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June 30, 1943

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AUDIT REPORT
FOR THE PERIOD

Northwest Cooperative Auditing & Service Association

[INCORPORATED UNDER COOPERATIVE LAWS OF THE STATE OF WASHINGTON]

502-504 Baker Building

WALLA WALLA, WASHINGTON

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

REPORT OF AUDIT

June 30, 1943

TYPED FROM AUDITOR'S REPORT BY:
NORTHWEST COOPERATIVE AUDITING & SERVICE ASS'N.
WALLA WALLA, WASHINGTON

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

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POSTON COMMUNITY ENTERPRISES

Poston, Arizona

ORGANIZATION

Name: Poston Community Enterprises.

Address: Poston, Arizona.

Organization: Charter obtained from District of Columbia but operations under this charter are in obedience pending decision of the State of Arizona in regard to the authority to file as non-profit corporation under act relating to foreign corporations. Now operating under trust agreement with W.R.A.

Fiscal Year Ends On: June 30, 1943.

E. W. RECTOR

Public Accountant and Auditor

502-504 Baker Building

WALLA WALLA, WASHINGTON

P. O. Box 158

Board of Directors
Poston Community Enterprises
Poston, Arizona

Gentlemen:

In accordance with your request received through the Northwest Cooperative Auditing and Service Association, I have audited your books and records for the period January 1, 1943 to June 30, 1943.

Scope of Audit

The principal purpose of the audit was to check the merchandise shortages, therefore considerable time was spent on checking the accounting for merchandise going into and out of this warehouse. Accounts payable, as of December 31, 1942 showed considerable variation from the statements rendered by the suppliers of merchandise. Therefore all suppliers were circularized and a reconciliation made between the statements and the accounts payable ledger.

Other accounts and operations were analyzed in accordance with generally accepted principles of auditing.

Balance Sheet

Cash on hand was counted June 12, 1943 and was in agreement with the books, except as noted below. The funds on hand were as follows:

Banking Department:

Check Cashing Charges to June 11, 1943	\$ 35.60
Change Fund	2,049.91
Check Cashing Fund	15,064.51
Change Fund in Hands of Pickup Clerk	300.00
<u>Total</u>	<u>\$17,450.02</u>

These funds were in agreement with the books kept by the banking department under the direction of Mr. Bill Ikuno.

Check Cashing Funds held by Ben Yabuno:

Block 5	5-18	\$ 80.50
Myata	5-20	100.00
Toychiyama	5-20	59.58
Block 42	5-21	1,072.63
Myata	5-22	348.36
Myata	5-25	265.81
Myata	5-25	50.00
Block 19	5-25	64.04
Block 38	5-26	948.84
Myata	5-19	34.58

Continued on Next Page

Myata	5-27	\$ 69.50
Block 59	5-27	18.06
Block 39	5-27	220.81
Block 26	5-28	500.00
Block 26	5-28	67.27
Block 38	5-27	883.60
Wumino	5-15	310.42
Wumino	5-15	(100.00) Advance
Block 36	5-28	259.73
Yokoyama	6-7	(200.00) Advance
Yoshida	6-9	(23.61) Advance
		<u>\$5,030.12</u>
Check Charges		31.40
	Total Funds	<u>\$5,061.52</u>
	Cash Count	5,061.73
	<u>Cash Overage</u>	<u>\$.21</u>
Check Charges		\$ 45.40
Turned in on 6-2-42		14.00
	<u>Balance</u>	<u>\$ 31.40</u>

The cash funds shown by the general accounting books did not agree with the records kept by the banking department. Reconciliation was made as of May 31st. and June 30th. and proper adjusting entries made to bring them into agreement. New cash journals have been recommended for the banking department, the personal check cashing fund and the general accounting department in order to facilitate keeping the records. Reconciliation should be made monthly of all cash funds in order that any error may be located promptly.

The change funds in the various stores were not counted by the auditor. Someone from the office should check these and the cash register readings periodically.

Office petty cash was counted on June 11th. and found to be in agreement with the books. The cash in bank was reconciled to a statement received direct from the bank.

Accounts receivable entries were traced through the records and the accompanying list of accounts arrived at except that W.R.A. was contacted and the receivable set up by comparison with their record. A subsidiary ledger of accounts receivable should be kept and reconciled monthly with the control account.

Merchandise Inventories were supervised by members of the Board of Directors. It was the intention of the auditor to supervise the taking of the warehouse inventory, but the information given him as to the day inventory was to be taken was incorrect and the inventory was taken by the time he arrived. He, however, did supervise inventories at Stores 1 and 4 of Camp 1.

Inventories at the various units have been taken at different times resulting in confusion as to the proper month to include various invoices and transfers. The auditor recommends that all inventories be taken at the same time.

The inventories in the retail units were taken at retail and marked down to cost as shown by Schedule 5-A. The gross margins used as a basis were computed according to the formula set forth by the internal revenue bureau as follows:

Beginning inventory at retail	- a
Purchases at retail	- b
Beg. Inventory at Cost	- c
Purchases at Cost	- d

$$\frac{(a \text{ plus } b - (c \text{ plus } d))}{a \text{ plus } b} - \text{Gross Margin}$$

Inventories were taken, priced and extended by each store's employees. Extensions and totals were checked by the office. All prices in the warehouse inventory were checked by the office. Extensions were scanned by the auditor.

No inventory reserve was set up as this practice is not accepted by the Bureau of Internal Revenue and any loss in inventory is amply covered by surplus.

Fixed Assets were inventoried on June 30, 1943 and all major errors corrected except that a number of transfers have been made between stores without the information made being furnished the office. Where there was evidence of such transfers no correction was made. These changes should be worked through the records before the next audit is made.

Depreciations were set up under the direction of your General Manager, Mr. Katow, on a reducing fraction basis. Since the Bureau of Internal Revenue accepts various methods of computing depreciation, although it favors the straight line method, the auditor also accepted the method used. The effect of this method is to set up to the reserve larger amounts during the early years and smaller amounts in the later years. This method has some merit due to the nature of your organization.

The time basis used was 1 year for tools, 3 years for coolers and 5 years for other equipment.

The Note Payable of \$15,000.00 was due the Valley National Bank of Phoenix on July 28, 1943 with interest at 5%.

Loans Payable consisted of \$15,138.68 due Poston Community Council Unit #1 upon demand after 3 days notice without interest. The balance of \$2,000.00 was payable to Masayieki Sato by agreement dated May 4, 1943. The amount is payable 60 days from date upon 10 days notice.

The Contract Payable National Cash Register was for purchase of cash registers. The original amount was \$4,556.50 with an addition of \$347.75. Payments of \$2,124.25 have been made.

Accounts Payable total \$39,443.97 a decrease of \$63,751.56 since January 1, 1943. This shows a healthy improvement. A detail is listed in Schedule 8.

Accrued Salaries consists of the following items:

June Payroll		\$4,808.16
May & June Supplement		185.09
Payable W.R.A. (Adjusted)		1,121.62
Old Payroll Balances	\$402.77	
Plus Error on Feb. & March Payroll	66.06	468.83
<u>Total</u>		<u>\$6,583.70</u>

Payroll Taxes including Arizona Unemployment, Federal Old Age and Federal Unemployment Taxes are amounts set up pending filing of the forms. All of the taxes are payable and payment should be made as soon as possible in order to avoid further penalties.

Arizona Sales Tax consists of a balance of 10 cents for May and the June tax of \$1,541.10.

Accrued Federal Excise Tax is the amount collected on the sale of items such as cosmetics.

Accrued County Taxes is the balance left over from the June payment. A total of \$2,979.98 was due for the year, payable in quarterly payments. Since \$1,479.98 was paid to June 30th. a balance of \$10.00 was due.

Accrued Rent included the adjusted total due W.R.A. to June 30th. as follows:

Rent adjusted to April 30th.		\$4,110.00
W.R.A. Invoice #167128	\$1,128.58	
Less: Adjustment by R. Fister	62.68	1,065.90
Total Accrued Rent, 6-30-43		<u>\$5,175.90</u>

Accrued Auto and Truck Hire consisted of the following items:

Truck Hire to May 31, 1943	\$1,327.61
Less: Cancelled by W.R.A.	<u>1,327.61</u>
	-
Truck Hire for June, 1943	<u>\$ 110.55</u>

Payable for Checks Held for Cashing was for checks received by Mr. Ben Yabuno to be cashed and for which money has not been received from the bank. A detail is listed in Schedule 9.

Merchandise Shortages

The merchandise shortage in the warehouse totaled \$5,309.10 for 6 months. The auditor spent considerable time verifying this shortage and traced through the warehouse quantities of various items. He is convinced that this amount represents the loss of merchandise. Furthermore, the numerous shortages in shipments as reported to the suppliers leaves considerable doubt as to whether the shortage occurred in the shipment or after the merchandise was received by the warehouse.

