261.39	\$810,354.64	\$10,538.76	\$4,530.50	\$5,392.10	\$5,011.34	\$ 57.15	\$1,345.75	\$2,896.12	\$112.20	\$1,693.65	\$2,295.00	\$ 33.00
\$ 2,765.43	\$106,940.23	\$ 4,757.36	\$111,697.59	\$ 1,824.28	\$1,100.13	\$1,369.95	\$ 119.59	\$ -	\$ 177.33	\$ 106.90	\$ 2.25	\$ -	\$ 2.90	\$ -
59,033.51	544,969.93	18,497.33	563,467.26	3,566.20	1,248.79	1,370.33	869.39	7.00	204.31	520.71	.70	-	9.90	.60
\$61,798.94	\$651,910.16	\$23,254.69	\$675,164.85	\$ 5,390.48	\$2,348.92	\$2,740.28	\$ 986.98	\$ 7.00	\$ 381.64	\$ 627.61	\$ 2.95	\$ -	\$ 12.80	\$.60
2,189.17	55,284.47	1,973.29	57,257.76	992.06	103.28	844.59	-	-	-	-	-	-	-	-
\$59,609.77	\$596,625.69	\$21,281.40	\$617,907.09	\$ 4,398.42	\$2,245.64	\$1,895.69	\$ 988.98	\$ 7.00	\$ 381.64	\$ 627.61	\$ 2.95	\$ -	\$ 12.80	\$.60
2,330.88	23,628.12	376.86	24,004.98	172.84	60.01	64.81	40.80	-	9.60	24.00	-	-	-	-
\$61,940.65	\$620,253.81	\$21,658.26	\$641,912.07	\$ 4,571.26	\$2,305.65	\$1,960.50	\$1,029.78	\$ 7.00	\$ 391.24	\$ 651.61	\$ 2.95	\$ -	\$ 12.80	\$.60
\$13,685.20	\$137,839.44	\$30,603.13	\$168,442.57	\$ 5,967.50	\$2,224.85	\$3,431.60	\$3,981.56	\$ 50.15	\$ 954.51	\$2,244.51	\$109.25	\$1,693.65	\$2,282.20	\$ 32.40
\$ 1,750.97	\$ 23,580.15	\$12,045.62	\$ 35,625.77	\$ 3,068.28	\$1,079.61	\$ 887.42	\$ 665.94	\$ -	\$ 217.90	\$ 645.43	\$ 90.00	\$ 543.17	\$ 795.08	\$161.50
87.56	1,179.06	602.47	1,781.53	153.37	53.99	44.37	33.33	-	10.91	32.28	4.50	27.17	39.79	8.10
264.17	1,996.47	414.88	2,411.35	86.35	53.90	42.62	105.54	-	28.57	80.21	-	6.81	2.92	.30
973.04	2,676.39	4.06	2,680.45	-	-	-	-	-	4.06	-	-	-	-	-
51.53	722.68	150.30	872.98	16.58	16.58	16.26	16.58	-	16.58	16.26	-	8.50	16.58	-
