

We are happy to submit a statement of the financial condition of your Community Enterprises as of Jan. 31, 1944. Our fiscal year begins Aug. 1 and ends on July 31. Therefore, this is the report on the first half of our fiscal year. It reflects a condition of which we all can be justly proud. As you note, the total income from the business was \$402,149.09 while the cost of goods sold was \$312,044.13 showing gross margin of \$90,104.96 which is 22.4% of the total income. Subtracting the total expense of \$36,016.91 and other expense from the gross profit and adding other income we have the net earning for the period, \$55,522.68 which amounts to 13.8%. The percentage of expense in relation to the total income is 9%, which, according to the information we have on hand, is the lowest of all centers for a similar period. The average expense of other centers is 12.9% while ours is 9%, a difference of 3.9% which, translated into dollars and cents, means that we have effected a saving of well over \$15,000.00 during the past six months of operation. We believe that no other center can claim its enterprises to be operating as economically as at Heart Mountain.

Another interesting statistic is the ratio of the number of enterprise employees to the total population of center. The ratio at Heart Mountain is one employee to 65 persons served, while the average of other center is one to 53 customers.

#### Patronage Refunds

A tentative policy of our Enterprises which is in effect at present is to utilize one year's net earning at all times as the working capital. As no one has invested a cent, the accumulated earning is the only source of financing our business. To carry the total assets of \$154,016.81 including cash on hand, money in bank, the inventory amounting over \$100,000.00, and furniture and fixtures worth \$10,000.00, every cent of at least one year's accumulated profit is absolutely needed.

This earning is, however, refunded in constant rotation. The last year's profit which is represented by your certificates of indebtedness is being paid back during this fiscal year in several installments by the new earning of this year. This year's earning in turn will be paid back the following year.

The virtue of this plan lies in the fact that the relocatees will be paid back their share of profit approximately within a year, and the burden of furnishing the working capital will be always shared by the residents remaining in the center.

Obviously, this plan will work as long as the new earnings are sufficient to take care of the old payments. However, in event the new profit becomes insufficient we have recourse to one of two possibilities: one alternative is to reduce the capital assets to meet the payment, and the other is to postpone the payment till the new earnings are sufficiently accumulated.

At present the plan is working smoothly. So far we have paid back \$45,180.87 of last year's net refundable profits, which amounted to \$89,745.57. Every effort is now being made to pay back the remaining amount within this fiscal year which ends July 31.

ハート山團體事業部の會計年度は八月一日より翌年度の七月廿一日迄と市つて居ります。今回茲に發表す決算報告は昨年度の八月一日より今年一月廿一日迄、前半期の報告であります。是に依ると総売上高四十四萬二千一百四十九弗〇九仙に對する商品原價三十一萬二千〇百四十四弗十三仙で総利益九萬〇千一百〇四弗九十六仙でありますから商品の利益率は二割二分四厘であります。又費用総額は三萬六千〇百十六弗九十一仙でありますから総売上に對する入費率は九分〇厘で純利益は五萬五千九百二十二弗六十八仙で其率は一割三分八厘に當ります。

他のセンターよりも品物が高過ぎると謂ふ非難を時々耳に致しますが他のセンターの平均総利益率は二割三分九厘であるに比較して當センターは二割二分四厘ですから平均よりも少し安い理であります。一番安いセンターが一割九分、一番高い所で三割六分と市つて居りますが大體に於て他のセンターは當センターと比較して大差はありませぬ。

入費率は當センター九分〇厘に對して他のセンター平均一割二分九厘ですから三分九厘の相違であつて、これを金額に換算すれば他に比較して半々年間に一萬五千弗以上の經費節減とある理であります。此點はハート山事業部の最も誇りとする所でありまして、斷然他の追従を許さぬと思ひます。

### 利益の拂戻しに就いて

ハート山團體事業部の大體の方針として一々年間の純益を運轉資金に當てる事に決定して居ります。今回の決算報告をみても解る様に資産中に銀行預金及び現金約一萬八千弗、在庫品十萬弗以上、諸道具器具一萬弗以上、其他の資産を合計して総額十九萬四千〇百十六弗八十一仙と市りますから此の巨額の資産を所有し又運轉して行くには少とも一々年間の純益を是非積立て置くかねばならぬ事は明かであります。但し純益は前年度分から順に拂戻す方針で昨年度分の利益は證券として皆様に差上げありますが其れを本年度の利益中から數回に分けて拂戻すのであります(既に一部分は拂戻し済み)而して今年度の利益は未年度に、更に未年度分は其の翌年と謂ふ様に毎年順繰りに拂戻して行くのであります。萬一今年度の利益が昨年度より少くない場合には資産を減少することに依つて拂戻金の不足を満たすか或は必要額の純益を生ずる迄割戻し期限を延長するか何れか一つの方法を採用する事が出来ません。目下の成績から見ると昨年度の證券残額は今年度の會計年度即ち七月廿一日迄に全額拂戻しが出来ると見込であります。