The warehouse records were such that it was difficult to trace quantities of items in and out, but the following shortages were located solely in the month of March:

- 5 Coffee Cakes
- 1 Case Peanut Butter Sandwiches.
- 2 Cases Phillip Morris Cigarettes
- 1 Pkg. Soda Hex
- 2 Cases Crispy Crackers 1#
- 2 Cases Crispy Crackers 2#
- 1 Dozen Hats #AK88
- 4 Cases Snow Flakes 1#
- 4 Cases H. M. Graham 1#
- 1 Case Orange Honey
- 2 Cases Coffee (Month Uncertain)

2. Make up receiving reports in the warehouse immediately upon receipt of merchandise and send copies daily to the office.

3. Run all sales through the retail outlets.

4. Make a daily summary of cash receipts.

5. Combine the sales register and the cash receipts journal.

6. Number all forms before putting them into use and do not destroy any forms so numbered.

7. Coordinate the work of the office staff under a chief accountant.

8. Improve the filing of invoices, transfer sheets, and work papers.

The auditor wishes to express appreciation for the cooperation given him by Mr. Katow, the office staff, Mr. Fister and Mr. Belitt during the preparation of this audit.

Except as limited by any comments listed here or on the accompanying schedules, I believe that the Balance Sheet as of June 30, 1943 and the Statement of Income and Expense for the period January 1, 1943 to June 30, 1943, set forth the true condition as of June 30, 1943 and the correct results of operations for that six months period.

Respectfully Submitted,

E. W. Rector

E. W. Rector,
Public Accountant and Auditor.

Walla Walla, Washington
August 2, 1943
EWR/rz

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

EXHIBIT "A"

COMPARATIVE BALANCE SHEET

June 30, 1943 - December 31, 1942

ASSETS

<u>Current:</u>	<u>June 30, 1943:</u>	<u>Dec. 31, 1942:</u>
Office Petty Cash	\$ 91.98	
Check Cashing Fund - Schedule 1	27,078.34	
Change Funds in Stores - Schedule 2	1,050.00	
Cash in Valley National Bank - Schedule 3	<u>27,099.64</u>	\$ 55,319.96
		\$ 42,863.94
Accounts Receivable - Schedule 4	332.10	1,388.28
Merchandise Inventories - Schedule 5	<u>138,245.44</u>	<u>113,102.62</u>
<u>Total Current Assets</u>	<u>\$193,897.50</u>	<u>\$157,354.84</u>
<u>Fixed Assets: Schedule 6</u>		
Cost of Fixtures & Equipment	\$16,129.15	\$ 5,428.15
Less: Reserve for Depreciation	<u>3,603.99</u>	<u>1,189.49</u>
<u>Book Value of Fixed Assets</u>	12,525.16	<u>\$ 4,238.66</u>
<u>Prepaid Expenses:</u>		
Unexpired Insurance Premiums - Sch. 7	\$ 564.30	\$ 1,024.08
Store & Office Supplies - Schedule 5	<u>4,801.71</u>	<u>4,564.78</u>
<u>Total Prepaid Expense</u>	<u>5,366.01</u>	<u>\$ 5,588.86</u>
<u>TOTAL ASSETS</u>	<u>\$211,788.67</u>	<u>\$167,182.36</u>

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

COMPARATIVE BALANCE SHEET

EXHIBIT "A"

June 30, 1943 - December 31, 1942

LIABILITIES

<u>Current:</u>	<u>June 30, 1943:</u>	<u>Dec. 31, 1942:</u>
Note Payable-Valley National Bank	\$15,000.00	
Loan Payable	17,138.68	
Contract Payable-National Cash Register	2,780.00	\$ 34,918.68
Accounts Payable - Schedule 8	\$39,443.97	\$103,195.53
Accounts Receivable-Credit Bal. - Sch. 4	60.83	
Community Allocation Payable	124.09	39,628.89
		229.01
Accruals:		
Accrued Salaries	\$ 6,583.70	8,124.10
Accrued Arizona Unemployment Tax	1,270.17	560.10
Accrued Federal Old Age Tax	940.68	414.89
Accrued Federal Unemployment Tax	142.08	62.23
Accrued Arizona Sales Tax	1,541.20	1,984.84
Accrued Federal Excise Tax	2,181.03	781.29
Accrued State Luxury Tax	-	10,440.00
Accrued Donation to Community Welfare	500.00	-
Accrued Interest	131.27	-
Accrued County Taxes	10.00	-
Accrued Rent	5,175.90	1,998.01
Accrued Auto & Truck Hire	110.55	856.13
Payable W.R.A. for Office Supplies and Equipment Rental	500.00	19,086.58
		500.00
Payable for Checks Held for Cashing - Sch. 9	5,296.20	
<u>Total Current Liabilities</u>	\$ 98,930.35	\$129,146.13
<u>Surplus: Before Income Tax Deductions - Sch. 10</u>	<u>112,858.32</u>	<u>38,036.23</u>
<u>TOTAL LIABILITIES & SURPLUS</u>	<u>\$211,788.67</u>	<u>\$167,182.36</u>

EXHIBIT "B"

STATEMENT OF INCOME AND EXPENSE

January 1, 1943 to June 30, 1943

	CAMP 1				CAMP 2				CAMP 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	\$104,008.51	\$25,742.71	\$27,821.91	\$133,562.32	\$41,904.63	\$13,714.14	\$14,339.03	\$51,221.76	\$41,743.71	\$14,283.36	\$16,989.46	\$52,108.85
Less Sales Ret.	191.02	6.22	6.00	571.64	68.46	3.00	32.15	256.59	13.66		56.12	185.84
Net Sales	\$103,817.49	\$25,736.49	\$27,815.91	\$132,990.68	\$41,836.17	\$13,711.14	\$14,306.88	\$50,965.17	\$41,730.05	\$14,283.36	\$16,933.34	\$51,923.01
Cost of Goods Sold:												
Inv. 1-1-43	\$ 9,471.91	\$ 2,622.22	\$ 2,106.93	\$ 24,580.18	\$ 6,624.24	\$ 1,371.48	\$ 1,661.08	\$10,717.84	\$13,844.70	\$ 957.25	\$ 1,026.82	\$ -
Purch. Or Tran.	85,180.69	21,224.56	22,646.19	114,048.68	31,614.21	11,927.61	11,809.17	46,318.86	34,459.35	11,615.31	13,956.02	49,908.44
	\$ 94,652.60	\$23,846.78	\$24,753.12	\$138,628.86	\$38,238.45	\$13,299.09	\$13,470.25	\$57,036.70	\$48,304.05	\$12,572.56	\$14,982.84	\$49,908.44
Less Inv. 6-43	10,139.67	2,903.91	2,521.90	30,996.02	6,332.59	2,773.34	2,449.84	17,863.59	5,869.97	1,851.15	2,235.83	19,056.82
	\$ 84,512.93	\$20,942.87	\$22,231.22	\$107,632.84	\$31,905.86	\$10,525.75	\$11,020.91	\$39,173.11	\$42,434.08	\$10,721.41	\$12,747.01	\$30,851.62
Add Whse. Exp.	2,994.45	746.61	796.18	4,009.65	1,111.13	418.87	415.67	1,629.12	1,211.85	407.68	490.82	1,755.42
Total Cost Goods Sold	\$ 87,507.38	\$21,689.48	\$23,027.40	\$111,642.49	\$33,016.99	\$10,944.62	\$11,436.58	\$40,802.23	\$43,645.93	\$11,129.09	\$13,237.83	\$32,607.04
Gross Operating Income	\$ 16,310.11	\$ 4,047.01	\$ 4,788.51	\$ 21,348.19	\$ 8,819.18	\$ 2,766.52	\$ 2,870.30	\$10,162.94	\$ (1,915.88)	\$ 3,154.27	\$ 3,695.51	\$19,315.97
% of Gross	15.71%	15.72%	17.21%	16.05%	21.08%	20.17%	20.06%	19.94%	(_ _ _ _ _)	22.08%	21.82%	18.57%
Selling Exp:												
Salaries	\$ 2,336.64	\$ 625.50	\$ 564.06	\$ 3,585.22	\$ 1,668.52	\$ 390.56	\$ 440.50	\$ 1,422.27	\$ 1,456.34	\$ 469.97	\$ 602.21	\$ 1,460.17
Payroll Tax	117.36	31.28	28.22	179.24	83.44	19.51	22.02	71.11	73.65	23.51	30.22	73.01
Store Supplies	715.84	208.85	99.08	452.09	396.58	95.31	269.78	155.32	393.48	180.37	345.98	155.05
Ice	286.50	111.00	114.00	26.00	246.00	113.87	120.00	-	231.67	114.00	120.50	3.83
Damaged Goods	95.43	9.65	84.03	114.49	194.03	95.08	131.12	64.72	58.42	63.28	44.75	56.00
Sales Tax	1,880.73	447.98	460.34	2,435.41	731.90	241.98	255.25	948.82	729.55	261.17	316.88	1,008.77
Price Reductions	61.25	53.08	14.28		55.00	44.75	41.25		42.00	27.50	28.25	
	\$ 5,493.75	\$ 1,487.34	\$ 1,364.01	\$ 6,792.45	\$ 3,375.47	\$ 1,001.06	\$ 1,279.92	\$ 2,662.24	\$ 2,985.11	\$ 1,139.80	\$ 1,488.79	\$ 2,756.83
General Exp:												
Repairs												
Ins. & Bonds	\$ 52.53	\$ 11.88	\$ 12.30	\$ 130.98	\$ 25.77	\$ 11.52	\$ 12.27	\$ 69.33	\$ 29.25	\$ 6.03	\$ 8.91	\$ 80.58
Rent of Bldgs.	235.02	27.96	27.24	474.42	235.02	64.62	55.20	224.29	235.02	56.40	65.82	255.70
Depr. of Eq.	129.72	21.65	27.18	162.48	93.46	31.03	31.03	68.90	91.61	31.03	31.03	76.37
Depr. of Tools												
Rent of Equip.	75.00											
Miscellaneous	42.32	5.58	21.12	43.88	18.12	16.22	18.12	8.43	3.29			4.99
Opening Expense		982.35										
*Stock Shortage												
	\$ 534.59	\$ 1,049.42	\$ 87.84	\$ 811.76	\$ 372.37	\$ 123.39	\$ 116.62	\$ 370.95	\$ 359.17	\$ 93.46	\$ 105.76	\$ 417.64
Adm. Expense	\$ 1,328.75	\$ 329.40	\$ 356.02	\$ 1,702.46	\$ 535.46	\$ 175.49	\$ 183.10	\$ 652.30	\$ 534.10	\$ 182.81	\$ 216.73	\$ 664.56
Total Expense	\$ 7,357.09	\$ 2,866.16	\$ 1,807.87	\$ 9,306.67	\$ 4,283.30	\$ 1,299.94	\$ 1,579.64	\$ 3,685.49	\$ 3,878.38	\$ 1,416.07	\$ 1,811.28	\$ 3,839.03
Net Operating Income	\$ 8,953.02	\$ 1,180.85	\$ 2,980.64	\$ 12,041.52	\$ 4,535.88	\$ 1,466.58	\$ 1,290.66	\$ 6,477.45	\$ (5,794.26)	\$ 1,738.20	\$ 1,884.23	\$15,476.94
									(_ _ _ _ _)			
										\$9,682.68		