\$ 3,127.27	\$ 30,154.75	\$13,217.33	\$ 43,372.08	\$ 3,324.58	\$1,204.08	\$ 990.67	\$ 821.39	\$ -	\$ 278.02	\$ 774.18	\$ 94.50	\$ 585.65	\$ 854.37	\$169.90
\$ 28.95	\$ 1,443.24	\$ 154.45	\$ 1,597.69	\$ 53.31	\$ 28.29	\$ 35.13	\$ 13.90	\$.20	\$ 2.20	\$ 4.88	\$.04	\$ 3.03	\$ 1.71	\$.05
-	3,527.50	932.36	4,459.86	-	-	-	103.40	9.83	108.13	108.13	21.94	226.09	112.80	-
145.59	1,832.79	2,298.34	4,131.13	495.75	235.18	341.13	229.73	26.20	116.86	114.43	18.08	344.70	80.36	26.68
394.80	406.80	999.25	1,406.05	-	-	-	115.00	5.00	-	-	-	253.82	341.76	-
.77	35.98	-	35.98	-	-	-	-	-	-	-	-	-	-	-
9.73	589.95	266.15	856.10	55.56	4.53	15.14	29.70	-	52.08	-	-	39.98	1.40	-
171.25	725.72	1,195.14	1,920.86	155.60	68.33	97.05	309.00	-	151.24	134.40	15.88	46.39	44.71	-
\$ 751.09	\$ 8,561.98	\$ 5,845.69	\$14,407.67	\$ 760.22	\$ 336.33	\$ 488.45	\$ 800.73	\$ 41.23	\$ 430.51	\$ 361.84	\$ 55.94	\$ 914.01	\$ 582.74	\$ 26.73
\$ 2,873.78	\$ 28,811.67	\$ 1,989.80	\$30,801.47	\$ 400.42	\$ 172.49	\$ 206.37	\$ 190.97	\$ 3.08	\$ 52.36	\$ 110.88	\$ 3.13	\$ 61.60	\$ 86.24	\$ 3.08
\$ 6,752.14	\$ 67,528.40	\$21,052.82	\$ 88,581.22	\$ 4,485.22	\$1,712.90	\$1,685.49	\$1,813.09	\$ 44.31	\$ 760.89	\$1,246.90	\$153.57	\$1,561.26	\$1,523.35	\$199.71
\$ 6,933.06	\$ 70,311.04	\$ 9,550.31	\$ 79,861.35	\$ 1,482.28	\$ 511.95	\$1,746.11	\$2,168.47	\$ 5.84	\$ 193.62	\$ 997.61	\$ 44.32	\$ 132.39	\$ 758.85	\$167.31
		4,430.09												
		\$ 75,431.26												
18.10%	18.18%	58.56%	20.79%	56.62%	49.11%	63.64%	79.45%	87.75%	70.93%	77.50%	97.37%	100.00%	99.44%	98.18%
8.93%	8.91%	40.28%	10.93%	42.56%	37.81%	31.26%	36.18%	77.53%	56.54%	43.05%	136.87%	92.18%	66.38%	605.18%
9.17%	9.27%	18.28%	9.86%	14.06%	11.30%	32.38%	43.27%	10.22%	14.39%	34.45%	39.50%	7.82%	33.06%	507.00%
			55%											
			9.31%											

