

AGENTS' ANNUAL REPORTS  
AND STATISTICS - YEAR ENDING NOV. 30,  
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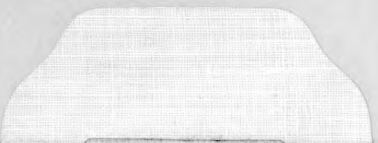
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ANNUAL REPORTS AND STATISTICS  
DEPARTMENT OPERATIONS  
YEAR ENDING NOV. 30, 1903

I N D E X

1	Director's Annual Reports	<i>ces</i>	1	✓
2	Haskins & Sells	<i>" etc</i>	2	✓
3	Wm. P. Belden, Solicitor	<i>"</i>	3	✓
4	Master Mechanic's Report - Mine Department	<i>ces</i>	4	✓





THE CLEVELAND-CLIFFS IRON CO

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NOTE: Where "All Companies" is referred to in this report, reference is made to "The Cleveland-Cliffs Iron Co. - "Cleveland Iron Mining Co." - "Iron Cliffs Co." and the "Pioneer Iron Co."

THE CLEVELAND-CLIFFS IRON CO.

COMPARATIVE STATEMENT OF THE EARNINGS OF ALL COMPANIES FOR THE YEARS  
1902 AND 1903.

		1903	1902
<b>GROSS EARNINGS FOR THE YEAR.</b>			
The Cleveland-Cliffs Iron Co.,		\$ 804,869.33	\$ 858,767.51
Cleveland Iron Mining Co.,		1,182,658.28	765,375.91
Iron Cliffs Co.,		490,331.15	847,579.68
Pioneer Iron Co.,		71,319.11	30,049.04
<b>GROSS EARNINGS OF ALL COMPANIES,</b>			
		2,549,177.84	2,502,372.12
Less Depreciation of Construction, Improvements, Vessels and Investments, as follows:			
The Cleveland-Cliffs Iron Co.,	7475.131	675,669.61	596,023.57
Cleveland Iron Mining Co.,	7637.159	101,059.11	55,140.12
Iron Cliffs Co.,	7677.183	9,279.63	7,576.59
Pioneer Iron Co.,	7727.198	58,509.07	15,531.28
<b>TOTAL DEPRECIATION,</b>		844,517.42	674,265.56
<b>DIVIDENDS PAID:</b>			
	1903	1902	
12 % on \$4,910,000.00		12 % on \$4,910,000.00	
<i>Total Depreciation &amp; Dividends Paid</i>		589,200.00	589,200.00
		1,433,717.42	1,262,465.56
<b>BALANCE APPLICABLE TO SURPLUS,</b>		1,115,460.42	1,238,906.56

THE AMOUNT CHARGED TO DEPRECIATION IS AS FOLLOWS:

Construction and Improvement at Mines,	X 771	\$ 117,623.54	\$ 114,395.82
" " " " Furnaces,	X 773	107,761.72	53,965.81
" " " " Land Dept.,	772	4,100.00	1,583.13
Value of Vessels,	419	24,000.00	36,000.00
Stock of Arctic Iron Co.,		5,100.00	7,600.00
" " Lake Superior Iron Co.,		112,000.00	125,039.19
" " Munising Railway Co.,			44,870.00
" " Munising Co.,		3,300.00	6,355.12
" " Cleveland Iron Mining Co.,		109,500.00	110,745.00
" " Iron Cliffs Co.,		89,600.00	92,325.00
" " Gladstone Opera House,		249.00	
Fee in Queen, Prince of Wales and Blue Mines,		625.00	1,100.00
Cost of Ashland Mine Lease,		252,500.00	80,280.55
Cost of Private Business Car,		1,358.16	
<b>Total,</b>		844,517.42	674,265.56

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THE CLEVELAND-CLIFFS IRON CO.

COMPARISON OF PROFIT AND LOSS OF ALL COMPANIES, BY DEPARTMENTS FOR THE

YEARS 1902 AND 1903.

MINE DEPARTMENT.	1903	1902
<b>PROFIT:</b>		
Ashland Mine,	208,540.32	80,665.25
Titan Mine, (Profit on sale of lease)	18,437.50	LOSS 195.44
Moro "	76,421.18	99,991.23
Lake "	948,088.10	620,371.60
Cliffs Shaft Mine,	219,279.37	620,204.78
Salisbury "	212,245.31	257,693.94
Foster Cre, (Closing out Stock pile)	395.06	624.91
Pitch " (Closing out Stock pile)		4,716.29
Miscellaneous items, eg. House rents, Land rents, sales of equipment, etc.	2,545.01	12,963.58
	<b>1,769,951.91</b>	<b>1,697,530.11</b>
<b>LOSS:</b>		
Michigamme Mine, (Cleaning up old Cre)	2,492.45	849.27
Webster Mine, (Not operating)	295.17	363.07
Imperial Mine, (Not operating)	440.24	Profit 8236.65
Austin Mine,	18.19	
Barasa " Explorations, (Now given up)	23,078.66	
Volunteer Mine Cres,	838.00	Profit 4265.76
Lucy Mine, Explorations,	19,341.07	
Negaunee Mine,	18,166.22	
Other Explorations, (Including cost of options & Royalty on surrendered tracts,	179,126.94	64,467.08
Hematite Mine Location	336.17	286.19
Hard Cre Location,	10,976.09	10,184.03
Ogden Mine & Tilden Cre,	4,202.01	Profit 2,416.10
	<b>289,811.80</b>	<b>61,280.73</b>
<b>NET PROFIT MINE DEPT.,</b>	<b>1,510,640.61</b>	<b>1,636,305.38</b>
<b>FURNACE DEPARTMENT.</b>		
<b>PROFIT:</b>		
Pioneer Pig Iron, (Furnace #1)	159,670.85	178,582.48
Excelsior-Pioneer Pig Iron (Carp River Furnace)	24,994.60	20,676.97
Marquette-Pioneer " " (Furnace #2)	53,028.75	
Wood Alcohol, (Furnace #1)	1,586.73	55,163.75
" " " (Furnace #2)	Loss 3,748.48	
Acetate of Lime, ( " #1)	4,829.02	12,106.47
Miscellaneous items, eg. Sales of Land & Timber, Parsons Tract, Lot rents, etc., less Gladstone City Lot Taxes,	5,286.15	4,113.70
<b>Net Profit, Furnace Dept.,</b>	<b>245,447.62</b>	<b>270,642.37</b>
<b>VESSEL DEPARTMENT</b>		
<b>PROFIT:</b>		
Steamer "Pioneer,"	5,123.06	5,577.76
" " "Gadillao",	7,536.24	10,407.48
" " "Andaste",	17,285.79	13,656.75
" " "Ghoctaw",	14,164.31	9,179.26
" " "Falcon", (1903 figures includes \$664.98 additional earnings in 1903)	3,445.68	Loss 51.06
" " "Fontaine",	5,014.00	9,720.52
" " "Frontenac",	11,777.26	11,485.63
Schooner "Chattanooga",	7,078.40	8,455.00
<b>Net Profit, Vessel Dept.,</b>	<b>71,225.31</b>	<b>68,471.56</b>
<b>Net Profit on Lake Superior Iron Co's Cres,</b>	<b>307,430.95</b>	<b>318,993.20</b>
" " "Regent Iron Co's Cres,	87,374.90	152,196.76
Royalty on Fee in Queen Mines,	2,517.42	4,025.93
<b>Net Profit on Dunbar Pig Iron,</b>	<b>157,217.66</b>	<b>Loss 2,923.68</b>
<b>MISCELLANEOUS PROFITS:</b>		
Interest on Alger County Bonds,	1,800.00	
" " U. P. L. Co. Ltd. Bonds,	28,700.00	
" " M. Ry. Co. Note & Account,	27,696.07	Note 19,093.02
" " M. & S. Ry. Co. Account,	73,442.69	Operating 9,238.27
Less 1902 profit charged back,	9,238.27	223.28
Net receipts from Toledo property	50.00	8,687.29
Profit on sale of Mine timber.		532.70
Land rent, Buffalo Mine,		
Charter of outside boats,		
<b>Total Miscellaneous Profits,</b>	<b>123,072.17</b>	<b>37,563.43</b>
<b>DIVIDENDS ON INVESTMENTS:</b>		
From Arctic Iron Co.,	12,000.00	14,500.00
" " United Dock Co.,	42,832.80	37,404.00
" " Lac La Belle Co.,	170.00	
<b>Total Dividends received,</b>	<b>55,002.80</b>	<b>51,904.00</b>
<b>TOTAL PROFITS,</b>	<b>\$2,560,629.58</b>	<b>\$2,537,181.00</b>
<b>DEDUCT:</b>		
Loss operating Land Dept.,	78,444.84	50,209.52
" " on sales of Old Mine Hematite, Florence, and Humbolt Cres,	4,342.01	10,384.20
General Interest,	75,555.88	69,115.30
Miscellaneous item, Cleveland,	82,563.64	75,044.02
<b>Total Loss,</b>	<b>240,936.98</b>	<b>204,752.64</b>
<b>Operating Profit Excluding Depreciation Of Investments,</b>	<b>2,319,692.58</b>	<b>2,332,427.36</b>
<b> deduct Depreciation of Investments,</b>	<b>615,032.16</b>	<b>504,320.80</b>
<b>Net Operating Profit,</b>	<b>1,704,660.42</b>	<b>1,828,106.56</b>
<b>Less Dividends paid C.C.I. Co., *</b>	<b>589,200.00</b>	<b>589,200.00</b>
<b>Net Profit For Year, All Four Companies,</b>	<b>1,115,460.42</b>	<b>1,238,906.56</b>

\*Dividends Paid to C.C.I. Co.,  
 By Cleveland Iron Mining Co., 2,598,474.01  
 " Iron Cliffs Co., 2,746,997.53  
 Total, 5,345,471.54  
 Not included in above figures.



THE CLEVELAND - CLIFFS IRON CO.

CONDENSED BALANCE SHEET, ALL COMPANIES NOVEMBER 30TH, 1903.

<u>ASSETS</u>	NOV. 30, 1902	NOV. 30, 1903	INCREASE	DECREASE
Stocks & Bonds of other Co's and Ry. & Terminal Properties <span style="float: right;">2-18</span>	2,570,150.87	2,570,392.23		93,751.59
Real Estate and Timber Lands <span style="float: right;">2-19</span>	917,344.23	1,634,239.38	700,895.15	
Mining Properties & Mineral Lands <span style="float: right;">2-20</span>	4,766,336.56	5,218,002.22	451,665.66	
Construction & Improvement Accounts <span style="float: right;">2-21</span>	1,215,718.12	1,745,352.76	529,635.64	
Vessels <span style="float: right;">2-22</span>	604,000.00	580,000.00		24,000.00
Inventories of Wood Supplies & Equip. <span style="float: right;">2-23</span>	573,272.45	699,605.07	126,332.62	
" " Ore & Furnace Products <span style="float: right;">2-24</span>	1,541,533.90	1,997,234.19	455,700.29	
Bills & Accounts Receivable <span style="float: right;">2-25</span>	2,304,987.71	1,493,700.50		811,287.21
Personal Property	1,000.00	1,000.00		
Hospital at Ishpeming	1,255.71	1,255.71		
Cash on hand <span style="float: right;">2-26</span>	245,573.40	213,960.77		31,612.63
<b>TOTAL</b>	<b>14841,177.95</b>	<b>16310,800.83</b>	<b>2,330,279.36</b>	<b>960,650.43</b>
Add Value of Stock of Constituent Companies above Par	519,750.00	320,650.00		199,100.00
<b>GRAND TOTAL ASSETS</b>	<b>15360,927.95</b>	<b>16631,450.83</b>	<b>1,170,522.93</b>	
<u>LIABILITIES</u>				
Pay Rolls and Unclaimed Wages <span style="float: right;">2-27</span>	129,044.17	128,220.43		813.74
Bills and Accounts Payable <span style="float: right;">2-28</span>	2,402,583.71	2,683,714.47	275,130.76	
Advance Payments on Undelivered Ore <span style="float: right;">2-29</span>	748,389.65	504,915.14		243,474.51
<b>TOTAL</b>	<b>3,280,017.53</b>	<b>3,316,850.04</b>	<b>275,130.76</b>	<b>244,288.25</b>
Add				
Insurance and Improvement Funds <span style="float: right;">2-30</span>	22,769.97	42,150.53	19,380.56	
Benefit and Suspense Funds <span style="float: right;">2-31</span>	35,528.11	40,267.55	4,839.44	
<b>TOTAL</b>	<b>3,344,315.61</b>	<b>3,399,278.12</b>	<b>55,062.51</b>	
Assets in Excess of Liabilities	12016,612.34	13132,072.76	1,115,460.42	
Deduct				
C.C.I. Co. outstanding Capital Stock	4,910,000.00	4,910,000.00		
Surplus	7,106,612.34	8,222,072.76	1,115,460.42	

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THE CLEVELAND-CLIFFS IRON CO.

GENERAL BALANCE SHEET,

NOVEMBER 30TH, 1903.