STATEMENT OF INCOME AND EXPENSE

EXHIBIT "B"

January 1, 1943 to June 30, 1943

SHOE REPAIR				BEAUTY SHOP				BARBER SHOP				Barber Shop	Watch Repair	Radio Repair		
1:	2:	3:	28:	12:	Camp 2:	3:	46:	12:	28:	18:	216:	222:	310:	C-2:	1-2-3:	Total:
\$3,372.35	\$1,965.77	\$1,599.75	\$1,499.73	\$1,491.28	\$1,678.00	\$840.91	\$869.55	\$906.20	\$100.10	\$412.80	\$352.90	\$263.40	\$626.40	\$426.10	\$531.58	\$554,377.21
2.60	2.05	10.35	8.34			4.55								9.03	.75	
\$3,369.75	\$1,963.72	\$1,589.40	\$1,491.39	\$1,491.28	\$1,678.00	\$836.36	\$869.55	\$906.20	\$100.10	\$412.80	\$352.90	\$263.40	\$626.40	\$417.07	\$530.83	\$552,948.84
																\$ 74.984.65
																Office \$ 18.43 454,727.52
																\$ 18.43 \$529,712.17
																18.43 105,012.56
																\$424,699.61
																15,987.45
																\$440,687.06
\$3,369.75	\$1,963.72	\$1,589.40	\$1,491.39	\$1,491.28	\$1,678.00	\$836.36	\$869.55	\$906.20	\$100.10	\$412.80	\$352.90	\$263.40	\$626.40	\$417.07	\$530.83	\$112,261.78
\$ 786.38	\$ 696.88	\$ 359.96	\$ 405.86	\$ 611.33	\$ 635.64	\$375.86	\$360.33	\$458.83	\$ 41.51	\$309.97	\$271.00	\$255.05	\$280.70	\$114.36	\$296.03	\$ 21,311.65
39.32	34.84	17.99	20.28	30.56	31.79	18.82	18.01	22.92	2.07	15.50	13.36	12.96	14.03	5.45	14.81	1,065.28
2,844.07	1,316.43	1,154.64	438.11	310.90	458.05	301.55	11.75	12.31	(13.15)	12.06	21.88	17.32	10.91	78.02	70.61	10,513.19
																1,487.37
																1,011.00
																9,718.78
																367.36
\$3,669.77	\$2,048.15	\$1,532.59	\$ 864.25	\$ 952.99	\$1,125.48	\$696.23	\$390.09	\$494.06	\$ 30.43	\$337.53	\$306.24	\$285.33	\$305.64	\$227.83	\$381.45	\$ 45,474.63
\$ 49.26	\$ 44.27	\$ 5.22														\$ 98.75
12.09	8.01	8.04	\$ 4.56	\$ 2.19	\$ 2.28	\$ 2.40	\$ 2.32	\$ 2.38	\$.45	\$ 1.87	\$ 1.18	\$ 1.22	\$ 1.95	\$ 3.30	\$ 1.71	507.30
117.51			58.98	56.40	58.98	58.98	56.40	65.82	58.98	47.00	64.62	64.62	55.02	11.75	14.10	2,745.87
255.51	136.80	180.21	80.88	42.24	40.59	48.12	27.39	49.94	52.61	19.72	27.02	20.14	47.10	3.05	14.13	1,840.94
90.49	69.60	129.11	34.26	23.05	28.25	20.80	10.43	8.03	16.88	8.50	8.29	5.10	10.43		5.35	468.57
																75.00
6.85		4.52	35.04	66.90	36.10	50.94	7.59	25.74	31.12	10.62	12.56	7.01	.28		5.02	482.36
																982.35
																374.21
\$ 531.71	\$ 258.68	\$ 327.10	\$ 270.15	\$ 246.91	\$ 229.37	\$212.94	\$145.17	\$194.71	\$164.77	\$107.21	\$130.34	\$110.53	\$114.38	\$ 18.10	\$ 40.31	\$ 7,575.35
\$ 43.12	\$ 25.12	\$ 20.34	\$ 19.08	\$ 19.08	\$ 21.48	\$ 10.70	\$ 11.12	\$ 11.60	\$ 1.28	\$ 5.27	\$ 4.51	\$ 3.37	\$ 8.01	\$ 5.34	\$ 6.77	\$ 7,077.37
\$4,244.60	\$2,331.95	\$1,880.03	\$1,153.48	\$1,218.78	\$1,376.33	\$919.87	\$546.38	\$700.37	\$196.48	\$450.01	\$441.09	\$399.23	\$458.03	\$251.27	\$428.53	\$ 60,127.35
(\$ (874.85))	(\$ (368.23))	(\$ (290.63))	\$ 337.91	\$ 272.50	\$ 301.67	(\$ (83.51))	\$323.17	\$205.83	(\$ (96.38))	(\$ (37.21))	(\$ (88.19))	\$135.83	\$168.37	\$165.80	\$102.30	\$ 52,134.43

Continued on Next Page

STATEMENT OF INCOME AND EXPENSE - (Continued)

Net Operating Income (Brought Forward)

\$52,134.43

Other Expense:

Donations	\$1,000.00	
Education Expense	1,507.92	
Organization Expense	126.76	
Interest Expense	131.27	
Cash Short	39.53	
	<u>Total Other Expense</u>	<u>2,805.48</u>

\$49,328.95

Other Income:

Purchase Discounts	\$9,535.17	
Mail Order Commissions	18.67	
Miscellaneous	781.75	
	<u>Total Other Income</u>	<u>10,335.59</u>

**TOTAL NET INCOME

\$59,664.54

* Merchandise shortage in retail stores is reflected in the gross margin.

**Net income before income taxes.

Note: The operating income for stores 1 and 4 in camp 3 have been combined as no transfer entry was made from store 1 to store 4 at the time store 4 was set up.