MERCHANDISING & COMBINED OPERATING STATEMENT

EXHIBIT "B"

July 1, 1944 to June 30, 1945

	Barber Camp 2:	Barber Camp 3:	Mojave:	Radio Shop:	Tailoring:	Domestic Service:	Photo Shop:
Gross Sales	\$651.15	\$1,103.05	\$3,261.51	\$377.57	\$8,244.40	\$2,172.14	\$2,558.85
Less Sales Return	-	-	.30	-	-	-	12.55
Net Sales	\$651.15	\$1,103.05	\$3,261.21	\$377.57	\$8,244.40	\$2,172.14	\$2,546.30
Cost of Goods Sold:							
Inv. 7-1-44	\$ 1.50	\$ -	\$ -	\$ 52.53	\$ -	\$ -	\$ -
Purchases	2.15	3.20	2,587.37	50.46	6,694.24	-	1,361.98
	\$ 3.65	\$ 3.20	\$2,587.37	\$102.99	\$6,694.24	\$ -	\$1,361.98
Less: Inv. 6-30-45	-	-	-	-	-	-	33.36
	\$ 3.65	\$ 3.20	\$2,587.37	\$102.99	\$6,694.24	\$ -	\$1,328.62
Add: Whse. Exp.	-	-	-	2.40	-	-	2.40
<u>Total Cost</u>	<u>\$ 3.65</u>	<u>\$ 3.20</u>	<u>\$2,587.37</u>	<u>\$105.39</u>	<u>\$6,694.24</u>	<u>\$ -</u>	<u>\$1,331.02</u>
Gross Operating Income	\$647.50	\$1,099.85	\$ 673.84	\$272.18	\$1,550.16	\$2,172.14	\$1,215.28
Selling Expense:							
Salaries	\$336.68	\$ 549.60	\$ 163.90	\$208.90	\$ 629.72	\$1,142.53	\$ 859.96
Payroll Taxes	16.86	27.46	8.21	10.47	31.50	57.15	43.01
Store Supplies	2.42	6.55	3.95	-	2.64	-	-
Damaged Goods	-	-	-	-	-	-	-
Ice Expense	15.28	2.60	-	-	8.50	-	-
<u>Total Selling Exp.</u>	<u>\$371.24</u>	<u>\$ 586.21</u>	<u>\$ 168.16</u>	<u>\$219.37</u>	<u>\$ 672.36</u>	<u>\$1,199.68</u>	<u>\$ 902.97</u>
General Expense:							
Ins. & Bonding	\$ 2.25	\$ 1.99	\$.42	\$ 4.70	\$.61	\$ -	\$ 1.74
Rent of Bldgs.	129.24	112.80	-	-	-	-	-
Depr. of Equip.	101.19	57.24	40.90	18.05	32.53	-	19.33
Equip. Rental	98.76	169.91	-	-	-	-	15.00
Shrinkage Expense	-	-	-	-	-	-	-
Maint. & Repairs	-	-	-	-	8.26	-	59.50
Misc. Expense	6.25	12.96	1.69	-	30.41	55.98	65.25
<u>Total General Exp.</u>	<u>\$337.69</u>	<u>\$ 354.90</u>	<u>\$ 43.01</u>	<u>\$ 22.75</u>	<u>\$ 71.81</u>	<u>\$ 55.98</u>	<u>\$ 160.82</u>
Admin. Expense	\$ 24.64	\$ 43.12	\$ 123.21	\$ 15.40	\$ 314.17	\$ 83.16	\$ 95.48
<u>Total Expenses</u>	<u>\$733.57</u>	<u>\$ 984.23</u>	<u>\$ 334.38</u>	<u>\$257.52</u>	<u>\$1,058.34</u>	<u>\$1,338.82</u>	<u>\$1,159.27</u>
<u>NET OPERATING INCOME</u>	<u>\$ 86.07</u>	<u>\$ 115.62</u>	<u>\$ 339.46</u>	<u>\$ 14.66</u>	<u>\$ 491.82</u>	<u>\$ 833.32</u>	<u>\$ 56.01</u>

Percentages:

Gross Margin	99.44%	99.71%	20.66%	72.09%	18.80%	100.00%	47.73%
Total Operating Exp.	112.66%	89.23%	10.25%	68.20%	12.84%	61.64%	45.53%
Net Operating Income	13.22%	10.48%	10.41%	3.89%	5.96%	38.36%	2.20%

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

WAREHOUSE CONTROL & EXPENSE

SCHEDULE "B-1"

July 1, 1944 - June 30, 1945

Inventory July 1, 1944 at Cost	\$ 43,479.95	
Purchase at Cost	<u>485,658.89</u>	\$529,138.84
Transfers at Cost	\$516,094.40	
Mdse. Inv. June 30, 1945	<u>11,569.50</u>	<u>527,663.90</u>
<u>Merchandise Shortage</u>		\$ 1,474.94
Freight In		13,069.39
<u>Operating Expenses:</u>		
Salaries	\$ 3,814.32	
Payroll Taxes	190.70	
Insurance & Bonds	528.03	
Trucking	370.00	
Rent	1,034.04	
Misc. Expenses	299.64	
Depreciation	1,212.27	
Shortage Loss	642.61	
Warehouse Supplies	41.93	
Damaged Goods	138.13	
Maint. & Repair Expense	115.02	
Purchasing Expense	968.65	
Equip. Rental	12.50	
Selling Expense	11.68	
Ice Expense	40.63	
Shrinkage Loss	<u>40.50</u>	
<u>Total Operating Expense</u>		<u>9,460.65</u>
<u>TOTAL WAREHOUSE EXPENSE</u>		<u>\$ 24,004.98</u>