ASSETS		NOV. 30, 1902	NOV. 30, 1903	INCREASE	DECREASE
C.C.I. Co. Stock on hand	900 Shares	90,000.00	90,000.00		
Stocks and Bonds of other Companies, and Railroad and Terminal Properties					
Cleveland Iron Mining Co. Stock on hand	100,000 Shares	1,886,600.00	1,777,000.00		109,600.00
Iron Cliffs Co. Stock on hand	80,000 Shares	2,186,000.00	2,075,400.00		110,600.00
Arctic Iron Co. " " "	10,000 " "	90,600.00	85,600.00		5,000.00
U. P. Land Co. Ltd. " " "	3,125 " "		1.00	1.00	
Lake Superior I. Co. " " "	30,359 " "	494,500.00	373,500.00		121,000.00
Regent Iron Co. " " "	1,125 " "	10,000.00	10,000.00		
Munising Co. " " "	4,159 " "	197,650.00	194,000.00		3,650.00
San La Belle Co. " " "	100 " "	750.00	750.00		
Munising Paper Co. " " "	3,500 " "		27,500.00	27,500.00	
Gladstone Opera House " " "	10 " "		1.00	1.00	
Lake Carriers Ass'n " " "	73.13 " "		1.00	1.00	
U.P. Land Co. Ltd. Bonds on hand	438 Bonds	622,968.07	435,368.07		187,600.00
Alger Co. (Mich.) " " "	30 " "	35,000.00	30,000.00		5,000.00
Gladstone Co. " " "	22 " "	13,800.00	13,800.00		
L.S. & I. Ry. Co. Stock " " "	750 Shares	1,000.00	1,000.00		
Munising Ry. Co. " " "	8,100 " "	1,000.00	1,000.00		
Bills Receivable - Munising Ry. Co.		376,728.35	378,728.35		
Accounts " " "		222,624.08	241,574.60	18,950.52	
M. & S. E. Ry. Co. Stock on hand	1,000 " "		12,500.00	12,500.00	
Accounts Receivable M. & S. E. Ry. Co.		575,553.79	628,062.01	52,508.22	
Private Business Car		13,367.10	14,900.00	1,532.90	
Trucks to Queen Mine		24,264.68	24,264.68		
<b>Real Estate and Timber Lands</b>					
Timber Lands		850,053.78	1,328,481.05	478,427.27	
Real Estate at Gladstone		31,751.55	31,925.87	174.32	
" " Parsons Tract			1.00	1.00	
Lands, Mathews Tract		14,453.86	12,127.01		2,326.85
Ashland Mine Wood Land Purchase		2,460.00	2,460.00		
Hemlock Skumpage & Lands (Clark Deal)		55,000.00			55,000.00
Furnace Timber, Sutherland Lumber Purchase		41,950.04	39,968.17		1,981.87
" " D. M. & M. Ry. Co. " "		36,885.00	26,885.00		10,000.00
Real Estate at Toledo, Stantz Farm		85,000.00	85,000.00		
" " Taylor " "			147,550.00	147,550.00	
Mine Timber Sec. 36-47-47			71.28	71.28	
<b>Mining Properties and Mineral Lands</b>					
Fee in Queen Prince of Wales and Elise Mines		25,775.00	25,150.00		625.00
" " Webster Mine		19,735.65	19,735.65		
" " Lucy Mine		85,000.00	85,000.00		
Ashland Mine Lease		478,000.00	209,000.00		269,000.00
Hogwades Mine Lease		229,235.28	750,000.00	520,764.72	
Mass Mine		743,214.46	763,721.68	20,507.22	
Crosby Mine Lease		13,008.00	180,597.27	167,589.27	
Mineral Leases & Options		23,843.99	58,300.00	34,456.01	
<b>Construction Accounts</b>					
Pioneer Fos. Construct. on Account		357,502.88	312,230.54		45,272.34
Construction Account at Mines		97,553.50	378,904.46	281,350.96	
Construction " " Land Department			4,610.77	4,610.77	
<b>Vessels</b>					
Steamer "Pioneer"		75,000.00	73,000.00		2,000.00
" " "Cadillac"		70,000.00	39,000.00		31,000.00
" " "Andaste"		90,000.00	85,000.00		5,000.00
" " "Choctaw"		90,000.00	85,000.00		5,000.00
" " "Falcon"		19,000.00	18,000.00		1,000.00
Schooner "Chattanooga"		50,000.00	45,000.00		5,000.00
Bills Receivable		117,264.12	18,319.02		98,945.10
Accounts " " (Constituent Co's)		1,047,727.22	357,623.27		690,103.95
<b>Mine Inventories</b>					
Supplies on hand viz					
Michigan Mine		2,450.17	2,825.05		374.88
Imperial Mine		2,847.25	2,507.85		339.40
Mass Mine		2,443.22	18,200.27	15,757.05	
Ashland Mine		55,014.63	27,780.86		27,233.77
Crosby Mine			8,944.55	8,944.55	
Austin Mine			15,831.35	15,831.35	
Hogwades Mine			60,323.28	60,323.28	
Lucy Mine			7,273.91	7,273.91	
Miscellaneous Explorations		6,469.49	2,975.71		3,493.78
<b>Pioneer Furnace Inventories</b>					
Stock of Wood on hand		193,780.08	71,254.22		122,525.86
Supplies on hand		54,175.81	46,048.01		8,127.80
Ore on hand		16,762.01	23,425.28	6,663.27	
Limestone on hand		123.75	97.61		26.14
Charcoal on hand		1,523.20	229.22		1,293.98
Land Department Inventory			1,480.71	1,480.71	
<b>Ore Inventories</b>					
Ashland Mine Ores		245,263.25	342,384.50	97,121.25	
Michigan Mine " "		1,015.00	175.95		839.05
Volunteer Mine " "		88,059.75	54,673.75		33,386.00
Hogwades Mine " "			2,014.00	2,014.00	
Lucy Mine Ores		9,087.58			9,087.58
Austin Mine Ores			2,478.00	2,478.00	
Lake Superior Iron Co's Ores			1,065.00	1,065.00	
<b>Inventories of Pig Iron and other Furnace Products</b>					
Pioneer Pig Iron on hand		0.00	121,426.00	121,426.00	
Wood Alcohol " " "		3,301.50	5,403.20	2,101.70	
Acetate of Lime " " "		223.43	50.24		173.19
Lucy Pig Iron " " "			107,339.00	107,339.00	
M. & S. E. Ry. Co. Inventory		20,300.40			20,300.40
Wash on hand					
Cleveland Office		50,525.24	22,229.62		28,295.62
Mine Department		1,212.16	1,465.87	253.71	
Pioneer Furnace		2,850.08	357.07		2,492.99
Land Department			1,272.27	1,272.27	
M. & S. E. Ry. Co. Office		6,103.89			6,103.89
Telephone Company on hand		5.43	223.14	217.71	
<b>TOTAL ASSETS</b>		<b>12,303,189.26</b>	<b>14,072,039.23</b>	<b>1,768,849.97</b>	
<b>LIABILITIES</b>					
Capital Stock		5,000,000.00	5,000,000.00		
<b>Pioneer Furnace Accounts</b>					
Fund for Extending Dock at Gladstone		4,051.23	4,051.23		
Insurance Fund - Chemical Plant		2,395.42	17,553.22	15,157.80	
Relinquish and Renewals Account		8,222.22	12,712.42	4,490.20	
Unclaimed Taxes		107.02			107.02
Fay Rolls Unpaid		31,022.18	17,502.22		13,519.96
<b>Mine Department Accounts</b>					
Fay Rolls Unpaid		31,101.10	29,040.41		2,060.69
Drafts Checks Outstanding		735.60	786.45	50.85	
Benefit and Expense Funds		4,266.59	5,963.27	1,696.68	
Fay Rolls Unpaid, Land Department			1,227.71	1,227.71	
Accounts Payable		3,402.77			3,402.77
" " (Constituent Co's)		712,682.24	524,067.04		188,615.20
Advance Payments on Undelivered Ore		3,375,279.79			3,375,279.79
Bills Payable		170,428.44	40,074.26		130,354.18
" " M. & S. E. Ry. Co.		1,297,244.58	1,635,804.22	338,559.64	
<b>Surplus Account</b>					
		2,153,223.30	6,755,794.16	4,602,570.86	
<b>TOTAL LIABILITIES</b>		<b>12,303,189.26</b>	<b>14,072,039.23</b>	<b>1,768,849.97</b>	

On Nov. 30th, 1902, M. & S. E. Ry. Co. stood \$168,277.78, being distributed as above. (Marked +) also including in "Accounts Receivable" \$89,252.80 and in "Accounts Payable" \$10,390.00, as above (Marked \*).

W.A. J.S.B. 3/6/05

CLEVELAND IRON MINING CO.

GENERAL BALANCE SHEET, NOVEMBER 30, 1903.

	NOV. 30, 1902	NOV. 30, 1903	INCREASE	DECREASE
<u>ASSETS</u>				
Real Estate	\$2,500,000.00	\$2,500,000.00		
Personal Property	1,000.00	1,000.00		
Interest in Maas Lands,	40,000.00	40,000.00		
<u>CONSTRUCTION ACCOUNTS:</u>				
Improvement and New Construction at Mines, 87	31,953.97	38,905.06	\$ 6,951.09	
<u>VESSELS:</u>				
Steamer "Pontiac"	115,000.00	113,000.00		\$ 2,000.00
" " "Frontenac" 82	95,000.00	93,000.00		2,000.00
Bills Receivable, 82		14,647.77	14,647.77	
Accounts Receivable 80	237,242.87	410,755.99	173,513.12	
Accounts Receivable (Constituent Cos.) 84	2,204,858.32	280,100.45		1,944,757.87
<u>MINE INVENTORIES, SUPPLIES ON HAND, VIZ</u>				
Moro Mine	31,425.03	31,835.86	410.83	
Lake Mine	31,302.60	33,703.27	2,400.67	
<u>ORE INVENTORIES:</u>				
Moro Mine Ores 73	150,519.40	105,873.60		44,641.40
Lake Mine Ores 74	542,491.00	418,643.00		123,849.00
Hospital at Ishpeming	652.82	652.82		
<u>CASH ON HAND:</u>				
Cleveland Office	78,612.33	44,981.03		33,632.30
Mine Department	1,574.75	2,580.52	1,005.77	
Land Department	3,678.32	2,750.75		927.57
Lake Carriers Assn. Stock on hand 34.64 shares		1.00	1.00	
Total Assets	\$6,065,312.41	\$4,112,434.52		\$1,952,877.89
<u>LIABILITIES</u>				
Capital Stock	\$2,500,000.00	\$2,500,000.00		
<u>MINE DEPARTMENT ACCOUNTS:</u>				
Pay rolls unpaid	20,693.91	29,704.19		989.72
Brass checks outstanding	742.50	546.25		196.25
Benefit Fund, Moro Mine	7,718.42	7,737.76	19.34	
Benefit Fund, Lake Mine	10,043.98	11,347.84	1,303.86	
Benefit Fund, General	1,781.74	1,781.74		
Accounts Payable 83	109,296.10	138,516.13	29,220.03	
Accounts Payable, (Constituent Cos.)	309,234.30			309,234.30
Advance Payments on Undelivered Ore 84	385,960.43	209,835.05		176,125.38
Bills Payable 85	80,000.00	80,000.00	20,000.00	
Surplus Account 70	2,049,341.03	1,132,965.56		1,516,375.47
Total Liabilities	\$6,065,312.41	\$4,112,434.52		\$1,952,877.89



IRON CLIFFS COMPANY.

GENERAL BALANCE SHEET, NOVEMBER 30TH, 1903.

<u>ASSETS</u>	Nov. 30th, 1902	Nov. 30th, 1903	Increase	Decrease
Pioneer Iron Co's Stock On Hand, 3,930 shares,	\$ 93,250.00	\$ 93,250.00		
Real Estate, 98	480,573.47	474,077.72		\$ 3,500.75
Bills Receivable, 116	13,660.66	31,884.17	\$18,217.51	
Accounts Receivable, 114	782,191.20	228,441.41		553,749.79
Accounts Receivable (Constituent Cos.) 115	1,774,141.83	237,856.84		1,536,284.99
Mine Inventories, Supplies on hand, viz:				
Cliffs Shaft Mine,	65,296.72	64,351.57		944.65
Salisbury Mine	11,079.36	10,688.03		391.33
Foster Equipment,	95.73			95.73
Ogden Mine, (Coal)		36.49	36.49	
Ore Inventories:				
Cliffs Shaft Mine Cres, 114	239,918.10	365,868.00	95,949.90	
Salisbury Mine Cres, 105	152,900.00	165,048.25	12,088.25	
Tilden Silica " 106	15,033.45	6,517.50		8,515.95
Old Mine Hematite Ore 107	12,414.60	8,032.50		4,381.50
Cash on Hand:				
Cleveland Office,	60,710.52	70,690.89	9,980.37	
Mine Department,	1,049.20	1,855.00	305.80	
Land Department,	5,072.17	5,916.50	844.33	
Land Department Inventory: 99	11,827.61	17,378.79	5,551.18	
Kilns,	4,750.85	631.63		4,119.22
Hospital at Ishpeming,	602.89	602.89		
Bellevue Farm Improvement,	4,749.39	4,221.74		527.65
<b>Total Assets,</b>	<b>3,759,388.15</b>	<b>1,787,150.22</b>		<b>1,972,237.93</b>
<u>Liabilities.</u>				
Capital Stock,	1,000,000.00	1,000,000.00		
Mine Department Accounts:				
Payrolls unpaid,	27,860.39	19,748.42		8,111.97
Brass Checks outstanding,	593.75	304.75		289.00
Benefit Fund, 100	10,807.94	13,227.40	2,419.46	
New Building Fund,	177.43	177.43		
Accounts Payable, 119	124,524.44	64,209.68		60,314.76
Bills Payable, 121	60,000.00	80,000.00	20,000.00	
Advance Payments on Undelivered Ore, 120	192,000.78	249,005.13	57,004.35	
Surplus Account, 93	2,343,433.42	360,477.41		1,982,946.01
	<b>3,759,388.15</b>	<b>1,787,150.22</b>		<b>1,972,237.93</b>

W.A.H. G.S.B. 3/6/05



PIONEER IRON COMPANY.

GENERAL BALANCE SHEET, NOVEMBER 30, 1903.

<u>Assets.</u>	Nov. 30, 1902	Nov. 30, 1903	Increase	Decrease
Real Estate,	\$125,000.00	\$ 125,000.00		
Cost of Excelsior Furnace,	10,000.00	10,000.00		
Cost of Carp River Furnace,	30,000.00	30,000.00		
<u>CONSTRUCTION &amp; IMPROVEMENT ACCOUNTS</u>				
Improvement Account--Carp River Furnace	83.44			\$ 83.44
Construction Account--New Kilns, <i>Chemical Plant</i> (Carp River Furnace)	14,816.89			14,816.89
Construction Account--Pioneer Furnace #2,	669,130.62	966,658.62	\$297,527.95	
Accounts Receivable,	106,095.54	132,062.47	25,966.93	
<u>CARP RIVER FURNACE INVENTORIES.</u>				
Stock of Ore on hand,	2,417.87	2,637.22	219.35	
" " Limestone on hand,	358.60	247.82		110.78
" " Fuel " "	22.50			22.50
" " Supplies on hand,	706.03	632.03		68.00
<u>MARQUETTE-PIONEER FURNACE INVENTORIES</u>				
Stock of Wood on hand,		158,132.97	158,132.97	
" " Ore " "		5,715.22	5,715.22	
" " Limestone on hand,		1,892.13	1,892.13	
" " Supplies " "		70,361.56	70,361.56	
<u>INVENTORIES OF PIG IRON &amp; FURNACE PRODUCTS</u>				
Stock of Excelsior Pioneer Pig Iron on hand	7,121.00	30,069.56	72,948.50	
" " Marquette-Pioneer " " " "		144,300.00	144,300.00	
" " Wood Alcohol " " " "		5,481.60	5,481.60	
<u>CASH ON HAND</u>				
Cleveland Office,	24,636.90	45,005.64	20,368.74	
Carp River Furnace,	450.78	858.35	407.57	
Pioneer Furnace #2,		2,779.57	2,779.57	
Mine Dept.,	5.12			5.12
Land "		104.78	104.78	
<u>TOTAL ASSETS</u>	990,845.33	1,782,545.49	791,700.16	
<u>LIABILITIES</u>				
Capital Stock,	125,000.00	125,000.00		
Bills Payable,		50,000.00	50,000.00	
Accounts Payable,	44,730.55	100,156.40	55,425.85	
" " (Constituent Companies)	858,115.70	1,507,591.15	649,475.45	
Pay Rolls Unpaid, Carp River Furnace,	2,654.05	1,855.69		798.36
" " " Pioneer Furnace #2,		16,954.22	16,954.22	
Relinings & Renewals, Carp River Furnace,		3,744.20	3,744.20	
" " " Pioneer Furnace #2,		2,382.10	2,382.10	
Insurance Fund--Chemical Plant,		1,703.66	1,703.66	
Benefit Fund, <i>Mine Dept.</i>	319.44	319.44		
Surplus Account,	39,974.41	27,164.37	12,810.04	
Total Liabilities,	990,845.33	1,782,545.49	791,700.16	

*W.A.H. GSB*  
*3/6/05*

THE CLEVELAND - CLIFFS IRON CO.