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

ADMINISTRATIVE EXPENSE

EXHIBIT "B-1"

Salaries	\$3,052.78
Payroll Taxes	151.07
Office Supplies and Postage	656.21
Rent	138.67
Rent on Office Equipment	256.00
Telephone and Telegraph	50.85
Travel and Auto Hire	565.82
Advertising	76.13
Depr. of Barber Tools in Stock	15.18
Depr. of Office Equipment	25.31
Bank Charges	234.96
County Taxes	1,489.98
Miscellaneous & Sundry Expenses	303.20
Insurance and Bonds	61.21
<u>TOTAL</u>	<u>\$7,077.37</u>

Distribution of Expense

<u>Sales or</u>		<u>Portion of</u>		<u>Sales or</u>		<u>Portion of</u>	
<u>Serv. Income:</u>		<u>Expense:</u>		<u>Serv. Income:</u>		<u>Expense:</u>	
Camp 1 Store	1	\$103,817.49	\$1,328.75	Beauty Shop #28	\$	1,491.39	\$ 19.08
	2	25,736.49	329.40			1,491.28	19.08
	3	27,815.91	356.02	Camp 2		1,678.00	21.48
	4	132,990.68	1,702.46			836.36	10.70
Camp 2 Store	1	41,836.17	535.46	Barber Shop #46		869.55	11.12
	2	13,711.14	175.49			906.20	11.60
	3	14,306.88	183.10			100.10	1.28
	4	50,965.17	652.30			412.80	5.27
Camp 3 Store	1	41,730.05	534.10			352.90	4.51
	2	14,283.36	182.81			263.40	3.37
	3	16,933.34	216.73			626.40	8.01
	4	51,923.01	664.56	Watch Rep. C 2		417.07	5.34
Shoe Repair C.	1	3,369.75	43.12	Radio Rep. C 1		327.67	4.19
	2	1,963.72	25.12			98.43	1.25
	3	1,589.40	20.34			104.73	1.33
<u>TOTAL</u>				<u>\$552,948.84</u>			
				<u>\$7,077.37</u>			

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

RETAIL CONTROL

EXHIBIT "C"

	<u>C.1 S.1:</u>	<u>C.1 S.2:</u>	<u>C.1 S.3:</u>	<u>C.1 S.4:</u>	<u>C.2 S.1:</u>	<u>C.2 S.2:</u>	<u>C.2 S.3:</u>	<u>C.2 S.4:</u>	<u>C.3 S.1:</u>	<u>C.2 S.2:</u>	<u>C.2 S.3:</u>	<u>C.2 S.4:</u>	<u>Total:</u>
Inv. 1-1-43													
at Retail	\$ 12,594.46	\$ 3,569.06	\$ 2,714.84	\$ 31,335.83	\$ 8,467.25	\$ 1,754.90	\$ 2,205.24	\$ 13,622.17	\$ 17,598.32	\$ 1,273.26	\$ 1,264.64	-	\$ 96,399.97
Purch. @ Retail	109,233.52	26,463.53	27,570.33	149,265.16	38,565.15	14,968.29	14,859.66	60,746.56	42,963.08	14,327.83	17,510.48	65,570.02	582,043.61
Less Net Sales	\$121,827.98	\$30,032.59	\$30,285.17	\$180,600.99	\$47,032.40	\$16,723.19	\$17,064.90	\$74,368.73	\$60,561.40	\$15,601.09	\$18,775.10	\$65,570.02	\$678,443.58
	103,817.49	25,736.49	27,815.91	132,990.68	41,836.17	13,711.14	14,306.88	50,965.17	41,730.05	14,283.36	16,933.34	51,923.01	536,049.69
Gross Book Mdse.													
Inv. at Retail	\$ 18,010.49	\$ 4,296.10	\$ 2,469.26	\$ 47,610.31	\$ 5,196.23	\$ 3,012.05	\$ 2,758.02	\$ 23,403.56	\$ 18,831.35	\$ 1,317.73	\$ 1,841.78	\$ 13,647.01	\$ 142,393.89
Less: Spoiled & Damaged Mdse.	\$ 95.43	\$ 9.65	\$ 84.03	\$ 124.49	\$ 194.03	\$ 85.08	\$ 131.12	\$ 64.72	\$ 58.42	\$ 63.29	\$ 44.75	\$ 56.00	\$ 1,011.01
Net Price Reduct.	61.25	53.08	14.28		55.00	44.75	41.25		42.00	27.50	28.25		367.36
Total	\$ 156.68	\$ 62.73	\$ 98.31	\$ 124.49	\$ 249.03	\$ 129.83	\$ 172.37	\$ 64.72	\$ 100.42	\$ 90.79	\$ 73.00	\$ 56.00	\$ 1,378.37
Net Book Inv. at Retail	\$ 17,853.81	\$ 4,233.37	\$ 2,370.95	\$ 47,485.82	\$ 4,947.20	\$ 2,882.22	\$ 2,585.65	\$ 23,338.84	\$ 18,730.93	\$ 1,226.94	\$ 1,768.78	\$ 13,591.01	\$ 141,015.52
Actual Inventory at Retail	13,022.95	3,648.59	3,080.00	40,238.90	7,760.53	3,480.16	3,094.95	23,205.49	7,316.43	2,293.30	2,797.93	25,035.24	134,974.47
Gain or (Loss) of Mdse.	\$ (4,830.86)	\$ (584.78)	\$ 709.05	\$ (7,246.92)	\$ 2,813.33	\$ 597.94	\$ 509.30	\$ (133.35)	\$ 11,414.50	\$ 1,066.36	\$ 1,029.15	\$ 11,444.23	\$ (6,041.05)
% on Net Sales	(4.65%)	(2.27%)	2.55%	(5.45%)	6.72%	4.36%	3.56%	(.26%)	(7.46%)	6.07%			(1.13%)
													*29.73 .03%

* When store 4 was set up no entry was made of the transfer of merchandise from store 1 to store 4.

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

WAREHOUSE CONTROL & EXPENSE

EXHIBIT "D"

Inventory January 1, 1943 at Cost	\$ 38,815.58		
Purchases at Cost	<u>468,204.26</u>		
Total to Account For		\$507,019.84	
Transfers at Cost	\$468,477.36		
Inventory June 30, 1943 at Cost	<u>33,232.88</u>		
Total Accounted For		<u>501,710.24</u>	
Merchandise Shortage	\$ 5,309.60		
Less: Inventory Reserve December 31, 1942	<u>697.61</u>		
Book Shortage		\$ 4,611.99	
Freight In		7,086.30	
Operating Expenses:			
Salaries	\$ 1,987.29		
Payroll Taxes	99.36		
Warehouse Supplies	32.52		
Insurance	185.18		
Rent	540.51		
Depreciation	70.01		
Price Reductions, Spoilage & Breakage	1,068.17		
Trucking	229.49		
Miscellaneous	<u>76.63</u>		
		4,289.16	
TOTAL WAREHOUSE EXPENSE		<u>\$15,987.45</u>	
<u>Distribution of Warehouse Expense</u>			
	<u>Transfers:</u>	<u>% of Total:</u>	<u>Portion of Expense:</u>
Camp 1 Store 1	\$ 85,180.69	18.73%	\$ 2,994.45
2	21,224.56	4.67%	746.61
3	22,646.19	4.98%	796.18
4	114,048.68	25.08%	4,009.65
Camp 2 Store 1	31,614.21	6.95%	1,111.13
2	11,927.61	2.62%	418.87
3	11,809.17	2.60%	415.67
4	46,318.86	10.19%	1,629.12
Camp 3 Store 1	34,459.35	7.58%	1,211.85
2	11,615.31	2.55%	407.68
3	13,956.02	3.07%	490.82
4	<u>49,908.44</u>	<u>10.98%</u>	<u>1,755.42</u>
TOTALS	<u>\$454,709.09</u>	<u>100.00%</u>	<u>\$15,987.45</u>

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

CHECK CASHING FUND

SCHEDULE 1

June 30, 1943

Check Cashing Fund	\$14,728.43
Cash Fund	2,049.91
Change Fund	300.00
	<u>\$17,078.34</u>
	<u>Cash in Safe</u>
Add:	
Cash in Transit Requisitioned by Check #2752	<u>10,000.00</u>
	<u>TOTAL CHECK CASHING FUND</u>
	<u>\$27,078.34</u>

CHANGE FUNDS IN STORES

SCHEDULE 2

Change Funds in Stores:

C-1	S 1	Reg. 1	\$ 50.00	
		2	75.00	
		3	<u>40.00</u>	\$ 165.00
C-1	S 2	Reg. 1		40.00
C-1	S 3			40.00
C-1	S 4	Reg. 1	\$ 75.00	
		2	75.00	
		3	75.00	
		4	<u>75.00</u>	300.00
C-1	Shoe Shop			15.00
C-1	Beauty Bl. 28			15.00
C-1	Beauty Bl. 12			5.00
C-2	S 1	Reg. 1	\$ 40.00	
		2	<u>40.00</u>	80.00
C-2	S 2			25.00
C-2	S 3			25.00
C-2	S 4	Reg. 1	\$ 40.00	
		2	<u>40.00</u>	80.00
C-2	Shoe Shop			15.00
C-3	S 1	Reg. 1	\$ 40.00	
		2	<u>40.00</u>	80.00
	S 2			25.00
	S 3			25.00
	S 4	Reg. 1	\$ 40.00	
		2	<u>40.00</u>	80.00
	Barber Shop			5.00
	Shoe Shop			15.00
	Beauty Shop			15.00
				<u>\$1,050.00</u>

TOTAL

(Note: Above change funds in stores not counted by auditor).