前年度分の利益から順繰りに拂戻す事に依つて出所する人は約一々年以内に利益配當の全部を受取る事に成り、又所内に居残る人は常に一々年間の利益を据置き事に依つて常に所有權の行使が出来ると思ひます。

## HEART MOUNTAIN COMMUNITY ENTERPRISES

Heart Mountain, Wyoming

EXHIBIT A

## BALANCE SHEET

January 31, 1944

ASSETS

## CURRENT ASSETS:

Cash on Hand	8,027.00	
Cash in Shoshone National Bank	10,219.32	
Returned Checks	254.14	
Deposit - New York Office	<u>1,000.00</u>	19,500.46
Accounts Receivable	157.00	
Claims Receivable	18.35	
Commissions Receivable	<u>154.88</u>	330.23
Merchandise Inventory - Store #1	35,837.96	
Merchandise Inventory - Store #2	18,683.96	
Merchandise Inventory - Store #3	20,230.41	
Merchandise Inventory - Shoe Store	19,393.71	
Merchandise Inventory - Radio Repair Shop	711.49	
Merchandise Inventory - Warehouse	<u>15,887.73</u>	110,745.26
TOTAL CURRENT ASSETS		130,575.95

## FIXED ASSETS:

Investment		
Northwest Coop Auditing & Service Ass'n		47.21
Fixture and Equipment	16,107.03	
Less: Depreciation	<u>4,052.21</u>	
Book Value		12,054.82
TOTAL FIXED ASSETS		12,102.03

## DEFERRED CHARGES AND PREPAID EXPENSES

Unexpired Insurance	843.11	
Installation Expense in Barber & Beauty Shops	63.08	
Supplies	<u>10,432.64</u>	11,338.83
TOTAL DEFERRED CHARGES AND PREPAID EXPENSES		

## TOTAL ASSETS

154,016.81LIABILITIES AND NET WORTH

## CURRENT LIABILITIES:

Accounts Payable		44,478.16
Notes Payable - National Cash Register Co.		1,705.50
Coupons Payable		261.73
Accrued Liabilities:		
Social Security Tax	61.44	
State Unemployment Tax	82.95	
Property Tax	583.21	
Check Exchange Fee	242.49	
New York Office	18.43	
Federation Executive Secretary Office	<u>15.66</u>	1,004.18
TOTAL CURRENT LIABILITIES		47,449.57

## PATRONAGE REFUNDS PAYABLE

328.11

## CERTIFICATE OF INDEBTEDNESS

44,564.70

## NET WORTH

Undistributed Surplus	6,151.75	
Profit (August 1943 to January 1944) (Per Exhibit B)	<u>55,522.68</u>	61,674.43
TOTAL NET WORTH		

## TOTAL LIABILITIES AND NET WORTH

154,016.81

Note: Current Ratio (Current Assets : Current Liabilities) 2.75 : 1

HEART MOUNTAIN COMMUNITY ENTERPRISES  
Heart Mountain, Wyoming  
PROFIT AND LOSS STATEMENT  
For the Half Year Ending January 31, 1944