DISPOSITION OF INCOME ACCOUNT FOR 12 MONTHS ENDING NOVEMBER 30TH, 1903.

ALL COMPANIES

EXPENDITURES ARE AS FOLLOWS:		
<u>FOR NET PROPERTIES:</u>		
3500 shares Munising Paper Co.Ltd. Stock	27,500.00	
10 " Gladstone Opera House "	250.00	
1000 " M. & S.E.Ry.Co. "	12,500.00	
107.77 " Lake Carriers Ass'n "	2.00	
Timber Lands	577 678,407.27	
Mineral Lands, Leases & Options	578 33,458.00	
Mine Timber Sec. 36-47-47 (Gogebic Co.)	757 71.22	
Real Estate at Toledo - Taylor Farm	147,550.00	
3125 Shares Upper Peninsula Land Co.Ltd.Stock	1.00	
<u>FOR ADDITIONAL COST OF PROPERTIES:</u>		
Private Business Car	2,491.06	
Real Estate at Gladstone	755 175.32	
Negunsee Mine Lease	516 521,914.22	
Maas " "	754 4,417.22	
Crosby " "	167,501.27	
<u>TOTAL</u>		1,596,239.34
<u>FOR IMPROVEMENTS AND NEW CONSTRUCTION:</u>		
At Mines (Less Depreciation)	760 228,297.04	
Pioneer Furnace No. 1 " Decreased	761 45,373.14	
Carp River " " "	763 14,900.33	
Pioneer " No. 2 "	762 297,527.95	
Land Department	765 4,022.12	
<u>TOTAL</u>		529,635.64
<u>FOR Increased amount of Wood,Ore, Charcoal, Limestone &amp; other Furnace Supplies &amp; Equipment on hand</u>		
Increased amount of Mine Department Supplies & Equipment on hand	108,143.84	
Increased amount of Land Department Supplies & Equipment on hand	97,249.35	
Increased amount of Ore on hand	7,021.89	
Increased amount of Pig Iron, Alcohol & Acetate of Lime on hand	10,242.84	
<u>GRAND TOTAL</u>	444,800.45	669,775.37
		2,794,650.25
<u>LESS SALE OF ASSETS, AS FOLLOWS:</u>		
Upper Peninsula Land Co.Ltd.Bonds Redeemed	127,000.00	
Alger Co. (Mich) " "	5,000.00	
Hemlock Stumpage to Everard, et al	55,000.00	
Stumpage to Furnaces	4,302.72	
Real Estate (I.C.Co.decrease in Real Estate)	6,500.75	257,809.47
Increased Investments		2,536,840.88
<u>LESS DEPRECIATION OF ASSETS</u>		615,032.16
Net Increased Investments. Less Depreciation		1,921,808.72
Net Operating Profits and Receipts from Investments 12 Months to Nov. 30, 1903		2,319,002.56
Less Dividends Paid	589,200.00	
Less Depreciation of Assets	615,032.16	
<u>TOTAL</u>		1,204,232.16
Net Increase in Surplus		1,115,260.42
Net Expenditures for Increased Investments as above, in excess of Profits		806,348.20
<u>ADD</u> Amount of Accounts Payable, Decreased	139,808.55	
Decrease in Advance Payments on Undelivered Ore	243,474.51	
Advances to Munising Ry.Co. Increased	18,969.62	
<u>TOTAL</u>		402,252.68
<u>GRAND TOTAL</u>		1,208,600.93
Accounts Receivable have been decreased	654,491.59	
M. & S.E.Ry.Co. Account has been decreased	9,125.89	
Bills Receivable have been decreased	66,809.82	
Bills Payable " " Increased	428,519.94	
Cash on hand has been decreased	25,423.74	1,184,380.93
<u>Add Increase in the following Funds:</u>		
Insurance Funds Chemical Plants	9,364.16	
Relinings & Renewals, Furnace Department	10,016.46	
Benefit Funds, Mine Department	4,839.44	
	24,220.00	
		1,208,600.93

M. & S.E.Ry.Co. Accounts Receivable & Payable; Supplies, Cash and Construction Account were distributed in our accounts Nov. 30th, 1903, and in above figures have been treated as a charge against M. & S.E.Ry.Co., as now carried, hence figures as above will not agree with General Balance Sheet.

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MCS-LTD  
2/16/04

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W.A.H. - J.S.B.  
3/6/05

THE CLEVELAND-CLIFFS IRON COMPANY

DISPOSITION OF INCOME ACCOUNT FROM MAY 14TH, 1901, TO NOVEMBER 30TH, 1903.

Capital Stock, 50,000 Shares	\$5,000,000.00	Capital Stock in Treasury 900 Shares	\$ 90,000.00
Profit for year 1891,	31,022.90	Dividend paid in 1892 1 1/2%	57,213.00
" " " 1892,	204,416.47	" " " 1893 3%	114,426.00
" " " 1893,	252,742.07	Dividend paid in 1898, 4%	152,588.00
" " " 1894,	123,252.33	" " " 1899 6%	228,882.00
" " " 1895,	147,353.19	" " " 1900 6%	305,176.00
" " " 1896,	137,590.98	" " " 1901, 12%	490,823.00
" " " 1897,	152,847.52	" " " 1902, 12%	589,200.00
" " " 1898,	412,122.15	" " " 1903, 12%	589,200.00
" " " 1899,	328,785.37	C.I.M. Stock on hand,	1,777,000.00
" " " 1900,	1,295,487.33	100,000 Shares,	
" " " 1901,	228,464.06	I.C.Co. Stock on hand,	2,075,400.00
" " " 1902,	262,743.94	20,000 Shares,	
" " " 1903,	5,191,671.86	Arctic Iron Co.	
Totals as above		Stock on hand 10,000 Shares,	85,500.00
Profits,	\$9,283,102.16	Upper peninsula Land Co. Ltd.	1.00
Dividends received from		Stock on hand 3,125 Shares,	
I. C. Co. and C.I.M.Co. were		Lake Superior Iron Co.	
as follows:		Stock on hand 20,999 Shares,	372,500.00
1892, I. C. Co.,	145,850.00	Regent Iron Co.	
1893 I. C. Co.,	218,775.00	Stock on hand, 1,125 Shares	10,000.00
1894 I. C. Co.,	72,925.00	L.S.&I.Ry.Co.	
1895 I. C. Co.,	72,925.00	Stock on hand, 75 shares,	1,000.00
1896 I. C. Co.,	72,925.00	Munising Ry. Co.	
1897 I. C. Co.,	72,925.00	Stock on hand, 8,106 Shares,	1,000.00
1898 I. C. Co.,	72,925.00	Munising Co., Stock on hand,	
" C.I.M.Co.,	240,000.00	4,189 Shares,	194,000.00
1899, I.C.Co.,	36,462.50	Leo La Belle Co.	
" C.I.M.Co.,	558,091.06	Stock on hand 100 Shares,	750.00
1900, "	293,133.33	Munising Paper Co., Ltd.	
1903, "	2,598,474.61	Stock on hand, 3500 shares,	27,500.00
1903, I.C.Co.,	2,463,997.53	Gladstone Opera House,	
Total,	6,919,409.03	Stock on hand, 10 shares	1.00
Net, C.C.I.Co.,	2,363,693.13	M. & S. E. RY.CO.	
Dividends,		Stock on hand 1,000 shares	12,500.00
C.C.I.Co.,	2,827,308.00	Lake Carriers Association,	
		Stock on hand 73 1/2 Shares,	1.00
		Bills Receivable,	
		Munising Ry Co.	376,723.25
		Accounts Receivable	
		Munising Ry Co.,	241,574.60
		Cost of M.&S.E.Ry.Co.	638,062.61
		Accts. Receivable M.&S.E.Ry.Co.	97,823.67
		Upper Peninsula Land Co. Ltd.	
		Bonds on hand 438 bonds,	435,992.07
		Alger Co. (Mich.) Bonds	
		on hand, 30 bonds,	30,000.00
		Gladstone Co. Bonds on hand	
		22 bonds,	13,200.00
		Cost of Private Business car,	14,000.00
		Tracks to Queen Mine,	24,254.58
		Timber Lands,	1,338,461.05
		Real Estate at Gladstone,	31,925.87
		Real Estate, Parsons tract,	1.00
		Lands, Matthews tract,	12,127.01
		Ashland Mine Wood Land Purchase,	2,462.00
		Furnace Timber Sutherland Innes	
		Purchase,	39,963.17
		Furnace Timber D.M.&M. Ry. Pur.	26,668.60
		Real Estate at Toledo Stentz	
		farm,	85,000.00
		Real Estate at Toledo,	
		Taylor farm,	147,550.00
		Mine Timber Sec. 36-47-47,	71.23
		Fee in Queen, Prince of Wales	
		& Blue Mines,	25,150.00
		Fee in Webster Mine,	19,725.55
		Fee in Lucy Mine,	85,000.00
		Cost of Ashland Mine Lease,	209,500.00
		Cost of Negaunee Mine Lease,	750,000.00
		Cost of Maas Mine,	752,731.68
		Cost of Crosby Mine Lease,	180,507.27
		Mineral Leases and Options,	50,200.00
		Pioneer Furnace Const'n Acct.,	312,230.54
		Construction Account at Mines,	378,904.45
		" " Land Dept.	4,616.77
		Vessels (5 Steamers & 1 Schooner)	374,000.00
		Supplies Mine Department,	157,658.63
		Ore on hand,	462,824.80
		Supplies at Furnace,	142,514.84
		Supplies Land Department,	1,430.71
		Pioneer Pig Iron on hand,	121,425.00
		Wood Alcohol on hand,	5,462.24
		Acetate of lime on hand,	253.34
		Dumber Pig Iron on hand,	107,535.00
		Bills & Accounts Receivable,	675,908.69
		Accounts Receivable from	
		Constituent Companies,	1,009,633.36
		Telephone Coupons on hand,	223.14
		Cash on hand,	30,114.60
		Less Bills & Accounts	16,599,397.23
		Payable,	2,316,235.07
			14,283,102.16



THE CLEVELAND IRON MINING COMPANY

DISPOSITION OF INCOME ACCOUNT FROM MAY 1, 1900 TO NOVEMBER 30, 1903.

Capital Stock	2,500,000.00		
Balance of Surplus Account from season ending April 30, 1900.	729,217.65		
Gain year 5/1/90 To 4/30/91	333,637.93	Dividend paid 5/1/90 to 4/30/91.	100,000.00
Loss 7 months 5/1/91 to 11/30/91	13,154.78	Dividend paid 5/1/91 to 11/30/91	100,000.00
Gain Year 1892	63,256.87		
Loss Year, 1893	194,537.55		
Loss year 1894	45,492.05		
Gain year 1895,	127,550.33		
" " 1896	136,183.33		
" " 1897,	103,302.91		
" " 1898.	100,424.47	Dividend Paid, 1898	240,000.00
" " 1899,	236,926.16	" " 1899	558,091.06
" " 1900	880,952.34	" " 1900	293,133.32
" " 1901	628,446.01		
" " 1902	710,235.79		
" " 1903	1,081,592.14	" " 1903	2,598,474.61
		Cash on Hand	50,212.30
		Real Estate,	2,500,000.00
		Steamers,	200,000.00
		Interest in Mass Lands	40,000.00
		Construction Account,	38,965.58
		Bills Receivable,	14,647.77
		Accounts Receivable,	410,755.99
		Accounts Receivable,	
		(Constituent Companies)	200,100.45
		Ors on hand,	524,520.00
		Supplies on hand,	65,539.13
		Personal Property	1,000.00
		Hospital at Ishpeming,	652.32
		Lake Carriers Association,	
		stock on hand 34 <sup>34</sup> shares	1.00
			8,002,133.52
		Less Bills & Accounts Payable,	479,468.96
			7,522,664.56
Totals as above,			
Profits,	\$5,022,664.56		
Dividends,	3,889,699.00		

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W. A. H. - Y. S. B.  
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IRON CLIFFS COMPANY.

DISPOSITION OF INCOME FROM NOV. 30TH, 1889, TO NOVEMBER 30TH, 1903.

Capital Stock,	\$1,000,000.00		
Balance of Surplus Account as received from former management,	812,884.24		
Profit, Year 1890,	301,069.75	Dividend paid 1890,	50,000.00
" " 1891,	400,698.73	" " 1891,	160,000.00
" " 1892,	172,944.62	" " 1892,	200,000.00
Loss, " 1893,	31,103.75	" " 1893,	200,000.00
" " 1894,	49,964.96	" " 1894,	100,000.00
" " 1895,	11,905.30	" " 1895,	100,000.00
" " 1896,	52,637.80	" " 1896,	100,000.00
" " 1897,	59,120.29	" " 1897,	100,000.00
" " 1898,	37,594.31	" " 1898,	100,000.00
Profit, " 1899,	126,290.99	" " 1899,	50,000.00
" " 1900,	467,144.53	" " 1900,	
" " 1901,	664,707.64	" " 1901,	
" " 1902,	840,009.07	" " 1902,	
" " 1903,	481,051.52	" " 1903,	2,463,997.53
		Cash on hand,	77,962.39
		Pioneer Iron Co. Stock on hand,	93,250.00
		Real Estate,	474,077.72
<b>Totals as above,</b>		Bills & Accounts Receivable <sup>114</sup> / <sub>116</sub>	200,325.52
<b>Profits, \$4,084,474.94</b>		Accts. Receivable (Constituent Cos) <sup>115</sup>	237,856.24
<b>Dividends, 3,723,997.53</b>		Ore on hand, <sup>108</sup>	545,436.25
		Supplies on hand, <sup>677</sup>	92,755.18
		Kilns, <sup>10</sup>	631.03
		Hospital at Ishpeming,	602.89
		Bellevue Farm Improvement,	4,221.74
			5,511,147.75
		Less Bills & Accounts Payable, <sup>114 to 177</sup>	426,672.31
	5,084,474.94		5,084,474.04

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PIONEER IRON CO.