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

RECONCILIATION OF ACCOUNT

SCHEDULE 3

Valley National Bank

Balance per Bank Statement - June 30, 1943

\$39,449.82

Add: Deposits in Transit:

June 26	\$4,765.34	June 30	\$1,166.87
28	3,605.50	30	2,827.74
29	3,374.51	30	1,826.09
29	3,482.38	30	129.95
		30	52.70

21,231.08

Balance plus Deposits in Transit

\$60,680.90

Less: Checks Outstanding:

# 664	\$ 1.52	#1229	\$ 11.27	#1390	\$ 1.00
1630	.31	1982	4.50	2113	4.00
2122	12.00	2125	12.00	2201	16.44
2203	212.51	2219	12.89	2220	14.18
2221	46.25	2222	40.00	2228	13.75
2260	15.00	2317	10.50	2320	10.50
2344	50.00	2345	25.00	2346	26.82
2377	26.32	2381	47.50	2400	354.62
2433	15.00	2437	1,077.50	2447	16.92
2448	3.50	2449	11.88	2457	5.11
2461	66.10	2466	53.03	2468	1,467.05
2471	28.46	2473	69.70	2474	69.70
2480	7.49	2493	19.50	2494	13.20
2495	22.50	2497	22.50	2498	22.50
2499	22.50	2500	19.50	2501	2.72
2503	19.50	2504	19.50	2514	18.22
2517	7.15	2522	22.50	2524	22.50
2525	22.50	2541	22.50	2542	22.50
2545	22.50	2546	4.85	2549	22.50
2556	22.50	2558	19.50	2559	22.50
2561	17.64	2569	22.50	2570	22.50
2571	19.50	2572	22.50	2573	22.50
2575	.68	2576	14.05	2579	22.50
2580	22.50	2582	22.50	2586	14.05
2587	14.05	2588	14.05	2589	6.81
2591	22.50	2592	22.50	2594	22.50
2595	3.23	2596	22.50	2597	22.50
2598	22.50	2599	22.50	2600	22.50
2601	22.50	2603	22.50	2604	22.50
2605	7.49	2608	22.50	2610	22.50
2611	22.50	2618	15.07	2634	22.50
2636	19.50	2637	22.50	2640	18.85

Continued On Next Page

RECONCILIATION OF ACCOUNT - Valley National Bank - (Continued)

Balance plus Deposits in Transit (Brought Forward)

\$60,680.90

Less: Checks Outstanding: (Continued)

#2642	\$ 19.50	#2648	\$ 15.41	#2649	\$ 22.50
2651	22.50	2658	22.50	2660	19.50
2661	.43	2663	19.50	2666	17.64
2668	19.50	2669	19.50	2691	22.50
2692	21.68	2696	22.50	2697	22.50
2699	22.50	2700	5.25	2473A	90.90
1206CA	500.00	1208CA	111.02	1209CA	250.42
1210CA	676.47	1212CA	2.50	1214CA	5.08
1215CA	324.87	1217CA	1.56	1218CA	84.60
1219CA	124.73	1221CA	233.83	1223CA	46.00
1224CA	56.75	2701	8.04	2702	65.59
2703	342.36	2704	209.77	2705	9.29
2706	87.43	2707	5.10	2708	16.33
2709	339.60	2710	523.16	2711	42.98
2712	124.18	2713	179.55	2714	150.00
2715	1,020.78	2717	47.04	2718	63.52
2719	60.68	2720	123.00	2721	22.50
2722	2,847.69	2723	240.93	2724	244.51
2726	12.00	2727	1,436.08	2729	134.43
2731	117.08	2732	20.13	2733	1,900.18
2734	15.70	2735	42.90	2737	586.57
2738	247.50	2739	1,000.00	2740	268.12
2742	187.05	2743	1,107.56	2744	6.00
2745	776.01	2746	87.48	2747	19.85
2748	50.00	2749	1.36	2750	12.00
2751	347.12	2752	10,000.00	2753	629.04

33,581.26

BALANCE PER BOOKS

\$27,099.64

ACCOUNTS RECEIVABLE

SCHEDULE 4

	<u>Debit:</u>	<u>Credit:</u>
Library C-1	\$ 1.05	
Ag. Dept.	4.81	
Art Dept.	.10	
C-1 High School	12.89	
K. Masuda	54.20	
Miyata	91.69	
Bill Kasuga	47.50	
Community Council	.60	
C-2 Com. Activities		\$51.15
C-1 Police Dept.	3.66	
C-2 Industry		9.68
Mess Hall #34	9.50	
Photo Dept.	25.86	
Dept. of Interior	80.24	
Total Debits	\$332.10	\$60.83
Less Credits	60.83	
Net Balance	<u>\$271.27</u>	

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

INVENTORIES - June 30, 1943

SCHEDULE 5

	<u>% of</u> <u>Gross:</u>	<u>Mdse. at</u> <u>Retail:</u>	<u>Mdse. at</u> <u>Cost:</u>	<u>Supplies</u> <u>for Use:</u>
Camp 1 Store 1	22.14%	\$13,022.95	\$10,139.67	
2	20.41%	3,648.59	2,903.91	
3	**18.12%	3,080.00	2,521.90	
4	22.97%	40,238.90	* 30,996.02	
Camp 2 Store 1	18.40%	7,760.53	6,332.59	
2	20.31%	3,480.16	2,773.34	
3	20.86%	3,094.95	2,449.34	
4	23.02%	23,205.49	17,863.59	
Camp 3 Store 1	19.77%	7,316.43	5,869.97	
2	19.28%	2,293.30	1,851.15	
3	20.09%	2,797.93	2,235.83	
4	23.88%	25,035.24	19,056.82	
Office			18.43	\$ 401.40
Warehouse			33,232.88	
Shoe Repair C-1				1,462.98
C-2				1,046.49
C-3				590.74
Beauty Shop C-1 #28				100.70
C-1 #12				179.56
C-2				167.45
C-3				106.90
Stook				356.63
Barber Shop #46				7.56
#12				9.89
#18				19.42
#28				145.93
C-2 #1				4.44
C-2 #2				3.29
C-3				7.88
Watch Repair				116.11
Radio Shop C-1				60.78
C-2				13.56
TOTAL INVENTORIES			<u>\$138,245.44</u>	<u>\$4,801.71</u>

* Films amounting to \$188.80 at cost have been added to the cost figure.

** The low gross margin at this store is due to the sale of large quantities of milk at a 10% gross.

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

COMPUTATION OF INVENTORY

SCHEDULE 5-A

Gross Margins

	<u>Inventory & Purch. at Cost:</u>	<u>Inventory & Purch. at Retail:</u>	<u>% of Gross:</u>
Camp 1 Store 1	\$ 94,652.60	\$121,576.09	22.14%
2	23,846.78	29,961.21	20.41%
3	24,753.12	30,230.87	18.12%
4	138,628.86	179,974.27	22.97%
Camp 2 Store 1	38,238.45	46,863.05	18.40%
2	13,299.09	16,688.09	20.31%
3	13,470.25	17,020.80	20.86%
4	57,036.70	74,096.29	23.02%
Camp 3 Store 1	48,304.05	60,209.43	19.77%
2	12,572.56	15,575.62	19.28%
3	14,982.84	18,749.84	20.09%
4	49,908.44	65,570.02	23.88%
<u>TOTAL</u>	<u>\$529,693.74</u>	<u>\$676,515.58</u>	21.70%