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

DISTRIBUTION OF WAREHOUSE EXPENSE

SCHEDULE "B-1A"

	<u>Transfer</u>	<u>Percent:</u>	<u>Portion of Expenses:</u>
Store 1 - Camp 1	\$ 97,892.39	19.63%	\$ 4,712.19
2 1	2,279.19	.46%	110.42
3 1	27,768.54	5.57%	1,337.08
4 1	119,541.28	23.98%	5,756.40
1 2	46,994.84	9.42%	2,261.27
3 2	2,088.86	.42%	100.82
4 2	39,490.28	7.92%	1,901.19
1 3	57,070.97	11.44%	2,746.18
2 3	3,759.54	.75%	180.04
3 3	3,156.75	.63%	151.23
4 3	42,385.57	8.50%	2,040.42
Rainbow	48,428.85	9.71%	2,330.88
Shoe Shop - Camp 1	3,566.20	.72%	172.84
2	1,248.79	.25%	60.01
3	1,370.33	.27%	64.81
Beauty Shop - Block 12 - 1	869.39	.17%	40.80
2	204.31	.04%	9.60
3	520.71	.10%	24.00
Barber Shop - Block 12 - 1	.70		
46 - 1	9.90		
216 - 2	2.15		
310 - 3	3.20		
Hospital	.60		
Radio	25.63	.01%	2.40
Photo	51.55	.01%	2.40
	<u>\$498,730.52</u>	100.00%	<u>\$24,004.98</u>
Store 2 - Camp 2	267.98		
	<u>\$498,462.54</u>		
Misc. Exp.-Ice Exp.-Store Supplies			
Maint. Exp.-etc.	12,496.46		
Dead Stock Disposition Loss	5,135.40		
	<u>\$516,094.40</u>		
<u>TOTAL</u>			

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

ADMINISTRATIVE EXPENSES

SCHEDULE "B-2"

Office Salaries	\$ 8,673.62
Payroll Taxes	433.63
Postage	746.37
Telephone & Telegrams	439.84
Insurance & Bonding	446.09
Rent	277.44
Depreciation	1,768.18
Traveling Expense	1,546.67
Auditing	476.75
Bank Charges	629.44
Miscellaneous Expense	682.91
Purchasing Expenses	1,276.37
Maintenance & Repairs	525.49
Equipment Rental	863.06
Property Tax	1,242.54
Office Supplies	1,495.62
Advertising	4,952.43
Patronage Dividend Expense	1,785.99
Patronage Dividend Salaries	2,266.78
Patronage Dividend Payroll Tax	113.34
Educational Expense	158.91
<u>TOTAL</u>	<u>\$30,801.47</u>

Administrative expenses have been pro-rated on the basis of sales to each store and service shop.

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

OTHER INCOME & EXPENSE

SCHEDULE "B-3"

Other Income:

Purchase Discount	\$4,357.11	
Fire Ins. Trust A/C	17.00	
Refund (Int. Tailoring)	231.04	
Cash over	22.32	
Check Charges	705.27	
Check Sold Ch.	173.88	
Tobacco Stamp Disc.	75.00	
Adj. with Suppliers	1,819.19	
Misc. Adjustments	1,268.64	
Industrial Commission	115.00	
Equipment Disposal	41.95	
Miscellaneous	<u>1,944.79</u>	\$10,771.19

Other Expense:

Cash Short	\$ 91.36	
Organization	614.55	
Educational	921.75	
Photo Studio Organization	183.59	
Capital Stock Tax	187.50	
Loss on Outside Sale	1,524.48	
Whse. Robbery	469.43	
Robbery 1-4	46.03	
Industrial Comm. Ins.	54.18	
Depr. Exp. on Closed Shops	113.41	
Ins. Exp. on Closed Shops	30.66	
Auditor's Adjustments	1,989.39	
Yuma County Tax	2,074.63	
Bad Debts	543.11	
Adjustments on Insurance	107.55	
Purchases (Delayed)	277.63	
Loss on Equipment	404.89	
Loss on Sale (Cost Reduction)	5,135.40	
Miscellaneous	<u>431.74</u>	15,201.28