EXHIBIT B

<u>Net Sales</u>		402,149.09
Less: Cost of Goods Sold		
Merchandise Inventory 7/31/43	106,639.69	
Purchases	292,210.97	
	398,850.66	
Less: Merchandise Inventory 1/31/44	94,957.94	
	303,892.72	
Add: Freight	5,718.40	
Warehouse Expense	2,089.18	
New York Office Expense	343.83	
<u>Cost of Goods Sold</u>	312,044.13	
<u>Gross Profit on Sales (22.4%)</u>		90,104.96
Less: Store Expense:		
Payroll	14,664.65	
Social Security Tax	293.19	
Federal Unemployment Tax	36.53	
State Unemployment Tax	395.85	
Workmen's Compensation	59.10	
Supplies (Including Shoe Repair Materials, Barber & Beauty Shop Supplies)	8,210.25	
Advertising	360.00	
Spoilage and Damage	620.72	
Rent	1,403.85	
Uncollected Sales Tax	645.37	
Uncollected Retailers' Excise Tax	107.14	
Miscellaneous Taxes and Licenses	2.00	
Overage in Change	(7.87)	
Postage and Stamps	32.15	
Depreciation on Store Equipment	1,259.14	
Insurance	591.73	
Bond	62.01	
Repair and Maintenance on Store Equipment	219.12	
Property Tax	303.98	
Laundry	130.88	
Rental on Equipment	118.12	
Installation Expense for Barber & Beauty Shops (Monthly Charge-off)	252.30	
<u>Total Store Expense (7.4%)</u>		29,760.21
<u>Net Profit on Sales (Per Schedule 1)</u>		60,344.75
Less: Administrative Expense (1.6%) (Per Schedule 2)		6,256.70
		54,088.05
Add: Other Income		
Purchase Discount	1,408.64	
Check Exchange Fee	106.09	
American Express Company	45.60	
Western Union Telegraph Company	167.43	
Miscellaneous Income	127.07	
		1,854.83
Less: Other Expense		55,942.88
Interest	184.54	
Bad Checks	28.00	
Miscellaneous Expense	207.66	
		420.20
<u>Net Profit on Operations (13.8%)</u>		55,522.68

HEART MOUNTAIN COMMUNITY ENTERPRISES  
Heart Mountain, Wyoming  
DEPARTMENTAL PROFIT AND LOSS STATEMENT  
August 1, 1943 - January 31, 1944

SCHEDULE 1

	<u>Net Sales</u>	<u>Cost of Goods Sold</u>	<u>Gross Profit on Sales</u>	<u>Store Expense</u>	<u>Net Profit on Sales</u>
Dry Goods Store	117,838.13	88,735.50	29,102.63	5,068.09	24,034.54
Food Store Blk 8	108,555.74	91,692.90	16,862.84	4,148.18	12,714.66
Food Store Blk 20	121,580.73	101,348.63	20,232.10	4,931.75	15,300.35
Shoe Store	19,374.77	13,197.26	6,177.51	901.35	5,276.16
Fish Store	8,411.99	6,881.11	1,530.88	430.33	1,100.55
Radio Repair Shop	1,721.27	992.44	728.83	552.81	176.02
Optometry Shop	3,852.05	3,506.04	346.01	156.60	189.41
Vending Machine	10.35	7.12	3.23	13.24	(10.01)
Shoe Repair Shop	7,914.72	- - -	7,914.72	6,947.42	967.30
Barber Shop Blk 8	911.50	- - -	911.50	832.80	78.70
Barber Shop Blk 17	732.55	- - -	732.55	765.77	(33.22)
Barber Shop Blk 22	1,129.95	- - -	1,129.95	962.03	167.92
Beauty Shop Blk 8	1,782.14	- - -	1,782.14	1,547.70	234.44
Beauty Shop Blk 25	1,773.05	- - -	1,773.05	1,560.98	212.07
Dry Cleaning	4,659.35	4,193.38	465.97	517.70	(51.73)
Domestic Service	255.56	- - -	255.56	249.01	6.55
Insurance Service	1,645.24	1,489.75	155.49	174.45	(18.96)
Total	<u>402,149.09</u>	<u>312,044.13</u>	<u>90,104.96</u>	<u>29,760.21</u>	<u>60,344.75</u>

HEART MOUNTAIN COMMUNITY ENTERPRISES  
Heart Mountain, Wyoming  
SCHEDULE FOR ADMINISTRATIVE EXPENSE  
August 1, 1943 - January 31, 1944

SCHEDULE 2

Payroll	2,652.47
Social Security Tax	53.44
Federal Unemployment Tax	3.86
State Unemployment Tax	72.15
Rent	120.67
Office Supplies	656.92
Postage and Stamps	159.35
Telephone and Telegram	123.85
Donation (Community Activities Carnival)	134.25
Rental on Office Equipment	47.55
Books and Subscription	26.62
Depreciation on Office Equipment	172.99
Depreciation on Equipment in Stock	318.42
Insurance	92.54
Bond	25.32
Travelling Expense	797.07
Repair and Maintenance on Equipment	40.06
Capital Stock Tax	63.22
Auditing Expense	498.93
Illness Compensation	19.00
Federation Executive Secretary Office	15.66
General Expense	162.36
Total	<u>6,256.70</u>