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

FIXED ASSETS & DEPRECIATIONS

SCHEDULE 6

<u>Store:</u>	<u>No:</u>	<u>Cost:</u>	<u>Depr. to 1-1-43:</u>	<u>Current Depr:</u>	<u>Total Depr:</u>	<u>Book Value:</u>
Camp 1	Store 1	\$ 1,155.56	\$ 25.57	\$ 129.72	\$ 155.29	\$ 1,000.27
" 1	" 2	207.95	-	21.65	21.65	186.30
" 1	" 3	195.25	-	27.18	27.18	168.07
" 1	" 4	1,252.92	8.30	162.48	170.78	1,082.14
" 2	" 1	700.75	25.45	93.46	118.91	581.84
" 2	" 2	250.25	-	31.03	31.03	219.22
" 2	" 3	250.25	-	31.03	31.03	219.22
" 2	" 4	494.75	8.29	68.90	77.19	417.56
" 3	" 1	680.75	11.58	91.61	103.19	577.56
" 3	" 2	250.25	-	31.03	31.03	219.22
" 3	" 3	250.25	-	31.03	31.03	219.22
" 3	" 4	525.07	9.89	76.37	86.26	438.81
" 1	Shoe Repair	1,949.24	180.70	255.51	436.21	1,513.03
" 2	" "	940.65	142.02	136.80	278.82	661.83
" 3	" "	1,183.70	75.71	180.21	255.92	927.78
" 1	Blk 28 Beauty S.	577.01	65.13	80.88	146.01	431.00
" 1	" 12 " "	366.38	52.33	42.24	94.57	271.81
" 2	Beauty Shop	336.26	28.07	40.59	69.46	266.80
" 3	" "	393.00	-	48.12	48.12	344.88
" 1	Blk 46 Barber S.	244.70	68.62	27.39	96.01	148.69
" 1	" 12 " "	298.70	89.38	37.03	126.41	172.29
" 1	" 18	180.00	63.34	19.72	83.06	96.94
" 2	Barber S. #216	197.00	56.14	27.02	83.16	113.84
" 2	" " 222	161.50	43.65	20.14	63.79	97.71
" 3	" "	334.00	65.46	47.10	112.56	221.44
" 1	Blk 28 Barber S.	455.43	147.08	65.52	212.60	242.83
" 2	Watch Repair	27.50	-	3.05	3.05	24.45
" 1	Radio Repair	34.50	7.74	5.11	12.85	21.65
" 2	Radio Repair	76.80	7.74	9.02	16.76	60.04
" 3	Radio Repair	-	-	-	-	-
Chronicle Press		-	-	-	-	-
Whse.		289.46	.99	70.01	71.00	218.46
Office		722.85	-	25.31	25.31	697.54
		<u>\$14,982.68</u>	<u>\$1,183.98</u>	<u>\$1,936.26</u>	<u>\$3,120.24</u>	<u>\$11,862.44</u>
Tools:						
Camp 1	Blk 28 Beauty	\$ 41.49	\$ -	\$ 34.26	\$ 34.26	\$ 7.23
" 1	" 12 "	49.49	-	23.05	23.05	26.44
" 3	Beauty Shop	87.52	-	20.80	20.80	66.72
" 2	Blk Beauty S.	62.17	-	28.25	28.25	33.92
" 1	Stock Barber S.	60.70	-	32.06	32.06	28.64
" 1	Blk 12 Barber S.	16.05	-	8.03	8.03	8.02

Continued On Next Page

FIXED ASSETS & DEPRECIATIONS - (Continued)

<u>Store:</u>	<u>No:</u>	<u>Cost:</u>	<u>Depr. to</u> <u>1-1-43:</u>	<u>Current</u> <u>Depr:</u>	<u>Total</u> <u>Depr:</u>	<u>Book</u> <u>Value:</u>
<u>Tools: (Continued)</u>						
Camp 1	Blk 18 Barber S.	\$ 20.40	\$ -	\$ 8.50	\$ 8.50	\$ 11.90
" 1	" 46 "	20.85	-	10.43	10.43	10.42
" 2	" 216 "	16.60	-	8.29	8.29	8.31
" 2	" 222 "	10.20	-	5.10	5.10	5.10
" 3	Barber Shop	20.85	-	10.43	10.43	10.42
" 1	Radio Shop	5.25	-	2.63	2.63	2.62
" 2	Radio Shop	31.92	-	2.72	2.72	29.20
" 1	Shoe Shop	253.02	-	90.49	90.49	162.53
" 2	Shoe Shop	185.86	-	69.60	69.60	116.26
" 3	Shoe Shop	264.10	-	129.11	129.11	134.99
		<u>\$ 1,146.47</u>	<u>\$ -</u>	<u>\$ 483.75</u>	<u>\$ 483.75</u>	<u>\$ 662.72</u>
<u>GRAND TOTALS</u>		<u>\$16,129.15</u>	<u>\$1,183.98</u>	<u>\$2,420.01</u>	<u>\$3,603.99</u>	<u>\$12,525.16</u>

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

INSURANCE IN FORCE & PREPAID PREMIUMS

SCHEDULE 7

<u>Company:</u>	<u>Number:</u>	<u>Type:</u>	<u>Covers:</u>	<u>Amount:</u>	<u>Term:</u>	<u>Expires:</u>	<u>Premium:</u>	<u>Prepaid:</u>
St. Paul Fire & Marine	875385	Fire & Extended	Mdse. Furn. & Fixt.	\$75,000.00	1 Year	11-1-43	\$1,228.90	\$409.64
St. Paul Merc. Ind. Co.	OT80532	OL & T. Pub.Lia.	All Premises	5-10,000.00	1 Year	3-24-44	151.37	111.00
Liberty Mutual	C7981	Fidelity Bond	General Manager	10,000.00	Dated	1-1-43	35.00	17.50
			12 Store Mgrs. @	1,000.00	4-1-43	-	22.56	16.92
			Cash Collector	5,000.00	4-20-43	-	8.76	7.06
			Deposit Clerk	1,000.00	1-1-43	-	3.50	1.75
			Chief Warehouseman	1,000.00	4-1-43	-	1.88	1.41
			Asst. Warehouseman	1,000.00	4-1-43	-	1.88	1.41
			Custodian of Funds	5,000.00	3-13-43	-	3.50	2.46
			Currency Controller	5,000.00	4-20-43	-	8.76	7.06
								<u>\$576.21</u>
Less: Difference to agree with book balance (Not adjusted as allocations to departments had already been made.)								<u>11.91</u>
PREPAID INSURANCE, 6-30-43								<u>\$564.30</u>

Note: Request was made to the Insurance Service Agency on May 26, 1943 for liability insurance on the employees authorized to drive trucks. This insurance had not been placed by June 30th.

No burglary insurance carried. The auditor recommends that insurance covering the monies left in the safes be obtained.

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

ACCOUNTS PAYABLE

SCHEDULE 8

<u>Name of Supplier:</u>	<u>6-30-43 Book Bal:</u>	<u>Reason:</u>	<u>Credit Amt:</u>	<u>Adjusted Book Balance:</u>	<u>Statement Balance:</u>	<u>Difference:</u>	<u>Reconciliation:</u>
The American News	\$ 738.97	Invoice of June 28 Not Posted Invoice of Mar. 8 Posted Twice Credits of Nov. & Dec. Not Taken	\$ 59.32 (75.20) (20.65)	\$ 702.44	\$ 707.32	\$ 4.88	Shortage \$ 26.40 Invoice of Mar. 29 Paid Twine 21.52 \$ 4.88
American Sporting Goods Co.	-			-	150.00	150.00	Pd. by Ck. #2714 June 27th.
The American Thread Co.	-			-	125.82	125.82	Government Purchases
American Type Founders	89.00			89.00	89.00	-	
Arizona Hardware Co.	48.46	Credit Memo #20036 Discount on Ck. #2330	(27.37) (27.30)	(6.21)	12.92	19.13	Shortage 11.07, .50, 7.56
Arizona Mercantile Co.	312.50			312.50	1,543.26	1,230.76	Shortage .20 \$.20 Check #2720 123.00 Check #2743 1,107.56 \$1,230.76
Artisana Water Co.	-			-	Not Statement		
Arrowhead Sandwich Co.	-			-	32.50	.32	No record of shipment
Audiofilms Co.	-			-	-		
Art Department of Poston	38.62			38.62	No Statement		
Assoc. Coops of No. Calif.	43.71	Invoice #9145 June 17th.	43.41	87.12	501.07	413.95	Missing Invoice of May 29 #9028 \$ 224.10 189.85 \$413.95
The Baby Shop	351.00			351.00	351.00	-	
Banning Laundry	(46.34)			(46.34)	No Statement		\$ (1.29)
Bauq's Bottling Co.	141.86			141.86	No Statement		Shortage (3.00)
Camp 3 Industry	764.59	To reverse J.E. 8 Apr. 30 Invoice #45 May 12 Invoice #47 May 13 To reverse J.E. 6 April 30	(122.21) 199.24 126.18 21.11	764.59	No Statement		Ret'd Mdse. 5/30 161.00 Ck. #2753 629.04 Invoice June 30 64.26 \$ 850.01
Best Bakery	66.61			269.82	1,119.83	850.01	
Brunswig Drug Co.	(33.17)			(12.06)	247.58	259.64	Ck. #2723 June 28
Biltmore Florists	76.07			76.07	No Statement		
Butler Bros.	6.70			6.70	No Statement		
Ray Bussey	-			-	61.92	61.92	Pd. by Ck. #2719
Calif. Typewriter Exch.	50.00			50.00	87.50	37.50	Pd. by Cks. #2333 & #2324
Carters Hardware	567.96			567.96	No Statement		Pd. by Cks. #2777 July 2
Chesney Shoe Co.	911.20			911.20	No Statement		
California Electrottype	-	Invoice of June 28	2.75	2.75	2.75	-	
Duplicator Supply Co.	-			-	-	-	
R. M. Elias Co.	-			-	354.20	354.20	Pd. by Ck. #2751
Eisner Woolen Mills	-			-	20.00	20.00	No record of Shipment
Favorite Scarfs Co.	1,018.50			1,018.50	1,794.51	776.01	Pd. by Ck. #2745
Film, Inc.	96.19	Invoice of June 30	60.84	157.03	157.03	-	
Frends & Co., Inc.	35.77			35.77	35.77	-	
Gibbs & Co.	-			-	15.77	15.77	Pd. by Ck. #2734

Continued on Next Page

ACCOUNTS PAYABLE - (Continued)