NET OTHER EXPENSE

\$ 4,430.09

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

CASH ON HAND

SCHEDULE 1

Cash on Hand	\$21,800.00
Revolving Fund	200.00
Petty Cash	350.00
Undeposited Sales	5,721.85
Change Funds	1,050.00
<u>TOTAL</u>	<u>\$29,121.85</u>

BANK ACCOUNT RECONCILIATION

SCHEDULE 2

Valley National Bank, Phoenix, Arizona

Balance per Bank Statement 6-30-45	\$59,379.05
Add: Deposits in Transit	5,707.37
Adjusted Balance	<u>\$65,086.42</u>
Less: Checks Outstanding (per detailed list in office)	<u>28,918.03</u>
<u>CASH IN BANK PER LEDGER</u>	<u>\$36,168.39</u>

ACCOUNTS RECEIVABLE

SCHEDULE 3

Barbers - For Barber Equipment Sold:

S. Ishii	\$ 71.00	
M. Yoshimura	71.00	
A. Tokushi	71.00	
T. Umeda	71.00	
T. Oda	71.00	
K. Osano	71.00	
T. Hirasaki	<u>71.00</u>	\$497.00

Community Council	<u>82.50</u>	\$579.50
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Domestic Service Receivable (June)		<u>66.65</u>
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<u>TOTAL RECEIVABLES</u>		<u>\$646.15</u>
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POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

PURCHASES PAID IN ADVANCE

SCHEDULE 4

Colgate-Palmolive-Peet Co.	\$ 307.75
Wm. Folk - (Through Federation)	2,626.66
H. B. Reiss - (Through Federation)	192.00
Zuckerbraun - (Through Federation)	419.44
Sang Yuen	158.75
<u>TOTAL</u>	<u>\$3,704.60</u>

SUMMARY OF INVENTORIES

SCHEDULE 5

<u>Stores:</u>	
Camp 1 - Store 1	\$ 3,356.69
3	830.45
4	23,993.04
Camp 2 - Store 1	2,129.81
4	10,159.97
Camp 3 - Store 1	2,456.47
4	10,168.87
Rainbow Market	2,189.17
<u>Total in Stores</u>	<u>\$55,284.47</u>
<u>Service Shops:</u>	
Camp 1 - Shoe Store	\$ 992.06
2 - Shoe Store	103.28
3 - Shoe Store	844.59
Photo Shop	33.36
<u>Total in Service Shops</u>	<u>1,973.29</u>
Warehouse	<u>11,569.50</u>
<u>TOTAL INVENTORIES</u>	<u>\$68,827.26</u>

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

SUMMARY OF FIXED ASSETS & DEPRECIATIONS

SCHEDULE 6

<u>Location:</u>	<u>Cost:</u>	<u>Depreciation:</u>	<u>Book Value:</u>
Camp 1 - Store 1	\$ 1,106.41	\$ 794.40	\$ 312.01
1 3	336.30	243.50	92.80
1 4	1,604.42	1,159.27	445.15
Camp 2 - Store 1	827.31	592.33	234.98
2 4	579.25	422.92	156.33
Camp 3 - Store 1	907.47	636.38	271.09
3 4	529.82	379.12	150.70
Rainbow Market	468.95	249.20	219.75
Camp 1 - Shoe Repair Shop	2,030.52	1,349.47	681.05
2 - Shoe Repair Shop	888.70	647.96	240.74
3 - Shoe Repair Shop	1,257.30	898.57	358.73
Beauty Shop #12	774.18	500.11	274.07
Beauty Shop - Camp 2	473.93	295.29	178.64
Beauty Shop - Camp 3	372.25	260.29	111.96
Barber Shop # 28	597.43	305.71	291.72
Barber Shop #46	240.50	110.22	130.28
Barber Shop #216	328.00	176.44	151.56
Barber Shop #310	148.00	107.83	40.17
Warehouse	3,010.73	1,277.88	1,732.85
Office	4,628.43	2,507.58	2,120.85
Tailoring Shop	97.58	32.54	65.04
Idle Equipment	645.26	419.93	225.33
<u>TOTALS</u>	<u>\$21,852.74</u>	<u>\$13,366.94</u>	<u>\$8,485.80</u>