DISPOSITION OF INCOME, FOUR YEARS, ENDING NOVEMBER 30, 1903.

Capital Stock,	\$125,000.00	Real Estate,	\$ 125,000.00
Loss, Year 1900,	26,210.12	Cost of Excelsior Furnace,	10,000.00
" " 1901,	28,882.05	" " Carp River "	30,000.00
Profit, " 1902,	15,117.76	" " New #2 "	966,658.63
" " 1903,	12,810.04	Stock of Ore & Limestone at Carp Furnace, 8	2,885.04
Totals as above,		Stock of Supplies at Carp Furnace	638.63
Profits, \$27,164.37		" " Wood at Fee. #2, 9	158,132.97
		" " Ore & Limestone at Furnace #2, 9	7,607.25
		" " Supplies at " " 9	70,361.56
		" " Excelsior Pioneer Pig Iron on hand, 59	80,069.50
		" " Marquette Pioneer Pig Iron on hand, 60	144,300.00
		" " Wood Alcohol on hand, 67	5,491.80
		Accounts Receivable, 68	132,062.47
		Cash on hand, 11	49,348.34
			<u>1,782,545.49</u>
		Less A/cs Payable, 118,860.31 69-11-17	
		" " " "	
		Constituent Cos., 1,507,591.15 70	
		Less Bills Payabl. 50,000.00	
		Less Insurance &	
		Imp't Funds, 7,832.96 11-11-20	
		Less Benefit Fund, 319.44	
			1,684,769.86
			<u>97,835.63</u>

W. J. H. 11-2-04

wait  
EMP  
3/2/05  
12

THE CLEVELAND-CLIFFS IRON CO.

COMPARISON OF INVENTORY PRICE OF MINE & FURNACE PRODUCTS WITH COST PRICE

ALL COMPANIES FOR YEAR ENDING NOV. 30, 1903.

CRS	GRADE	TONS	INVENTORY PRICE	COST PRICE	(INVENTORY) AMOUNT	(COST) AMOUNT
Ashland,	At Mine,	80,719	1.00	1.278	80,719.00	103,158.88
	At Lake Erie	59,721	3.25	3.362	194,695.25	200,782.00
		140,440			274,812.25	303,940.88
Taylor,	At Mine	66,652	1.00	1.278	66,652.00	85,181.26
	At Lake Erie	277	3.25	3.362	900.25	931.27
		66,929			67,552.25	86,112.53
Abbotsford,	At Lake Erie,	5,593	2.40	2.483	13,435.20	13,899.83
Bedford,	At Lake Erie	9,932	2.40	2.470	23,836.80	24,621.43
Castlesford	At Lake Erie	9,484	2.40	2.481	22,761.60	23,529.80
Comrade	At Lake Erie	23,265	2.35	2.35	54,678.75	54,678.75
Michigan	At Escanaba	153	1.15	2.50	175.95	382.50
Lucy	At Mine	2,478	1.00	7.773	2,478.00	19,261.49
Negaunee, Non Bes.	At Mine	2,014	1.00	4.609	2,014.00	9,282.83
Austin Bessemer	At Mine	1,055	1.00	4.609	1,055.00	4,862.80
Austin Non Bes.	At Mine	31	1.00	1.017	31.00	31.53
Total Mine Products	C. C. I. Co.	261,379			462,824.80	540,597.77
<b>DUNBAR PIG IRON</b>						
	GRADE					
At Furnace	#1 Foundry	373	14.00	14.00	5,222.00	5,222.00
" "	" "	2,017	13.00	13.00	26,221.00	26,221.00
" "	Mill	6,341	12.00	12.00	76,092.00	76,092.00
		8,731			107,535.00	107,535.00
<b>PIONEER PIG IRON</b>						
At Furnace	" B. & C. Dk.	6,009	12.50	14.799	75,075.00	88,702.01
" "	Sandusky,	2,329	12.50	14.799	29,112.50	34,397.00
" "	Minn. Dk. Buffalo	1,379	12.50	14.799	17,237.50	20,308.45
		9,717			121,425.00	143,407.46
<b>WOOD ALCOHOL</b>						
At Furnace, Plant 1	Grude (Gals.)	8,942	30	305	2,682.60	2,727.31
" " " 1	Refined "	1,400	40	402	560.00	572.80
" " " 2	" "	5,401	40	422	2,160.60	2,359.73
		15,743			5,403.20	6,659.84
<b>ACETATE OF LIME</b>						
At Furnace, Plant 2	Lbs.	25,884	1.00	1.165	258.84	301.55
				per Cwt.		
Total Furnace Products, C. C. I. Co.					234,022.04	257,962.25
<b>CLEVELAND IRON MINING CO.</b>						
Scotch	At Mine	84,786	1.00	1.432	84,786.00	121,413.55
	At Lake Erie	10,540	2.00	2.512	21,080.00	26,401.55
		95,326			105,866.00	147,815.10
Lake Bessemer	At Mine	4,851	1.00	1.119	4,851.00	5,204.47
	At Lake Erie	105,927	2.00	2.307	211,854.00	244,222.81
		110,778			216,705.00	249,427.28
Lake	At Mine	166,879	1.00	1.119	166,879.00	186,737.60
	At Lake Erie	16,729	2.00	2.107	33,458.00	36,753.61
		183,608			200,337.00	223,491.21
Total C. I. M. Co.		390,413			524,520.00	611,299.70
<b>IRON CLIFFS CO.</b>						
Cliffs Shaft,	At Mine	100,810	1.00	1.991	100,810.00	173,835.61
	At Lake Erie	102,529	2.00	2.152	205,058.00	221,368.25
		203,339			305,868.00	395,203.86
Salisbury	At Mine	52,180	1.00	1.086	52,180.00	56,667.48
	At Lake Erie	45,416	2.00	2.102	90,832.00	95,229.27
		97,596			143,012.00	151,896.75
Salisbury Bessemer	At Mine	2,949	1.00	1.086	2,949.00	3,202.01
Salisbury #3	At Lake Erie,	10,907	1.75	2.00	19,087.25	21,814.00
Tilden Silica	At Lake Erie	4,345	1.50	2.193	6,517.50	9,528.88
Old Mine Hematite	At Lake Erie.	3,213	2.50	3.00	8,032.50	9,639.00
Total I. C. Co.		362,349			546,468.25	604,220.40
<b>PIONEER IRON CO.</b>						
Excelsior Pig Iron	At Carp Furnace	2,635	12.50	15.25	32,937.50	41,764.75
	At N. Y. P. & O. Dk.	900	13.90	17.25	12,510.00	15,525.00
	At Minn. Dock,	1,473	14.00	17.35	20,622.00	25,556.55
	At Lehigh Val. Dk.	1,000	14.00	17.35	14,000.00	17,350.00
		6,008			80,069.50	100,196.30
Marquette Pi. Fig Iron	At Pioneer Fac.,	5,313	12.50	15.334	66,412.50	80,130.54
	" B. & C. Dk. Sandusky	4,300	12.50	15.334	53,750.00	65,938.20
	" Minn. Dk.	1,431	12.50	15.334	17,897.50	21,942.85
		11,044			144,060.00	177,011.59
Wood Alcohol	At Pioneer Furnace	13,704 Gal	40	40	5,481.00	5,481.00
Total	P. I. Co.				229,851.10	282,603.59
Grand Total, All Companies.					1,997,284.19	2,286,773.71

\*1902 Inventory Price.

GCH:WCH.  
2-3-04

*Handwritten:*  
N.A.H.  
J.H.B.  
3-7-05



THE CLEVELAND-CLIFFS IRON CO.

COMPARISON FOR FIVE YEARS OF PRODUCT FROM MINES CONTROLLED BY US.

GRADE	1899		1900		1901		1902		1903	
	TONS	%	TONS	%	TONS	%	TONS	%	TONS	%
<b>C.C.I.CO.</b>										
Hard Ore					34,867	17			611	00.2
Soft Ore					171,633	83.	309,701	100	396,362	99.8
Bessemer					171,633	83.	308,691	99.7	389,331	98.
Non-Bessemer					34,867	17.	1,010	.3	7,642	2.
Total all kinds					306,500		309,701		396,973	
<b>I.C.CO.</b>										
Hard Ore	252,392	61.	364,330	60.	373,268	57.	284,562	61.	269,792	60.
Soft Ore	163,264	39.	175,960	40.	178,686	39.	178,330	40.	178,330	40.
Bessemer	22,164	5.3	51,309	12.	85,033	18.	89,612	19.	55,208	12.
Non-Bessemer	394,103	94.7	389,081	88.	391,665	82.	373,626	81.	392,854	88.
Total all kinds	416,256		440,290		478,698		463,248		448,122	
<b>C.I.M.CO.</b>										
Hard Ore	41,235	7.7	181,671	24.	76,085	74.	76,024	14.	70,782	13.
Soft Ore	496,086	92.3	585,491	76.	468,333	86.	477,831	86.	476,821	87.
Bessemer	173,254	32.	221,793	29.	186,303	34.	165,480	29.	150,607	28.
Non-Bessemer	364,067	68.	545,369	71.	358,765	66.	388,375	71.	396,996	72.
Total all kinds	537,321		767,162		544,968		553,855		547,603	
<b>ALL COMPANIES</b>										
Hard Ore	393,627	31.	446,001	37.	384,220	31.	360,586	27.	341,185	24.5
Soft Ore	659,950	69.	761,451	63.	842,946	69.	966,218	75.	1,051,512	75.5
Bessemer	195,402	21.	273,002	23.	442,869	30.	563,722	42.	595,208	42.7
Non-Bessemer	758,169	79.	934,450	77.	785,297	64.	763,021	58.	797,492	57.3
Total all kinds	953,577		1,207,452		1,228,166		1,326,804		1,392,698	

PRODUCT AND COST OF ORE AT MINES FOR FIVE YEARS.

MINE	1899		1900		1901		1902		1903	
	PRODUCT	COST	PRODUCT	COST	PRODUCT	COST	PRODUCT	COST	PRODUCT	COST
Cleveland Hard	8,992	2,586	74,459	1,846	76,085	1,331	76,024	1,366	70,782	1,422
" Lake	465,452	.899	497,204	.937	468,333	1.023	477,831	1.006	476,821	1.119
" Hematite	5,059									
Michigan			19,842	3.052	34,867	4.572			611	0 run
Volunteer	32,243	1.264	87,370	1.320						
Imperial	25,575	.872	67,490	1.158						
Webster			20,797	1.402						
Ashland					171,633	1.545	309,701	1.559	375,012	1.278
Cliffs Shaft	252,392	1.075	264,330	1.149	273,268	1.093	279,002	1.106	261,191	1.081
Salisbury	136,519	1.096	160,635	1.052	180,918	.991	178,686	1.037	178,330	1.086
Poster					11,370		810	0 run	721	0 run
Ogden (Tilden Silica Ore)									7,820	1.112
Tilden	27,345	.387	16,325	.575	10,642	.373	4,750	.853		
Lucy									2,972	7.772
Negaunee *									17,392	4.609
Austin									1,086	1.917
	953,577		1,207,452		1,228,166		1,326,804		1,392,698	

\* C.C.I.Co. receive one-half production of these mines.

WHV-LJD  
2/6/04

*add same for Lake Superior Regent  
also give deliveries same  
same for alcohol 1  
unwed randed*

*MAH  
JSC  
3/7/05*



THE CLEVELAND-CLIFFS IRON CO.

COMPARISON FOR FIVE YEARS OF PRODUCT OF THE FURNACES CONTROLLED BY US.

PIG IRON.	1899		1900		1901		1902		1903	
	Tons	%	Tons	%	Tons	%	Tons	%	Tons	%
PIONEER FURNACE NO.1.										
Bessemer			1,650	4	4,373	11	926	2	1,114	3
Non Bessemer	31,193	100	36,561	96	34,300	89	33,272	96	37,788	97
Total,	31,193		38,211		38,739		39,198		38,902	100
PIONEER FURNACE NO.2.										
Bessemer,										
Non Bessemer,									23,821	100
Total,									23,821	100
CARP RIVER FURNACE.										
Bessemer,									2,406	13
Non Bessemer,			15,204	100	10,454	100	13,483	100	16,315	87
Total,			15,204		10,454		13,483		18,721	100
Bessemer,			7650	3	4,273	9	926	2	3,419	4
Non Bessemer,	31,193	100	51,765	97	44,820	91	51,760	98	78,025	96
Grand Total,	31,193		53,415		49,193		52,686		81,444	100

PRODUCT AND COST OF PIG IRON AT FURNACES FOR FIVE YEARS.

Grade	1899		1900		1901		1902		1903	
	Bess.	Non Bess.	Bess.	Non Bess.	Bess.	Non Bess.	Bess.	Non Bess.	Bess.	Non Bess.
Bestel.		1,242		3,221		2,212		1,977		2,771
#1		4,755	25	9,834		8,132		3,224		12,966
#2		6,070	155	12,636		11,278		13,096		22,608
#3		9,949	35	12,630	27	12,925		16,631		24,377
#4		5,775	51	6,706	45	6,050		7,342		7,868
#5		1,800		3,678		2,007		3,432		4,194
#6		1,682		3,144		2,245		2,573		3,246
Special Bessemer			1,384		4,301		926		3,419	
Shortages		80		78		79		216		6 56
Total.		31,193	1,050	51,765	4,373	44,820	926	51,760	3,419	78,025
Total All Grades,		31,193		53,415		49,193		52,686		81,444
COST										
Pioneer #1.		\$10.428	\$15.401	\$12.475	\$15.401	\$13.929	\$16.005	\$13.603	\$18.365	\$14.663
" #2										15.334
Carp River				15.833		14.761		15.384	18.800	15.414
Total (Average)		\$10.428		\$13.522		\$14.319		\$14.345		\$15.182

Wood Alcohol, Gals.	102,196	146,165	229,085	251,854	446,423
Acetate of Lime, Lbs.	1,334,956	1,769,908	3,020,283	3,284,623	3,083,641

W.H. WOH.  
2-9-04.

*W.H. WOH.*  
*2-9-04*  
*3/2/05*  
*15*

THE CLEVELAND CLIFFS IRON CO.