Name of Supplier:	6-30-43 Book Bal:	Reasons:	Credit Amt:	Adjusted Book Balance:	Statement Balance:	Difference:	Reconciliation:
Gibson - Made Products, Inc.	\$ -			\$ -	\$ 108.30	\$ 108.30	Mdse. not received
Globe Sanitary Supply Co.	-			-	-	-	
Goettl Bros.	-			-	5.11	5.11	Pd. by Ck. #2457
Golden State Co. of River.	1,883.90			1,883.90	1,884.80	.90	Shortage on June 26
Golden State Co. of El Cen.	-			-	-	-	
Golden State Co. of L.A.	87.29	To adjust old balance	\$ (.22)	87.07	184.27	97.20	Ck. #2746 June 30 Invoice Received in July 9.72 \$ 97.20
Edward C. Good	600.00			600.00	600.00	-	
Grether & Grether, Inc.	10.69	To correct entry of Apr. 30 Error in Accts. Pay. Ledger	11.62 (.93)	-	-	-	
Haas Baruch & Co.	355.00			355.00	11,547.70	11,192.70	July Invoice \$6,137.00 July Invoice 81.00 Ck. #CA1216 4,974.00 Shortage Apr. 14 .70 \$11,192.70
Harris Barber & Beauty Shop	151.48			151.48	No Statement	-	
A. E. Hamm	-			-	-	-	
Harold Brokerage	915.02	To record Honey & Frozen Food R. To balance with unpaid items To record press Bills	(978.92) (486.59) 44.25	(506.24)	141.12	647.36	Ret. Honey & F.F. \$ 978.92 Double Payments 93.89 Damaged Novelties 4.50 Shortage #2079 20.25 Invoice #45020 (450.20) \$ 647.36
Chas. R. Hadley Co.	20.28	May invoice	21.14	41.42	41.42	-	
Camp 1 Industry	174.00			174.00			
Endicott Johnson Corp.	(432.00)	To correct for double posting To correct for double posting To reverse J. E. April 30	282.30 216.00 (66.30)	-	12.87	12.87	Shortages
M. O. King	-			-	-	-	
Ellis Klatscher & Co.	449.43			449.43			
Korrick's Dry Goods	1,115.24			1,115.24	1,394.99	279.75	Shortage \$ 5.25 Missing Inv. June 12 274.50 \$ 279.75
Kraft Cheese Co.	50.25			50.25	50.25	-	
Kelite Products	-			-	2.26	2.26	Advertising Material
LaVida Bottling Co.	4,159.63	C/M of 11/11 & 11/15 #61554 & #6158 Credit taken in error C/M of 6/29 #6873 To reconcile	(1,054.80) 978.00 (701.24) (10.60)	3,370.99	5,221.79	1,850.80	Shortage \$ 9.60 C/M 4 Cgd. Books 556.00 July Inv. #6881 1,260.00 Shortage 5/19 25.20 \$ 1,850.80
L. & B. Laboratories	-			-	-	-	
Liefgreen Seed Co.	-			-	-	-	
Los Angeles Examiner	385.42			385.42	No Statement	-	
Los Angeles News	(51.38)	To reverse credit taken 5-11-43 on P.R. 20-24 taken twice	49.50	(1.88)	347.10	348.98	Ck. #2709 \$ 339.60 Inv. #5005 Feb. 2 6.00 Inv. #6140 Feb. 11 1.50 Ck. #2018-101.50 1.88 Credited 99.62 \$ 348.98

Continued on Next Page

ACCOUNTS PAYABLE - (Continued)

Name of Supplier:	6-30-43 Book Bal:	Reason:	Credit Amt:	Adjusted Book Balance:	Statement Balance:	Difference:	Reconciliation:
Los Angeles Time	\$ 442.14			\$ 442.14	\$ 442.14	\$ -	Mdse. Rec. in July \$ 178.75
Los Angeles Type & Rule	78.45	To record invoice of Mar. 5	\$ 232.75				Mdse. Rec. in July 86.70
		Unlocated difference	(100.68)	78.45	78.45	-	Phoenix Account (4.55)
McKesson & Robbins, L.A.	3,303.54	(Adjusting entry entered twice	38.40)				Phoenix Account (14.96)
		(Shortage granted	(23.10)				Shortage 8.68
		(Credit not entered	(64.80)				Shortage 16.80
		(Invoice entered twice	(4.36)				Invoice at Whse. 5.70
		(Discount not recorded	(102.01)				180.96
		(Invoice of 12-5-42	9.92)				
		(C/M #14437	(189.50)	2,618.86	3,139.94	521.08	Mdse Not Rec'd. 63.00
McKesson & Robbins-Phoen.	4.60	(Credits not recorded	(48.00)	4.60	116.91	112.31	\$ 521.08
		(Credits not recorded	(21.60)				Shortage on Apr. 5 \$ 125.00
		(To reverse J.E. 11	(295.70)				Inv. 5-12-43 Not Rec. 3.30
		(To reverse J. E. 11	(111.68)				Credit given on L.A.
		(Invoice included in Dec. Bal.	(4.32)				account also (26.40)
							Ok. #2337 on L.A. Acc. (4.55)
							Ck. #2003 on L.A. Acc. 14.96
							\$ 112.31
McPherson Leather Co.	1,937.20	Double Posting of Inv. 31547	(48.00)				
		Sub-total of Inv. 31908 Posted	(163.20)				
		To correct posting of correction					
		on Check #2458	(6.00)				
		To correct for unknown error	.40	1,720.40	1,986.91	266.51	Pd. by Ck. #2724 \$ 249.50
							Invoice #28937 June 1 .86
							Short. on Inv. 94058 12.60
							Inv. #20489 1.35
							Inv. #26016 5-7-43 2.10
							Short. on Inv. 12 .10
							\$ 266.51
O. B. Marston Supply Co.	-			-	124.73	124.73	Pd. by Ck. #1219
Mellos Peanut Co.	220.00			220.00	220.00	-	
Goraon & Marx	912.75			912.75	912.75	-	
Mexican Amer. Hat Co.	-			-	1,248.73	1,248.73	Mdse. Rec. in July
Montgomery Ward	-			-	-	-	
Walter N. Moore Dry Goods	4,898.49	Inv. #2377 included in bal.					Inv. #154800 in Jy. \$ 645.30
		and posted Jan. 1	(128.70)				Inv. June 25 " " 301.88
		Short. Pd. for by Ck. 2729	4.43				Ck. #2729 134.43
		Unlocated difference	.40	4,774.62	6,142.58	1,367.96	Ck. #2740 269.39
							Government Purchases 15.78
							Shortage 1.18
							\$ 1,367.96
Mountain & Plain Job. Co.	-			-	930.00	930.00	Ck. #2738 \$ 250.00
							Mdse. Recd. in July 680.00
							\$ 930.00
Nat'l. Cash Reg. Co.	(31.03)	Frt. on 200R. Paper ret'd.	12.25	(18.78)	193.73	212.51	Check #2203
E. Newberry Co.	1,523.20			1,523.20	No statement		
N.Y. Mercantile Co.	-			-	211.70	211.70	Pd. by Ck. #2704
Newstand Distributors	446.41			446.41	No statement		
S. Nishimura	429.88			429.88	437.75	7.87	Short. on June 4 invoice

Continued on Next Page

ACCOUNTS PAYABLE - (Continued)