INVESTMENTS

SCHEDULE 7

Northwest Coop. Auditing & Service Ass'n.	\$142.87
Associated Coop. of No. California	114.44
Consumers Coop. Ass'n. - Kansas City:	
19 Shares Preferred Stock @ \$25.00	\$475.00
Patronage Refund	<u>3.39</u>
Industrial Commission - Arizona	478.39
	115.00
<u>TOTAL</u>	<u>\$850.70</u>

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

ACCOUNTS PAYABLE

SCHEDULE 8

American News	\$ 82.32
Armour & Co.	108.98
A. T. & Santa Fe - Claim Rec.	70.78
T. F. Bagshaw	93.16
Mark Barnes Fabric Shop	35.86
Best Bakery	130.55
Biltmore Cleaners	101.02
Colorado River W.R.A.	440.18
Ellis Keatscher	847.97
Federation of Center Business Enterprises	1,904.69
Galford Shoe Co.	4.40
Golden State of Blythe	3,757.80
Golden State of L. A.	144.48
H. J. Heinz	89.30
Holsum Bakery	251.18
Holsum Bakery - Carton Account	46.80
Keystone Bros.	5.75
Los Angeles Examiner	247.00
Los Angeles Times	36.50
McLiod Mercantile	809.71
McKesson & Robbins	236.07
The May Co.	58.50
Walton N. Moore	1.88
National Grocery	1,095.62
Newstand Distributors	538.82
U. Nishiyama	10.80
Pacific Citizen	15.00
Parker Ice Co.	296.82
Poston Print Shop	40.39
R. J. Reynolds	590.33
Showa Shoyu of Denver	272.00
Showa Shoyu - Glendale	450.00
Spool Cotton Co.	36.00
Stationers	117.55
Western Truck Lines	157.80
Western Truck Lines - Claim	18.07
Western Union	1,497.73
<u>TOTAL</u>	<u>\$13,682.05</u>

Most of the balances are supported by monthly statements and letters of confirmation.

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

CHECKS HELD FOR CASHING

SCHEDULE 9

<u>Rec. #:</u>	<u>Amount:</u>	<u>Rec. #:</u>	<u>Amount:</u>	<u>Rec. #:</u>	<u>Amount:</u>
#4303	\$ 250.00	#4994	\$ 331.21	#5030	\$ 37.00
4703	37.00	4995	40.00	5031	42.91
4725	157.53	4996	37.00	5032	200.00
4829	37.00	4997	37.00	5033	100.00
4846	74.00	4998	78.00	5034	772.00
4857	52.00	5001	37.00	5035	85.00
4866	37.00	5002	74.00	5036	34.08
4884	74.00	5003	37.00	5037	114.00
4894	10.00	5004	37.00	5039	116.92
4916	102.26	5005	301.39	5040	50.00
4918	37.00	5006	12.00	5042	37.00
4926	37.00	5007	84.00	5044	19.00
4929	70.00	5008	1,109.28	5046	35.50
4936	37.00	5011	200.00	5047	150.00
4943	37.00	5012	19.50	5048	151.10
4947	2.50	5013	74.01	5049	90.00
4957	461.48	5014	40.00	5050	25.00
4971	37.00	5015	35.00	5051	185.00
4979	57.00	5016	142.00	5052	43.04
4980	700.00	5017	37.00	5053	145.83
4982	250.00	5018	19.00	5054	50.00
4984	37.00	5019	13.50	5055	206.68
4985	30.00	5021	25.00	5059	54.50
4986	37.00	5022	9.50	5060	34.50
4987	11.36	5023	3,000.00	5061	80.00
4988	20.00	5024	175.81	5062	120.00
4989	176.94	5025	50.00	5063	74.00
4990	37.00	5026	67.51	5064	79.00
4991	18.75	5027	74.00	5065	213.00
4993	84.00	5029	37.00	5066	79.00