**SALES**  
AVERAGE PRICE OF STANDARD GRADES OF ORE AT LAKE ERIE PORTS.

	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903
<u>Cleveland Lake</u>										
Bessemer	\$	\$3.41	\$ 3.35	\$ 2.79	\$ 2.85	\$2.985	\$ 5.45	\$4.31	\$4.275	\$4.53
Non Bessemer	2.05	2.05	2.02	1.923	1.762	1.87	4.007	3.00	3.13	3.65
Cleveland #1	2.75	3.07	3.55							
<u>Salisbury</u>										
Bessemer	2.50	2.70	2.66	2.50	2.55	2.80	#	#	#	
Non Bessemer	2.10	2.07	2.09	1.965	1.082	1.956	4.021	3.00	3.233	3.53
Cliffs Shaft	2.41	2.52	2.475	2.30	2.091	2.423	4.687	3.86	3.930	*4.07
<u>Ashland</u>										
Bessemer,								4.12	4.04	4.37

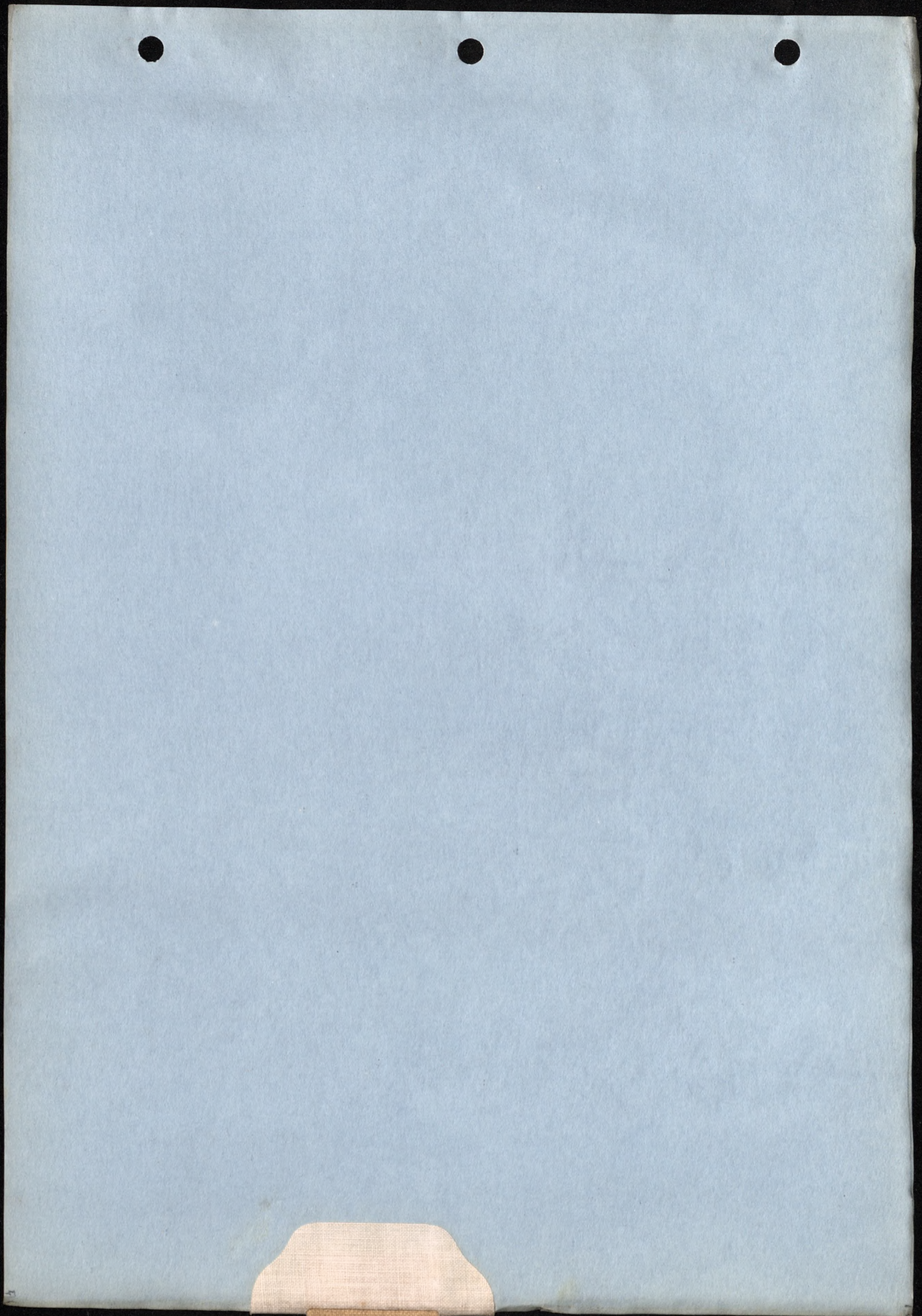
\* This is the average price of Crushed and Lump Cliffs Shaft on basis of sales.  
 No sales of this grade made for delivery at Lake Erie Ports in 1900, 1901, 1902, 1903.

*Watt J. R.  
 E. B. J.*

WHY. WCH.  
 2-3-04.

*[Large handwritten signature/initials]*







**HASKINS & SELLS**

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET  
NEW YORK

LONDON, E.C.  
30 COLEMAN STREET

CABLE ADDRESS "HASKSELLS"

CHICAGO  
204 DEARBORN STREET

ST. LOUIS  
LINCOLN TRUST BUILDING

CLEVELAND  
WILLIAMSON BUILDING

PITTSBURG  
FARMERS BANK BUILDING

NEW YORK, July 9, 1904.

Mr. W. G. Mather,  
President, Cleveland-Cliffs Iron Company,  
Cleveland, Ohio.

Dear Sir:

In accordance with your request we have made examinations of the books and accounts of

- ✓ Cleveland-Cliffs Iron Company,
- ✓ Cleveland Iron Mining Company,
- ✓ Iron Cliffs Company,
- ✓ Pioneer Iron Company and
- ✓ Michigamme Company

for the year ended November 30, 1903, and

- ✓ The Munising Company and
- ✓ Artic Iron Company

for the year ended December 31, 1903, and submit herewith our comments, and the following described exhibits and schedules, viz.:

CLEVELAND-CLIFFS IRON COMPANY

EXHIBIT

"A" - GENERAL BALANCE SHEET - NOVEMBER 30, 1903  
AND 1902 - AND COMPARISON.

Schedule

- #1 - Construction - November 30, 1903.
- 2 - Improvements - November 30, 1903.
- 3 - Equipment - November 30, 1903.
- 4 - Securities Owned - November 30, 1903.
- 5 - Materials and Supplies - November 30, 1903.
- 6 - Finished Product - November 30, 1903.
- 7 - Mining Royalties Paid - Unexpired Proportion - November 30, 1903.
- 8 - Notes Receivable - November 30, 1903.
- 9 - Accounts Receivable - November 30, 1903.
- 10 - Due from Allied Companies - November 30, 1903.
- 11 - Sundry Suspended Asset Accounts - November 30, 1903.
- 12 - Notes Payable - November 30, 1903.
- 13 - Accounts Payable - November 30, 1903.
- 14 - Due to Allied Companies - November 30, 1903.



"B" - STATEMENT OF INCOME AND PROFIT AND LOSS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903.  
Schedule

- #1 - Mine Operations.
- 2 - Furnace Operations.
- 3 - Wood Alcohol Sales, Cost and Profit.
- 4 - Acetate of Lime Sales, Cost and Profit.
- 5 - Sales, Cost and Profit - Ore Purchased and Sold, Independent of Mine Operations.
- 6 - Earnings, Expenses and Net Income from Vessels.
- 7 - General Expenses.
- 8 - Miscellaneous Income of Mine Department.
- 9 - Miscellaneous Income of Furnace Department.
- 10 - Land Department Improvements, Taxes and Expense.
- 11 - Toledo Property - Expenses, Revenue and Net Expense.
- 12 - Cost of Options, Ground Rents, Examinations and Explorations.
- 13 - Depreciation of Assets.

"C" - CASH BOOK AND JOURNAL ENTRIES NECESSARY TO CORRECT THE BOOKS AND HARMONIZE THEM WITH EXHIBITS "A" AND "B" - NOVEMBER 30, 1903.

CLEVELAND IRON MINING COMPANY

"D" - GENERAL BALANCE SHEET - NOVEMBER 30, 1903 AND 1902 - AND COMPARISON.  
Schedule

- #1 - Accounts Receivable - November 30, 1903.
- 2 - Due from Allied Companies - November 30, 1903.
- 3 - Accounts Payable - November 30, 1903.
- 4 - Due to Allied Companies - November 30, 1903.

"E" - STATEMENT OF INCOME AND PROFIT AND LOSS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903.  
Schedule

- #1 - Mine Operations.
- 2 - Earnings, Expenses and Net Income from Vessels.
- 3 - General Expenses.
- 4 - Miscellaneous Income of Land Department.
- 5 - Miscellaneous Property Expenses in excess of Revenue - Mine Department.

"F" - JOURNAL ENTRIES NECESSARY TO CORRECT THE BOOKS AND HARMONIZE THEM WITH EXHIBITS "A" AND "B" - NOVEMBER 30, 1903.



IRON CLIFFS COMPANY

"G" - GENERAL BALANCE SHEET - NOVEMBER 30, 1903  
AND 1902 - AND COMPARISON.  
Schedule

- #1 - Materials and Supplies - November 30, 1903.
- 2 - Accounts Receivable - November 30, 1903.
- 3 - Due from Allied Companies - November 30, 1903.
- 4 - Due to Allied Companies - November 30, 1903.

"H" - STATEMENT OF INCOME AND PROFIT AND LOSS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903.  
Schedule

- #1 - Mine Operations.
- 2 - General Expenses.
- 3 - Miscellaneous Income of Mine Department.
- 4 - Net Profit from Greenhouse and Nursery.
- 5 - Land Department Expenses and Taxes in excess of Revenue.
- 6 - Bellevue Farm Expenses and Taxes in excess of Revenue.

"I" - JOURNAL ENTRIES NECESSARY TO CORRECT THE  
BOOKS AND HARMONIZE THEM WITH EXHIBITS  
"G" AND "H" - NOVEMBER 30, 1903.

PIONEER IRON COMPANY

"J" - GENERAL BALANCE SHEET - NOVEMBER 30, 1903  
AND 1902 - AND COMPARISON.  
Schedule

- #1 - Accounts Receivable - November 30, 1903.
- 2 - Due to Allied Companies - November 30, 1903.

"K" - STATEMENT OF INCOME AND PROFIT AND LOSS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903.

THE MUNISING COMPANY

"L" - GENERAL BALANCE SHEET - DECEMBER 31, 1903  
AND 1902 - AND COMPARISON.  
Schedule

- #1 - Accounts Receivable - December 31, 1903.
- 2 - Due to Allied Companies - December 31, 1903.

"M" - STATEMENT OF INCOME AND PROFIT AND LOSS -  
FOR THE YEAR ENDED DECEMBER 31, 1903.



MICHIGAMME COMPANY

"N" - GENERAL BALANCE SHEET - NOVEMBER 30, 1903  
AND 1902 - AND COMPARISON.

"O" - STATEMENT OF INCOME AND PROFIT AND LOSS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903.

ARCTIC IRON COMPANY

"P" - GENERAL BALANCE SHEET - DECEMBER 31, 1903  
AND 1902 - AND COMPARISON.

"R" - STATEMENT OF INCOME AND PROFIT AND LOSS -  
FOR THE YEAR ENDED DECEMBER 31, 1903.

Yours truly,

*Kaskin & Selby*

Certified Public Accountants.



CLEVELAND-CLIFFS IRON COMPANY  
AND ALLIED AND ASSOCIATED COMPANIES

COMMENTS ON THE EXAMINATIONS--  
FOR THE PERIODS HERETOFORE STATED

---

GENERAL OFFICE

SECURITIES OWNED BY CLEVELAND-CLIFFS IRON COMPANY

The Treasurer's attention was called to the condition of certain certificates of stock which were either not endorsed or were improperly endorsed, and thereupon the defects were healed.

CAPITAL STOCK OF THE PIONEER IRON COMPANY  
OWNED BY THE IRON CLIFFS COMPANY

When this capital stock was examined it was found that there were in the possession of the Treasurer 950 shares less than the number of shares stated in the ledger account of the Iron Cliffs Company. Examination of the latter developed, however, that prior to the period of this examination 950 shares of the capital stock of the Pioneer Iron Company had been sold and transferred to E. W. Hale and that the discrepancy was in the number of shares stated in the ledger account, which was corrected by the accounting department before the completion of this examination.

CASH

Examination of the cash in hand and the bank balances at the close of business on February 29, 1904, developed that they exceeded the Cash Book balances as follows, viz.:

Cleveland-Cliffs Iron Company,.....	\$ .27
Cleveland Iron Mining Company,.....	.71
Pioneer Iron Company,.....	.30

The cash in hand and on deposit of the Cleveland Iron Mining Company (\$45,834.04 per Exhibit "D") includes a special fund of \$853.01 on deposit with the Society for Savings. This fund originated about fifteen years ago through the deposit of \$500 as a special fund for the redemption of mine brass checks. As this fund has never been used for that purpose it is suggested that it be transferred to the general cash, thereby making it available for use in connection with the Company's operations and one less account requiring attention.



CLEVELAND-CLIFFS IRON COMPANY  
AND ALLIED AND ASSOCIATED COMPANIES.  
COMMENTS ON THE EXAMINATIONS, ETC.

---

REAL ESTATE AND TIMBER ACCOUNTS  
DEEDS AND CONTRACTS RELATING TO REAL ESTATE AND TIMBER

It is suggested that more definite means of comparison and identification be established between these accounts on the general ledger of the Cleveland-Cliffs Iron Company and the deeds and contracts sustaining them.

A comparison and verification of the accounts, as shown by the ledger, with the papers referred to, would be facilitated by placing at the head of each ledger account the identifying number under which the papers are filed.

Examination of these papers developed that they were distributed among your various offices, but prior to our leaving your office as many as possible were gathered in and filed at the general office.

CONSTRUCTION ACCOUNTS

It is suggested that the practice be discontinued of crediting to certain House Construction accounts the revenue derived from the rental of such houses, and of charging to these accounts the repairs on such houses.

Instead, it is suggested that such revenue and expenses be recorded in separate accounts, and if it is desired that the Construction accounts be depreciated to the extent of the difference between the revenue and the expenses such depreciation should be made a direct charge against Profit and Loss account.

NOTES RECEIVABLE AND ACCOUNTS PAYABLE OF SAM REDFERN  
AND J. E. JOPLING - CLEVELAND-CLIFFS IRON COMPANY

It is suggested that the net collections on these notes, which are now credited to personal accounts with the makers, in the general ledger, be transferred at the end of each fiscal year or more frequently to the Notes Receivable account and the amounts so transferred endorsed on the notes.

"LAND CONTRACTS" - CLEVELAND IRON MINING COMPANY

This account represents the balance (\$165.70) of various and sundry transactions in connection with lots sold in the City of Marquette.



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The transactions have extended over a long period of years, and have been looked after by Mr. Peter White, of Marquette. Statements of these transactions do not appear to have been received at regular intervals and when received proper disposition of the items therein has not been made on the books. Consequently, Sales, Rentals, Taxes, Insurance and sundry other charges and credits have confused the account to such an extent that it is not possible, without extended analysis, to determine whether the balance of the account is realizable or should be written off to Profit and Loss account. Your Auditor has expressed an intention to analyze the account from its commencement for the purpose of ascertaining its exact status.