Name of Supplier:	6-30-43 Book Bal:	Reason:	Credit Amt:	Adjusted Book Balance:	Statement Balance:	Difference:	Reconciliation:
Pacific Beauty Products	\$ 112.11			\$ 112.11	No Statement		
Pacific Citizen	23.80			23.80	No Statement		
Paris Beauty Supply	260.70			260.70	\$ 260.00	\$ -	
Parker Ice Co.	990.00			990.00	990.00	-	
Parker Pen Co.	-			-	-	-	
Parker Transfer	-			-	-	-	
Patton Stencil Co.	75.00			75.00	75.00	-	
Colgate Palmolive Peet Co.	-			-	-	-	
Poston Christian Church	5.25			5.25	No Statement		
Poston II High School	12.00		\$(84.89)	12.00	No Statement		
		Inv. Calif. Electrottype	((2.75)				
Press Bulleting	36.60	Republic Gazette	((30.59)	(81.63)	No Statement		
The Rauh Co.	1,486.75			1,486.75	1,696.75	210.00	Inv. of June 15 Mdse not received by June 30th.
Reliable Nut Co.	1,354.56			1,354.56	1,327.47	27.09	Cash Discount
Republic & Gazette	-	Inv. 6.99, 6.64, 3.61, 10.02, 3.33	30.59	30.59	30.59	-	Ck. #2428 \$ 511.25
R. F. Reynolds Co.	-			-	-		Ck. #2335 92.30
Sears, Roebuck - Phoenix	907.26			907.26	1,205.15	297.89	Invoice June 30 (907.16)
							Ck. #2737 586.57
							Shortage 14.93
							\$ 297.89
Sears, Roebuck - L. A.	-			-	3.58	3.58	Pd. by Ck. #2422
The Ronald Press	-			-	-	-	
Savel Com. Sta. Co.	20.00			20.00	20.00	-	
The Shalloross Co.	-			-	-	-	
Friedman - Shelby	288.64			288.64	373.10	84.46	Inv. June 24 Rec. Jy. \$ 78.00
							Inv. May 23 Not Rec. 6.46
							\$ 84.46
Showa Showa Brewing Co.	250.00			250.00	No Statement		
Smart & Final Co.	33.17			33.17	33.17	-	
E. R. Squibb & Sons	75.38	Invoice of June 1st.	2.75	78.13	261.01	182.88	Mdse. Rec. in July \$ 182.88
Al Sparling	209.28			209.28	209.28	-	
Solnite Shoe Co.	223.95	To reverse J.E. 5 May 31st.	1.86	225.81	954.56	728.75	Mdse. Rec. in July \$ 726.00
							Invoice May 6 for sample shoes 2.75
							\$ 728.75
Sportcraft Mfg. Co.	-			-	-	-	
G. Schimer	-			-	8.27	8.27	Poston Bookstore Account \$ 8.27
Southwest Printers	-			-	25.57	25.57	Pd. by Ck #CA1220
Stationers Corporation	35.29	Books ret'd. to Zellerback but entered in this Acct. To correct double posting May 13 and May 20	28.32		109.23		Missing Inv. Jan. 18.90
			14.40	78.01	109.23	31.22	Missing Inv. Feb. 5.62
							Missing Inv. May 1 6.70
							\$ 31.22
Rice Stix	(1,248.66)	Inv. #1196 Rec. 6-24-43	128.43	(1,120.23)	No Statement		Prepaid Purchases
Levi Strauss & Co.	-			-	-	-	
Mr. Sumida	484.41			484.41	No Statement		

Continued on Next Page

ACCOUNTS PAYABLE - (Continued)

Name of Supplier:	6-30-43 Book Bal:	Reason:	Credit Amt:	Adjusted Book Balance:	Statement Balance:	Difference:	Reconciliation:
Sun Valley Products Co.	\$2,588.00			\$ 2,588.00	\$3,503.00	\$ 915.00	Mdse. not received on June 29 invoice \$ 935.00 Barrel Deposit 20.00 \$ 915.00
Sun Valley Bbl. Acc't.	(46.00)			(46.00)			Bbls. returned June 23
Blake Moffitt & Towne	334.18			334.18	334.18	-	
Trade Composition Co.	109.77	Invoices 9180 & 10110	\$ 84.89	194.66	194.66	-	
Valley Office & School Eq.	655.28			655.28	No Statement		
A. A. Vantine Products	-			-	66.10	66.10	Pd. by Ck. #2461
Klauber Wagenheim Co.	1,314.01	Credit granted on 2-5-43	(4.32)	1,309.69	1,318.19	8.50	Shortage on June 22 invoice
S. Tagasaki	69.85	Shortage Granted	(69.85)	-	-	-	
Western Truck Lines	156.77			156.77	No Statement		
Western Union	.41			.41	No Statement		
Winne & Sutch Co.	792.91			792.91	792.91	-	
Zellerbach Paper Co.	200.90			200.90	200.90	-	
Colo. River War Rel. Project	638.23			638.23	638.23		
Rocky Mountain Food	68.40			68.40	No Statement		
<u>TOTAL ACCOUNTS PAYABLE</u>				<u>\$39,443.97</u>			

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

CHECK EXCHANGE PAYABLE

SCHEDULE 9

<u>Date:</u>	<u>Receipt No:</u>	<u>Payee:</u>	<u>Amount:</u>
June 10, 1943	130	Block #14	\$ 28.04
" 21, "	131	Block #27	50.00
" 21, "	132	Nagano	30.00
" 21, "	133	Miyata	100.00
" 21, "	134	Miyata	75.00
" 21, "	135	Miyata	118.62
" 21, "	136	Takeda #3	161.77
" 21, "	137	Kaku #12	208.14
" 21, "	138	Honda #3	135.00
" 21, "	139	Block #18	5.98
" 21, "	140	Block #60	113.58
" 21, "	141	Block #26	203.33
" 21, "	142	Miyata	682.22
" 21, "	143	Miyata	362.50
" 24, "	144	Otsuka #5	90.00
" 24, "	145	Block #45	35.00
" 24, "	146	Unit II	35.00
" 24, "	147	Unit II	199.14
" 25, "	148	Block #14	100.00
" 25, "	149	Miyata	132.29
" 25, "	150	Miyata	50.00
" 25, "	151	Miyata	50.00
" 25, "	152	Miyata	64.80
" 25, "	153	Masuda	131.35
" 25, "	154	Block #46	76.01
" 26, "	155	Block #327	50.00
" 27, "	156	Block #35	108.00
" 28, "	157	Block #28	130.00
" 28, "	158	Block #6	187.85
" 28, "	159	Block #3	175.00
" 28, "	160	Miyata	86.00
" 28, "	161	Miyata	9.80
" 28, "	162	Block #17	50.00
" 28, "	163	Takeda	94.37
" 28, "	164	Block #54	69.85
" 28, "	165	Unit II	65.01
" 28, "	166	F. Numata	200.00
" 28, "	167	Block #45	87.01
" 30, "	168	Block #32	30.00
" 30, "	169	Block #13	74.40
" 30, "	170	H. Odagawa	322.80
" 30, "	171	Miyata	199.80
" 30, "	172	Miyata	69.88
" 30, "	173	Block #18	16.31
" 30, "	174	Masuda	31.81
			<u>.54</u>

Add: Error on Check Exchange

TOTAL

\$5,296.20

POSTON COMMUNITY ENTERPRISES

Poston, Arizona

SURPLUS

SCHEDULE 10

Balance - January 1, 1943		\$ 38,036.23
Add: Cancellation of Cigarette Floor Tax	\$9,856.12	
Rent Charges Allowed on Purchase Price of Cash Registers	279.35	
Adjustment in January 1st. Balance of Accounts Payable Camp 3 Industry	218.40	
Adjustment of January 1st. Balance of Prepaid Insurance	68.11	
Adjustment of Equipment in Camp 3 Shoe Shop to include Cutter, Stitcher and Patcher	463.75	
Fan and Motor Sold in November and Sale not Recorded	24.00	
To Record Inventory of 1 Additional Measuring Machine in Cl S4 over Book Inventory	25.75	
To Record Showcase in Cl S4 as per Physical Inventory	16.66	
Credit for 1942 Freight & Shortage	55.53	
To Correct January 1st. Amount Payable W.R.A. for Wages	224.94	
To Void Checks #419 & #421	7.27	
To Record following Corrections in January 1st. Accounts Payable due to Shortages Granted, disallowed, invoices not recorded and January invoices included in December balance of accounts payable	2,956.22	
California Typewriter Exchange	\$ 40.00	
Newstand Distributors	439.65	
Newstand Distributors	(52.52)	
Valley Office & Supply Co.	9.50	
Endicott Johnson Co.	282.30	
Arizona Merchantile Co.	720.00	
Hewitt Co.	1,088.36	
Strutwear	30.31	
McKesson & Robbins	(9.85)	
Hollywood Athletic Co.	44.75	
Strong News	(62.94)	
McKesson & Robbins	24.95	
American Thread Co.	(55.19)	
Lever Bros.	(6.66)	
Artisana Water Co.	644.98	
Sugerman Co.	(25.90)	
Sugerman Co.	(555.00)	
Miscellaneous	2.95	
Brunswig Drug Co.	6.76	

Continued on Next Page

SURPLUS - (Continued)

Balance - January 1, 1943 (Brought Forward)		\$ 38,036.23
Add: General Paper Co.	\$ (649.50)	
Colgate Palmolive Peet	1.58	
Rosenberg	14.83	
McKesson & Robbins	(83.52)	
Solnit Co.	1.86	
White King	7.50	
Melo Cream	75.19	
Valley Office Supply Co.	(59.30)	
Parker Transfer Co.	(1.41)	
McKesson & Robbins	.24	
Jergen Co.	27.50	
LaVida Bottling Co.	1,054.80	
	<u>\$2,956.22</u>	
Cancellation of Auto Rental Charges by W.R.A.	\$1,242.65	
Adjustment of Rent due W.R. A. to Jan. 1st.	153.46	
Sale of Office Supplies not Inventoried, Dec. 31st.	<u>7.80</u>	15,600.01
		\$ 53,636.24
Less: To write off wire racks listed as equipment in Cl Sl	\$ 10.99	
To write off 1 coffee maker not in inventory of Cl Sl	22.32	
To correct journal entry. Deposit listed as receivable is payable to customer	<u>409.15</u>	<u>442.46</u>
Adjusted Balance, 1-1-43		\$ 53,193.78
Add: Net Income, 1-1-43 to 6-30-43		<u>59,664.54</u>
	<u>TOTAL</u>	<u>\$112,858.32</u>