Total Liability

\$12,666.59

Liability per Ledger

\$ 2,213.15

Cash Drawn 6-30-45 in Transit

6,421.00

\$ 8,634.15

UNRECORDED PER GENERAL LEDGER

\$ 4,032.44

Cash per Treasurer's count

\$ 5,371.38

Less: July 2nd receipts recorded as a deposit
by accounting division for 6-30-45

1,338.15

UNRECORDED PER COUNT

\$ 4,033.23

OVERAGE

\$.79

Note: Cash withdrawn from bank to cover checks held for collection is charged in full against the control. However, the payment of the checks is not made immediately but the cash is being held by the treasurer which accounts for the unrecorded cash.

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

PERSONAL DEPOSITS PAYABLE

SCHEDULE 10

Emergency Fund, Unit 1	\$ 869.00
Scholarship Fund, Unit 1	125.12
Block Fund - Block 19	100.00
Block Fund - Block 44	75.00
Poston Christian Church	500.00
Minobu Betsuin	352.61
Trust Fund - Unit 2	697.61
Assembly Hall - Unit 1	89.27
Buddhist - Block 45	300.00
Fukei Kai	177.61
Nobuo Matsubora	750.00
Local Council - Unit 1	1,789.20
<u>TOTAL</u>	<u>\$5,825.42</u>

ANALYSIS OF GENERAL RESERVE

SCHEDULE 11

Balance July 1, 1944	\$ -
<u>Add:</u>	
Transfer from Allocated General Reserve	250.38
Transfer from Patronage Refund Payable	8,964.00
April, May, June 1944 - Distribution	2,551.86
Adjusted Balance 6-30-44	<u>\$11,766.24</u>
<u>Add:</u>	
From Savings 7-1-44 to 12-31-44	\$4,966.85
From Savings 1-1-45 to 6-30-45	<u>2,555.56</u>
	<u>7,522.41</u>
	<u>\$19,288.65</u>
<u>Less:</u>	
W.R.A. Account Payable	<u>6,971.27</u>
<u>BALANCE</u>	<u>\$12,317.38</u>

POSTON COOPERATIVE ENTERPRISES, INC.

Poston, Arizona

ALLOCATED GENERAL RESERVE

SCHEDULE 12

To June 30, 1943	\$11,116.49
July - Sept. 1943	2,290.17
Oct. - Dec. 1943	2,536.70
Jan. - Mar. 1944	2,168.41
Apr. - June 1944	2,086.36
July - Dec. 1944	3,914.44
Jan. - June 1945	<u>3,040.22</u>

*Unadjusted Variation

\$27,152.79
1,148.49

BOOK BALANCE

\$28,301.28

*Your chief accountant, Miss Wada will check the patronage records with Mr. Sagara of the patronage refund department and proper adjustments will be made as soon as the work is completed and accurate balances of each account effected and determined.

ADJUSTING ENTRIES 6-30-45

SCHEDULE 13

-1-		
Patronage Refund Payable (old)	\$ 8,964.00	
General Reserve		\$ 8,964.00
To adjust Patronage Refund Account.		
-2-		
Patronage Refund Payable	\$ 1,016.89	
Carry Over Patronage Refund		\$ 1,016.89
-3-		
Carry Over Patronage Refunds	\$ 1,637.82	
Savings July to Dec. 1944	42,473.47	
Patronage Refund Payable		\$35,230.00
Allocated General Reserve		3,914.44
Unallocated General Reserve		<u>4,966.85</u>
-4-		
General Reserve	\$ 6,971.27	
Accounts Payable W.R.A.		\$ 6,971.27
W.R.A. Account Adjustment per Statement as at 6-30-45		

Note: Above adjustments have been taken into consideration in the audit report as at June 30, 1945, but have not been entered into your books until in August 1945.