CAPITAL STOCK - IRON CLIFFS COMPANY

There was an apparent overissue of 3,750 shares of the capital stock of the Iron Cliffs Company, which arose from the failure of the Treasurer to make a proper cancellation and reissue to complete the transaction in which the 3,750 shares were involved, as was subsequently done upon the matter being brought to the Treasurer's attention.

CAPITAL STOCK - PIONEER IRON COMPANY

Prior to the period of this examination there had been issued to E. V. Hale a certificate for 950 shares of the capital stock of this Company upon a transfer of the Iron Cliffs Company but said transfer had not been given effect in the stock ledger, wherein this particular stock was still shown as held by the Iron Cliffs Company. The proper transfer was made in the stock ledger before the completion of this examination.

ACCOUNTS BETWEEN ALLIED COMPANIES

It is suggested that all agreed debits and credits as between allied and associated companies be transferred at the end of each month to a general account with each company in order that the amount which has been agreed upon as due by "A" to "B" may appear as a liability of "A" and as an asset of "B". Under this plan unagreed debits and credits



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should remain in the original accounts of entry until agreement in the accounts has been reached. For example: "A" having rendered a bill against "B" and charged the amount thereof to a Bill Collectible controlling account or to a special account with "B" the amount should remain in the account charged until the bill has been vouchered by "B". The making of the voucher constituting an act of record in the agreement of the specific account would place both companies in position to transfer so much of the original account of entry to the agreed general account. Settlement of the agreed general accounts might then be made from time to time as desirable or expedient. This plan would assist materially in bringing to attention the unagreed accounts in the preparation of consolidated general balance sheets.

MARQUETTE IRON COMPANY - DEFERRED LIABILITY  
OF CLEVELAND IRON MINING COMPANY

No one at your general office seems to know the origin or nature of this account, the balance of which (\$541.07) has not changed in many years, but it is the opinion of both the Treasurer and the Auditor that the Marquette Iron Company has long since become extinct. Therefore it is suggested that this account be written off to the credit of Profit and Loss account.

MINE DEPARTMENT

RESERVES - IRON CLIFFS COMPANY

Inasmuch as these reserve accounts (New Building Fund, \$177.43, and Fire Loss - Salisbury Mine, \$670.76) are small and inactive and do not appear to serve any useful purpose it is suggested that they be written off to the credit of Profit and Loss account.

LAND DEPARTMENT

GENERAL LEDGERS

Many accounts are not divided by years, but are continued from one year to another without the formality of ruling off and bringing down



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the balance; others are ruled off but balances are inserted in pencil and brought down in the same manner; other accounts are carried from one folio to another without reference being made to the folio to which and from which the account is transferred, and little attention is given to inserting the year in which the entries are made. Accounts do not show proper reference to the original entry; the folio in the book of original entry is given, but whether in the cash book, in the journal or elsewhere is not stated. In some instances, where the original entry is referred to, the reference is confusing. In the case of posting from the journal entries for bills audited reference is made to "B. A." and "Jr." indiscriminately. Ledger postings should indicate the opposing account, so far as practicable.

#### RENT LEDGERS

The rent ledgers are not in agreement with the controlling accounts in the general ledgers, and it was stated by the Bookkeeper that a trial balance of these ledgers had never been taken off, from which it would appear that an effort had not been made to keep them in balance. Accounts are frequently closed "By Balance", but these balances are not brought down to the new accounts. Instances are numerous where leases are transferred from original lessees to new lessees, but the accounts of the old lessees are not closed up by balances being transferred to the accounts of the new lessees, although the latter may have paid in full any deficiencies that existed on the account of the original lessees. Thus old accounts of this nature frequently show debit balances and new accounts show credit balances, which do not actually exist. Under these circumstances there could be no other result than confusion, inaccuracy and unreliability, and as these conditions have existed for years we made no effort to check back accounts, for an uncertain period, and correct them.

Leases commencing on January 1st and terminating on December 31st are posted to the debit of their respective lessees' accounts and if the rentals for the full year ending on December 31st are collected in the fiscal year ending on November 30th, the full amount is taken into in-



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come for the period, regardless of the rental for one month not having been earned. The rent collector states that about two-fifths of the rentals are collected during the year in which they accrue, and that the remainder realized is collected subsequently. Only the rentals collected are taken into income, the remainder being carried in suspense until collected or written off as uncollectible. There does not appear to be a sufficiently systematic method of posting the accruing rentals in the ledgers, our examination having developed omissions in this respect.

CASH BOOKS AND CASH TRANSACTIONS

The cash books are footed in pencil, the footings are carried forward in the same manner and in many instances they have become illegible.

The entries in the cash book do not always represent actual receipts and disbursements, for the reason that entries are made relating to cash received or disbursed at the general office, on account of this department, and while it is understood that this is by instructions of the Auditor, it is suggested that items of this nature be entered through the journal and that only actual cash receipts and disbursements of the Land Department be entered in its cash books. It is further suggested that all receipts be deposited in bank, thereby bringing the deposits as shown by the bank pass book into agreement with the cash receipts as shown by the cash book, which could be made to serve the purpose of a partial check on the Cashier.

At the end of December, 1903, checks were drawn amounting to \$27,736.63 divided as follows:

Cleveland-Cliffs Iron Company,.....	\$12,620.70
Iron Cliffs Company,.....	5,501.91
The Munising Company,.....	<u>9,614.02</u>
Total,.....	<u>\$27,736.63</u>

These checks were not entered in the cash books until the commencement of the succeeding month, for the reason, as was explained by the Assistant Land Agent, that if they had been properly entered the cash books would have shown overdrafts, which it was desired to avoid. It was apparently assumed that none of these checks would be presented for payment prior to December 31, 1903, but one check (#73), drawn by The Munising Company in favor of John Reffruschinni, dated December 24,



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1903, for \$4,691.85, in payment of voucher #170, was presented and paid prior to December 31, 1903, resulting in the cash and bills audited being thrown out of balance with the books at the end of the fiscal year to the amount of this check.

On November 30, 1903, there was entered in the cash book of The Munising Company as disbursements the following items, viz.:

R. H. Gawley,.....	\$ 54.95
H. Hillman - Voucher #46,..	50.00

The Bookkeeper stated that in January, 1902, a mix-up in his cash and vouchers occurred through the Land Agent taking blank checks to pay taxes, the latter being entered in the cash book on January 2, 1902, as follows:

R. H. Gawley,.....	\$1,743.19
W. Bell,.....	4,283.51
A. Boogin,.....	50.00
G. N. Baldwin,.....	95.30
Sam Redfern,.....	11.76
H. E. Stockwell,.....	193.20
Sam Redfern,.....	4.50
Total,.....	<u>\$6,381.46</u>

These items are covered in the voucher record by

Voucher #54 - Feb. 1902, R. H. Gawley,..	\$1,940.89
" #55 - " G. Doucet,....	<u>4,578.14</u>
Total,.....	<u>\$6,519.03</u>

making a difference of,..... \$ 137.57

The Bookkeeper explains this difference by stating that of this amount

there was paid in January, 1902, but not entered,... \$ 54.95  
 (See first item above.)  
 and that Vouchers #54 and #55 erroneously included,.. 82.62

Total,..... \$137.57

The error of \$82.62 in the vouchers was adjusted by a journal entry in November, 1903, charging Bills Audited and crediting Taxes.

The payment of \$50.00 to H. Hillman on voucher #46 was made in January, 1902, but was not entered in the cash book until November 30, 1903.

It is therefore apparent that from the time of the alleged mix-up in January, 1902, until November, 1903, the cash and the cash book were not in agreement and the voucher record and the vouchers payable were



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out of balance. The Bookkeeper failed to explain how at December 31, 1903, the annual statements for the Cleveland office were made up without drawing attention to these discrepancies.

In the examination of the vouchers paid there were found to be missing 26 vouchers of the Cleveland-Cliffs Iron Company amounting to \$15,910.73, 9 vouchers of the Iron Cliffs Company amounting to \$406.63 and 3 vouchers of The Munising Company amounting to \$198.19.

Vouchers #4320 to #4346 of the Iron Cliffs Company amounting to \$12,033.99 are undated and unapproved.

Voucher #4816 of the Pioneer Company, in favor of G. W. Mondy, is entered in the voucher record and paid as \$45.00 (the correct amount due) but the voucher duplicate calls for \$170.00.

It is suggested that vouchers at this office should be correctly recorded, properly approved and more carefully filed for safe keeping.

TAX TITLES PURCHASED

Under this caption asset accounts are carried in the general ledgers as follows:

Cleveland-Cliffs Iron Company,.....	\$3,593.13
Cleveland Iron Mining Company,.....	426.21
Iron Cliffs Company,.....	2,151.29
Michigamme Company,.....	155.09

While there was evidence of the payments made on these accounts during the year of this examination there was not found a descriptive record of the lands to which such title had been acquired or any identification of the deeds. There is kept a so-called register of tax titles acquired, but the details therein fail to explain and support the accounts shown by the ledgers.

DELINQUENT TAXES PAID ON REAL ESTATE SOLD AND LEASED

Cleveland Iron Mining Company,.....	\$ 320.44
Iron Cliffs Company,.....	1,247.58
The Munising Company,.....	792.09

In the absence of supporting records or details these accounts were not verified. Many of the items charged to these accounts have also been charged to accounts in the rent ledgers of the Cleveland Iron



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Mining Company and the Iron Cliffs Company, without transfers between the respective controlling accounts. Therein lies the cause of a portion of the difference between the controlling accounts and the rent ledgers.

It is suggested that when delinquent taxes are paid on real estate which has been sold or leased by the Company, the account of the person or persons liable therefor should be charged. If there is an account with such person in the rent ledger, then that account should be charged. If the delinquent taxes apply to real estate sold, and title is not conveyed because of the purchaser's payments not having been completed, then the charge should be made against the account of such purchaser.

SECOND ADDITION LOT SALES RECEIVABLE - \$3,566.84

This balance in the general ledger account was not sustained by any subsidiary record, either at the beginning or the closing date of this examination. Proper adjustment of the account will involve examination of the transactions for a considerable length of time prior to the year under review and determination of their present status. Examination of a memorandum book disclosed open items amounting to \$3,400.18. Against many of these items appeared notations indicating that they should be cleared from the account because of forfeitures, relinquishments or other reasons. Of the items in this memorandum book apparently an aggregate of \$1,659.23 represented accounts that are good and collectible. The contra of this suspended asset may be found under the head of Suspended Income in Exhibit "D".

TRANSACTIONS BETWEEN ALLIED COMPANIES

Accounts in the books of any one company are not recorded correspondingly in the books of another. The Bookkeeper and Assistant Land Agent explain this by stating that it is not always convenient, owing to lack of time, to make corresponding entries in the books of the debtor or the creditor company as the case may be.

Such attention should be given to these accounts as will keep them in agreement at all times, by concurrent action in the accounts of the



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debtor company and in the accounts of the creditor company.

GENERAL

The Land Department accounts have been kept in such a manner and were in such a condition as to preclude the possibility of an expeditious examination or audit. Where details are kept ostensibly to support the general ledger or controlling accounts they are not in agreement therewith. In many cases such details are not on record. Trial balances of the subsidiary ledgers or records are seldom, if ever, taken, consequently errors and discrepancies occur which remain undetected.

To overcome these conditions the classification of accounts should be revised, adequate and proper books should be installed and closer attention and greater efficiency should be required of the clerical staff.

FURNACE DEPARTMENT

WOOD IN KILNS - C. C. I. CO.

This account does not include the cost of transferring wood from trestles to kilns, commonly called packing, but such expense is charged to Charcoal account. This results in a charge to Charcoal account for the cost of packing before charges are made to that account for the cost of the wood treated in the carbonizing process. As the expense for packing constitutes part of the cost of placing the wood in the kilns such expense should be charged to Wood in Kilns account and should be included in the transfer from that account to Charcoal account when the kilns are made empty. Under this method of accounting the average cost per cord of wood in kilns would be more correctly established for use as the basis of inventory appraisalment.

CASH - C. C. I. CO.

The count of the cash and cash items on January 21, 1904, included sundry slips and scraps of paper which were undated and unsigned and



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contained on their face, in some instances, more than one amount and sundry endorsements, making it impossible to determine their exact value. They were included in the cash items at the local auditor's valuations, aggregating \$1,436.20. Under this valuation the cash and cash items aggregated \$44.29 more than the amount called for by the cash book. The local auditor explained that this difference was about the same as one existing when he took over the cash and cash items from his predecessor on January 1, 1904.

CASH BOOKS - C. C. I. CO. AND P. I. CO.

The entries of receipts and disbursements are frequently made without date. It is suggested that completeness be made a more important feature of these records.

MATHEWS AND PARSONS TRACT TAXES - C. C. I. CO.  
MUNISING LAND WEST TAXES - P. I. CO.

These asset accounts at November 30, 1903, represent taxes paid for the year ended December 31, 1903, to be cleared in the year ending November 30, 1904, by writing off ten cents per cord of wood produced to the respective wood accounts. Eleven-twelfths of these taxes are properly applicable to the operations for the year ended November 30, 1903, together with one-twelfth of the taxes paid for the preceding year.

The Assistant Auditor stated that owing to uncertainty as to the amount of taxes for each year it is not practicable to set up reserves for the taxes accruing in each year, therefore the taxes paid for a year are carried as an asset at the end of such year and are written off in the subsequent year in the manner heretofore indicated. It is suggested that it is practicable to set up in each year a reserve to cover a fair estimate of the taxes accruing by basing such reserve upon the amount of taxes paid for the preceding year and upon an estimate of the production of wood for the year.



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VOUCHER RECORDS - C. C. I. CO. AND P. I. CO.

These do not contain any record relating to the payment of the vouchers, notwithstanding columns are provided which might be for that purpose. In the absence of such record it was necessary to check the cash book items against the voucher record items in order to check the controlling account by the subsidiary record. It is suggested that hereafter the dates of the payment of vouchers be posted in the voucher record from the cash book.

On November 30, 1903, the Bills Audited (Vouchers Payable) account in the general ledger showed a credit balance of \$6,164.45, instead of the correct amount of \$7,164.45. This resulted in the ledger and the trial balance book being \$1,000 out of balance and in an incorrect balance being brought down to the new account on December 1, 1903. Notwithstanding this condition it was found that the correct amount had been used in the Balance Sheet, November 30, 1903, rendered to the Cleveland Office.

Vouchers drawn and paid by the Pioneer Iron Company frequently cover invoices made against the Cleveland-Cliffs Iron Company. The local auditor stated that such invoices were erroneously made and that they represented liabilities of the Pioneer Iron Company. In many instances the duplicate vouchers submitted to us for verification were not approved.

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*(Comments, concluded) - 12.*



CLEVELAND-CLIFFS IRON COMPANY

GENERAL BALANCE SHEET - NOVEMBER 30, 1903 AND 1902 - AND COMPARISON

-- A S S E T S --	..... NOVEMBER 30, .....	1903	1902	INCREASE	DECREASE		
<b>PROPERTY AND EQUIPMENT:</b>							
Real Estate,.....	\$	1,604,600.93	\$	776,979.75	\$	827,621.18	
Mineral Lands,.....		882,584.28		878,792.06		3,792.22	
Mineral Rights,.....		1,196,307.27		741,933.08		454,374.19	
Timber Rights,.....		83,539.45		140,460.04		\$	56,920.59
Tax Titles Acquired,.....		3,593.13				3,593.13	
Vessels,.....		374,000.00		394,000.00		20,000.00	
Private Business Car,.....		14,000.00		13,367.10		632.90	
Tracks at Queen Mine,.....		24,254.58		24,254.58			
Construction - Schedule #1,.....		433,568.87		183,894.86		249,674.01	
Improvements - Schedule #2,.....		254,730.78		260,137.41		5,406.63	
Equipment - Schedule #3,.....		80,382.96		75,942.71		4,440.25	
<b>Total Property and Equipment,.....</b>	<b>\$</b>	<b>4,951,562.25</b>	<b>\$</b>	<b>3,489,761.59</b>	<b>\$</b>	<b>1,461,800.66</b>	
<b>SECURITIES OWNED - Schedule #4,.....</b>	<b>\$</b>	<b>5,026,965.07</b>	<b>\$</b>	<b>5,508,142.07</b>	<b>\$</b>	<b>481,177.00</b>	
<b>CAPITAL STOCK IN THE TREASURY,.....</b>	<b>\$</b>	<b>90,000.00</b>	<b>\$</b>	<b>90,000.00</b>			
<b>WORKING AND TRADING ASSETS:</b>							
Materials and Supplies - Schedule #5,.....	\$	239,054.83	\$	272,273.96	\$	33,219.13	
Finished Product - Schedule #6,.....		697,446.84		391,076.95		306,369.89	
Mining Royalties Paid - Unexpired Proportion - Schedule #7,.....		68,088.44		53,375.00		14,713.44	
L. R. Wister & Co., Agents - Iron Ore and Pig Iron Account - Net,.....		469.46				469.46	
Working Funds - Vessel Captains,.....		1,098.76		161.54		937.22	
Telephone Coupons,.....		223.14		5.43		217.71	
Insurance Premiums Paid - Unexpired Proportion,...		2,097.34		1,093.85		1,003.49	
Interest Paid on Notes Payable and on Discounted Notes Receivable - Unexpired Proportion,.....		1,416.42				1,416.42	
Advance Payments on Coal not received,.....				1,745.66		1,745.66	
Loading Wood,.....				1,146.83		1,146.83	
<b>Total Working and Trading Assets,.....</b>	<b>\$</b>	<b>1,009,895.23</b>	<b>\$</b>	<b>720,879.22</b>	<b>\$</b>	<b>289,016.01</b>	
<b>CURRENT ASSETS:</b>							
Cash in Hand and on Deposit:							
General Office,.....	\$	32,776.53	\$	59,910.10	\$	27,133.57	
Mine Department,.....		2,899.43		1,875.74		1,023.69	
Furnace Department,.....		957.07		2,850.62		1,893.55	
Land Department,.....		1,272.37				1,272.37	
Notes Receivable - Schedule #8,.....		18,319.02		117,994.12		99,675.10	
Accounts Receivable - Schedule #9,.....		422,072.17		763,155.04		341,082.87	
Interest on Bonds Owned - Accrued,.....		11,450.00				11,450.00	
Interest on Notes Receivable - Accrued,.....		184.39				184.39	
<b>Total Current Assets,.....</b>	<b>\$</b>	<b>489,930.98</b>	<b>\$</b>	<b>945,785.62</b>	<b>\$</b>	<b>455,854.64</b>	
<b>DUE FROM ALLIED COMPANIES - Schedule #10,.....</b>	<b>\$</b>	<b>2,373,094.64</b>	<b>\$</b>	<b>2,013,042.85</b>	<b>\$</b>	<b>360,051.79</b>	
<b>DEFERRED AND SUSPENDED ASSETS:</b>							
Payment on Subscription to Capital Stock of Marquette & Southeastern Railway Company,.....							
	\$	12,500.00	\$	12,500.00	\$		
Sundry Suspended Accounts - Schedule #11,.....		33,839.58		21,547.49		12,292.09	
Taxes on Mathews and Parsons Tracts Wood,.....		4,426.44		3,353.73		1,072.71	
Railroad Survey to Sauks Head,.....		4,191.75		4,191.75			
Barabee Tract - Expense re prospective purchase,...		32.95		32.95			
Bosle Jacket Patent,.....				170.00		\$	170.00
<b>Total Deferred and Suspended Assets,....</b>	<b>\$</b>	<b>54,990.72</b>	<b>\$</b>	<b>29,295.92</b>	<b>\$</b>	<b>25,694.80</b>	
<b>NOTES RECEIVABLE - DISCOUNTED (see contra),.....</b>	<b>\$</b>	<b>85,723.99</b>	<b>\$</b>	<b>85,723.99</b>	<b>\$</b>		
<b>TOTAL ASSETS,.....</b>	<b>\$</b>	<b>14,082,162.88</b>	<b>\$</b>	<b>12,796,907.27</b>	<b>\$</b>	<b>1,285,255.61</b>	



CLEVELAND-CLIFFS IRON COMPANY.  
GENERAL BALANCE SHEET, ETC.

-- LIABILITIES --	..... NOVEMBER 30, .....		INCREASE	DECREASE
	1903	1902		
<b>CAPITAL STOCK:</b>				
50,000 Shares, par value \$100.00 each,.....	\$ 5,000,000.00	\$ 5,000,000.00		
<b>CURRENT LIABILITIES:</b>				
Notes Payable - Schedule #12,.....	\$ 1,635,864.32	\$ 1,297,344.38	\$ 338,519.94	
Vouchers Payable, not including Allied Companies,.	260,489.46	371,262.92		\$ 110,773.46
Accounts Payable - Schedule #13,.....	73,373.35	19,373.28	54,000.07	
Pay-rolls,.....	58,330.41	62,193.28		3,862.87
Unclaimed Wages,.....	49.23	167.02		117.79
Employees' Benefit Fund Deposits,.....	3,976.93	3,104.81	872.12	
Employees' Deposits for Identification Checks,....	786.50	735.50	51.00	
Ore Royalties Payable,.....		29,449.12		29,449.12
Interest on Notes Payable - Accrued,.....	22,590.40	15,076.38	7,514.02	
Taxes - Accrued,.....	52,125.71	25,714.17	26,411.54	
Taxes on Taylor Farm - Accrued,.....	63.88		63.88	
<b>Total Current Liabilities,.....</b>	<b>\$ 2,107,650.19</b>	<b>\$ 1,824,420.86</b>	<b>\$ 283,229.33</b>	
<b>DUE TO ALLIED COMPANIES - Schedule #14,.....</b>	<b>\$ 34,153.66</b>	<b>\$ 3,547,643.22</b>		<b>\$3,513,489.56</b>
<b>DEFERRED AND SUSPENDED LIABILITIES:</b>				
Advance Receipts on Undelivered Ore,.....	\$ 46,074.96	\$ 170,428.44		\$ 124,353.48
Receipts from Sale of Real Estate at Gladstone - Unapplied,.....	10,937.50	10,937.50		
Employees' Benefit Fund Suspense,.....	1,976.44	1,751.78	\$ 224.66	
Interest included in Notes Receivable - Unearned Proportion,.....	933.26		933.26	
L. R. Wister & Co., Agents - Iron Ore and Pig Iron Account - Net,.....		65,633.20		65,633.20
<b>Total Deferred and Suspended Liabilities,.....</b>	<b>\$ 59,922.16</b>	<b>\$ 248,750.92</b>		<b>\$ 188,828.76</b>
<b>RESERVES:</b>				
Insurance - Chemical Plants,.....	\$ 17,553.92	\$ 9,896.42	\$ 7,657.50	
Relinings and Renewals of Furnace,.....	12,712.42	8,822.32	3,890.10	
Gladstone Dock,.....	4,051.23	4,051.23		
Real Estate,.....	3,901.00		3,901.00	
<b>Total Reserves,.....</b>	<b>\$ 38,218.57</b>	<b>\$ 22,769.97</b>	<b>\$ 15,448.60</b>	
<b>DISCOUNTED NOTES RECEIVABLE (see contra),.....</b>	<b>\$ 85,723.99</b>		<b>\$ 85,723.99</b>	
<b>PROFIT AND LOSS - SURPLUS, PER EXHIBIT "B",.....</b>	<b>\$ 6,756,494.31</b>	<b>\$ 2,153,322.30</b>	<b>\$4,603,172.01</b>	
<b>TOTAL LIABILITIES,.....</b>	<b>\$14,022,162.88</b>	<b>\$12,796,907.27</b>	<b>\$1,285,255.61</b>	



CLEVELAND-CLIFFS IRON COMPANY

CONSTRUCTION - NOVEMBER 30, 1903.

MINE DEPARTMENT:

Maas - Opening,.....	\$160,373.91
Crosby - Opening,.....	89,996.91
Crosby - Explorations,.....	20,905.45
Austin - Opening,.....	58,366.59
Austin - Explorations,.....	11,620.67
Austin - New Buildings,.....	6,953.57
Lucy - Re-opening and Equiping,.....	<u>30,687.35</u>

Total Mine Department,..... \$378,904.45

FURNACE DEPARTMENT:

Furnace,.....	\$ 34,256.41
Chemical Plant #1,.....	9,114.76
Kilns,.....	4,738.47
Rented Houses,.....	<u>1,944.01</u>

Total Furnace Department,..... 50,053.65

LAND DEPARTMENT:

Fish Hatchery,.....	\$ 2,115.26
Dwelling at Fish Hatchery,.....	452.10
Game-keepers Cottage, Grand Island,.....	<u>2,043.41</u>

Total Land Department,..... 4,610.77

TOTAL CONSTRUCTION,..... \$433,568.87

*Exhibit A  
Schedule X*



CLEVELAND-CLIFFS IRON COMPANY

IMPROVEMENTS - NOVEMBER 30, 1903

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FURNACE DEPARTMENT:

Furnace,.....	\$ 62,356.88
Chemical Plant #1,.....	80,728.82
Acetate Plant #1,.....	11,724.60
Retorts,.....	<u>99,920.48</u>

TOTAL,..... \$254,730.78

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Exhibit 'A'  
Schedule # 2



CLEVELAND-CLIFFS IRON COMPANY

EQUIPMENT - NOVEMBER 30, 1903

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MINE DEPARTMENT:

Michigamme,.....	\$ 2,885.65	
Maas - Portable Machinery,.....	1,014.35	
Ashland:		
Portable Machinery,.....	\$ 2,981.63	
Steam Shovel,.....	360.00	3,341.63
Negaunee:		
Power Drills,.....	\$ 1,359.35	
Cars, Skips and Derricks,.....	3,490.00	
Portable Machinery,.....	10,115.00	
Plant,.....	15,746.64	
Barn,.....	1,130.00	31,840.99
Mesaba,.....		1,880.71
Crosby - Barn,.....		553.35
Barasa - Portable Machinery,.....		1,095.00
Austin - Barn,.....		235.50

Total Mine Department,..... \$42,847.18

FURNACE DEPARTMENT:

Furnace,.....	\$ 6,400.77	
Mathews Barn,.....	11,514.12	
Parsons Portable Railway,.....	18,383.61	

Total Furnace Department,..... 36,298.50

LAND DEPARTMENT:

Grand Island,.....	1,237.28	
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TOTAL EQUIPMENT,..... \$80,382.96

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CLEVELAND-CLIFFS IRON COMPANY

SECURITIES OWNED - NOVEMBER 30, 1903.

<u>NAME</u>		<u>PAR VALUE EACH.</u>	<u>TOTAL PAR VALUE</u>	<u>TOTAL BOOK VALUE</u>
<u>STOCKS</u>				
	<u>NUMBER OF SHARES</u>			
Iron Cliffs Company,.....	20,000	\$ 50.00	\$1,000,000.00	\$2,075,400.00
Cleveland Iron Mining Co.,..	100,000	25.00	2,500,000.00	1,777,000.00
Lake Superior Iron Company,.	20,999	25.00	524,975.00	372,500.00
Munising Company,.....	4,159	100.00	415,900.00	194,000.00
Arctic Iron Company,.....	10,000	25.00	250,000.00	85,500.00
Regent Iron Company,.....	1,125	100.00	112,500.00	10,000.00
Lake Superior and Ishpeming Railway Company,.....	750	100.00	75,000.00	1,000.00
Munising Railway Company,...	8,106	100.00	810,600.00	1,000.00
* Lac La Belle Company,.....	100	10.00	1,000.00	750.00
Munising Paper Co., Ltd.,...	3,500	100.00	350,000.00	27,500.00
Upper Peninsula Land Co.,..	3,125	100.00	312,500.00	1.00
Gladstone Opera House Co.,..	10	25.00	250.00	1.00
Lake Carriers' Association,.	73.13	1.00	73.13	1.00
Total,.....				<u>\$4,544,653.00</u>

<u>BONDS</u>		<u>NUMBER OF BONDS.</u>			
Upper Peninsula Land Co., Ltd,.....	438	\$1,000.00	\$ 438,000.00	\$	435,992.07
+ Gladstone Company,.....	22	500.00	11,000.00		13,200.00
Alger County, Mich., 4s,.....	30	1,000.00	30,000.00		30,000.00
Total,.....				\$	<u>479,192.07</u>

FOREST RESERVE SCRIP

U. S. Government Scrip covering 521.16 Acres of Land,..... \$ 3,120.00

TOTAL SECURITIES OWNED,..... \$5,026,965.07

\* Certificates in name of H. H. McKeehan.

+ Mortgage foreclosed and Bonds in hands of foreclosure committee.



CLEVELAND-CLIFFS IRON COMPANY

MATERIALS AND SUPPLIES - NOVEMBER 30, 1903

MINE DEPARTMENT:

Imperial - General Supplies,.....		\$ 2,507.25
Maas - General Supplies,.....	\$17,143.50	
Maas - Scrap,.....	<u>42.42</u>	17,185.92
Ashland - General Supplies,.....		34,415.33
Negaunee - General Supplies,.....	\$28,813.33	
Negaunee - Scrap,.....	<u>29.66</u>	28,842.99
Crosby - General Supplies,.....		8,391.20
Austin - " ,.....		15,595.85
Lucy - General Supplies,.....		<u>7,272.91</u>

Total Mine Department,..... \$114,211.45

FURNACE DEPARTMENT:

Furnace Supplies,.....		\$ 13,279.91
Chemical " ,.....		1,720.15
Laboratory " ,.....		93.00
Retort " ,.....		12,445.66
Mathews Barn Supplies,.....		452.51
Parsons Barn " ,.....		233.30
Limestone Barn Supplies,.....		729.75
Portable Railway Supplies,.....		25.64
Club House Supplies,.....		53.20
Ore:		
Lake,.....	\$ 2,921.72	
Lake Silica,.....	1,243.92	
Salisbury,.....	6,715.13	
Cliffs Shaft,.....	<u>12,554.51</u>	23,435.28
Wood:		
At Furnace,.....	\$ 973.07	
In Kilns,.....	10,822.15	
In Limestone District,.....	4,481.36	
On Parsons Tract,.....	31,317.84	
On Mathews Tract,.....	<u>24,170.40</u>	71,764.82
Charcoal,.....		269.22
Limestone,.....		<u>97.51</u>

Total Furnace Department,..... 124,599.95

LAND DEPARTMENT:

Wood at Grand Island,.....	\$ 53.43
Fish at Hatchery,.....	<u>190.00</u>

Total Land Department,..... 243.43

TOTAL MATERIALS AND SUPPLIES,.... \$239,054.83



CLEVELAND-CLIFFS IRON COMPANY

FINISHED PRODUCT - NOVEMBER 30, 1903

Crude Alcohol,.....	\$ 2,682.60
Refined Alcohol,.....	2,720.60
Acetate of Lime,.....	258.84
Dunbar Pig Iron,.....	107,535.00
Pioneer Pig Iron,.....	121,425.00
Ashland Ore,.....	342,364.50
Volunteer Ore,.....	54,672.75
Lucy Ore,.....	2,478.00
Negaunee Ore,.....	2,014.00
Austin Ore,.....	1,086.00
Michigamme Ore,.....	175.95
Lake Superior Iron Company Ore,.....	<u>60,033.60</u>
TOTAL,.....	<u>\$697,446.84</u>

*Exhibit A  
Schedule 26*



CLEVELAND-CLIFFS IRON COMPANY

MINING ROYALTIES PAID -  
UNEXPIRED PROPORTION - NOVEMBER 30, 1903

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On I. Stephenson Lease,.....	\$ 500.00
On Negaunee Mine,.....	7,602.33
On Maas Mine,.....	5,611.11
On Crosby Mine,.....	52,500.00
On L. W. Hill Tract, Sec. 10, T. 56, R. 23,.....	<u>1,875.00</u>
TOTAL,.....	<u>\$ 68,088.44</u>

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Exhibit A  
Schedule #7



CLEVELAND-CLIFFS IRON COMPANY

NOTES RECEIVABLE - NOVEMBER 30, 1903

<u>DATE</u>	<u>NAME</u>	<u>MATURITY</u>	<u>AMOUNT</u>
Oct. 20, 1898	- W. G. Mather, Trustee,.....	On Demand	\$ 5,588.13
Nov. 27, 1899	- J. E. Jopling Balance,.....	"	772.98
Sep. 14, 1900	- Sam Redfern Balance,.....	"	3,079.34
Oct. 28, 1903	- United States Radiator Co.,..	Feb. 28, 1904	559.65
Nov. 25, 1903	- Cleveland Furnace Co.,.....	Mar. 25, 1904	2,772.72
"	- Northwestern Iron Co.,.....	"	3,870.00
Oct. 30, 1903	- Greensburg F. & M. Co.,.....	Dec. 30, 1903	1,000.00
Nov. 18, 1903	- United States Radiator Co.,..	Mar. 18, 1904	676.20
	TOTAL,.....		<u>\$18,319.02</u>

Exhibit A  
Schedule X8



CLEVELAND-CLIFFS IRON COMPANY

ACCOUNTS RECEIVABLE - NOVEMBER 30, 1903

NAME	AMOUNT
GENERAL OFFICE:	
S. J. Adams,.....	\$ 687.50
American Fdy. & Cons. Co.,.....	777.50
Berry Bros., Ltd.,.....	6,562.41
Wood Products Company,.....	8,576.07
Connellsville Mfg. & Mine Supply Company,,	349.57
Connellsville Machine & Car Company,.....	420.50
Cleveland Furnace Company,.....	13,965.69
Clinton Iron & Steel Company,.....	4,666.35
Carbon Steel Company,.....	1,753.55
Hempfield Fdy. & Machine Company,.....	717.75
W. S. Gray,.....	3,827.48
Greensburg Fdy. & Machine Company,.....	1,165.75
Garry Iron & Steel Company,.....	258.93
Hopkins S. S. Company,.....	1,028.50
Irwin Fdy. & Mfg. Company,.....	408.75
Lackawanna Steel Company,.....	15,080.16
Jones & Laughlin Steel Company,.....	54,770.84
Mesta Machine Company,.....	647.50
Mackintosh, Hemphill & Company,.....	.35
Lake Superior Iron Company,.....	51,603.61
L. S. & I. Railway,.....	32.15
Monongahela Iron & Steel Company,.....	3,575.40
Monongahela Fdy. & Forge Company,.....	3,157.80
Ohio Iron & Steel Company,.....	3,773.48
Pickands, Mather & Company,.....	495.26
Phillips Mine & Mill Supply Company,.....	763.20
Pittsburg Mfg. Company,.....	342.50
Presque Isle Transportation Company,.....	2,063.00
Pennsylvania Malleable Company,.....	8,743.00
Peninsular Iron Mfg. Company,.....	6,861.12
Geo. Reader,.....	148.75
Regent Iron Company,.....	278.00
St. Clair S. S. Company,.....	512.25
Superior Charcoal Iron Company,.....	1,360.00
Spring Lake Iron Company,.....	5,335.01
United States Radiator Company,.....	10.14
Yost Bros.,.....	2,128.00
L. & R. Wister & Company - Miscellaneous,,	6.85
Wisconsin Central Railway Company,.....	170.80
Zug & Company,.....	647.50
S. S. I. H. Owen,.....	11.57
P. & E. Railway Company,.....	13.97
Jos. Seep,.....	131.61
Thomas Iron Company,.....	36,274.05
Wayne Iron Company, Ltd.,.....	15,184.99
H. H. McKeenan (Stock Divd.),.....	170.00
Mercantile National Bank,.....	442.45
S. S. Cadillac - Accident Account,.....	829.70
Munising Paper Company, Ltd.,.....	29.48
Mather & Company,.....	371.18
W. G. Mather, Pig Iron Dividend,.....	<u>123,742.39</u>
Total General Office - (Forward),.....	\$384,874.36



CLEVELAND-CLIFFS IRON COMPANY.  
 ACCOUNTS RECEIVABLE, ETC.

NAME	AMOUNT
TOTAL GENERAL OFFICE - (Forward),.....	\$384,874.36
<b>MINE DEPARTMENT:</b>	
Dr. R. J. Sewell,.....	\$ 3.00
Chicago & N. W. Railway Company,.....	4.50
Standard Oil Company,.....	9.55
M. C. McGeehan,.....	109.57
L. S. & I. Railway Company,.....	106.25
Cole McDonald,.....	40.37
Marshall Welk Hdw. Company,.....	12.50
Western Pass. Assn.,.....	20.00
Hercules Powder Company,.....	14.40
Grasselli Chem. Company,.....	9.45
Alfred Noble,.....	1.57
Gust Carlson,.....	28.81
Various Persons,.....	1.75
City of Negaunee,.....	16.88
Wm. Maas,.....	40.67
L. E. Chausee,.....	73.47
Philip Peppin,.....	29.30
Scully Steel & Iron Company,.....	39.60
Chas. Sandquist,.....	.40
N. Johnson,.....	3.95
Earnest Noven,.....	7.31
Ironwood Water Works Company,.....	.95
Capt. S. Perkins,.....	8.30
Rand Drill Company,.....	187.50
Chas. Steele,.....	.25
Pickands, Mather & Company,.....	112.27
Total Mine Department,.....	882.57
<b>LAND DEPARTMENT:</b>	
Dalton Lumber Company,.....	\$ 28,214.50
Central Land & Timber Company,.....	117.25
Sundry Persons for miscellaneous truck,...	1.00
Total Land Department,.....	28,332.75
<b>FURNACE DEPARTMENT:</b>	
Wm. Vincent,.....	\$ 102.05
A. Caron,.....	43.84
A. Bergeron,.....	250.00
P. Archambault,.....	35.05
D. Poupor,.....	187.37
Hy. Tabaert,.....	282.98
Hy. Woolner,.....	111.00
N. Poupor,.....	256.74
Aug. Cook,.....	300.00
Jos. Mercure,.....	356.40
Jno. P. Middaugh,.....	134.69
Jno. Mickell,.....	150.50
Geo. Summerville,.....	319.46
A. Farrell,.....	1.40
C. V. R. Townsend,.....	2.89
Furnace Department - (Forward),.....	\$ 2,534.37
TOTAL - (Forward),.....	\$414,089.68



CLEVELAND-CLIFFS IRON COMPANY.  
ACCOUNTS RECEIVABLE, ETC.

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NAME	AMOUNT
TOTAL - (Forward),.....	\$414,089.68
FURNACE DEPARTMENT - (Forward),.....	\$ 2,534.37
Geo. J. Shining,.....	2.25
A. Demars,.....	300.00
Fred. Anderson,.....	3.75
Jerry Madden,.....	78.76
Crown Dryer Company,.....	35.20
Western Weighing Assn.,.....	25.00
H. Martin,.....	27.80
Northwestern Cooperage & Lbr. Company,.....	3,000.00
A. H. Powell,.....	12.50
Club House Receipts,.....	58.56
C. W. Davis,.....	1.28
M., St. P. & S. Ste. M. Railway,.....	243.19
J. B. Frechette,.....	23.45
Hoppman & Bauer,.....	10.69
Wood Products Company,.....	267.75
Jno. Anderson,.....	8.10
A. Farrell & Company,.....	827.84
E. E. Loop,.....	<u>600.00</u>
Total Furnace Department,.....	<u>7,982.49</u>
TOTAL ACCOUNTS RECEIVABLE,.....	<u>\$422,072.17</u>

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Exhibit "A"  
Schedule X-9



CLEVELAND-CLIFFS IRON COMPANY

DUE FROM ALLIED COMPANIES - NOVEMBER 30, 1903.

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GENERAL OFFICE:

Munising Railway Company,.....	\$	241,574.60	
Munising Railway Company - Demand Note dated October 1, 1900,.....		376,728.35	
Marquette & Southeastern Railway Company - Advances for Construction,.....		735,895.68	
Pioneer Iron Company - Advances for Construction,.....		1,009,633.86	
M. M. Duncan, Agent (Telephone Coupons),....		5.55	
Total General Office,.....			\$2,363,838.04

MINE DEPARTMENT:

Pioneer Iron Company,.....	\$	644.31	
Cleveland Iron Mining Company,.....		386.93	
Iron Cliffs Company,.....		907.91	
Iron Cliffs Company, Negaunee - Negaunee Mine,.....		2,849.09	
Total Mine Department,.....			4,788.24

LAND DEPARTMENT:

Munising Railway Company - Land Department, ..	\$	70.90	
Munising Company,.....		577.84	
Iron Cliffs Company,.....		26.34	
Michiganme Company,.....		3.00	
Cleveland-Cliffs Iron Company, Ishpeming,...		23.55	
Pioneer Iron Company,.....		1.47	
Cleveland Iron Mining Company,.....		23.16	
Total Land Department,.....			726.26

FURNACE DEPARTMENT:

Pioneer Iron Company,.....			3,742.10
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TOTAL DUE FROM ALLIED COMPANIES,..... \$2,373,094.64

NOTE: With exception of Munising Railway Company  
Note all above items represent open  
accounts.



CLEVELAND-CLIFFS IRON COMPANY

SUNDRY SUSPENDED ASSET ACCOUNTS - NOVEMBER 30, 1903

M. C. Lally & Company,.....	\$ 25.00
W. G. Mather - O'Brien Deal,.....	5,000.00
Gad Smith,.....	2,716.11
Sam. P. Snyder,.....	20,940.64
Advances, Swanzy Range,.....	1,140.00
S. S. Choctaw - Accident Account,.....	25.00
W. G. Mather - Grand Rapids Account,.....	3,750.00
" - Iron Ore Assn.,.....	<u>242.83</u>
TOTAL,.....	<u>\$33,839.58</u>

Exhibit A  
Schedule 211



CLEVELAND-CLIFFS IRON COMPANY

NOTES PAYABLE - NOVEMBER 30, 1903

MATURITY	PAYEE	DATE	ITEM	AMOUNT
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FOR LOANS - DEMAND AND DUE IN 1904

Demand	- W. G. Mather, Trustee	Oct. 20, 1898		\$ 4,250.00
"	- Mercantile Nat'l Bk.	May 18, 1900		10,000.00
"	- "	Nov. 1, 1901		50,000.00
"	- Trinity Church, .....	Aug. 5, 1902		94,582.53
"	- Kent County Savings Bank, .....	Jan. 22, 1903		20,000.00
"	- Bank of Commerce N. A., .....	Jul. 27, 1903		100,000.00
"	- Citizens' Savings & Trust Company, .....	Sep. 15, 1903		280,000.00
Jan. 27, 1904	- First Nat'l Bank, ...	Jul. 27, 1903		10,000.00
"	- Miners' Nat'l Bank, ..	"		10,000.00
"	- Marquette Nat'l Bk.,	"		10,000.00
Total for Loans - Demand and due in 1904,				\$ 588,832.53

FOR PROPERTY PURCHASES - DUE IN 1904

Jan. 3, 1904	- Chas. A. Sands, .....	Jan. 3, 1902		\$ 29,078.48
Feb. 1, 1904	- American Mining Co.,	Sep. 3, 1903		75,000.00
Mar. 9, 1904	- George J. Maas, .....	Mar. 9, 1901		99,000.00
Mar. 16, 1904	- Upper Peninsula Land Co., .....	Nov. 16, 1903		50,000.00
Jun. 18, 1904	- Edgar H. Tower, Trustee, .....	Jun. 18, 1902		11,256.86
Jun. 26, 1904	- F. E. Driggs and W. W. Heaton, Trustees,	Jun. 26, 1902		7,244.05
Jul. 1, 1904	- Danaher & Melindy Company, .....	Jul. 1, 1902		11,530.08
Aug. 15, 1904	- Mrs. A. Maas, .....	Aug. 15, 1903		45,000.00
Aug. 15, 1904	- W. J. Maas, .....	"		35,000.00
"	- A. E. Maas, .....	"		25,000.00
"	- A. E. Maas, Trustee,	"		20,000.00
Sep. 1, 1904	- Geo. J. Lonstorf, ...	Sep. 1, 1903		100,000.00
Oct. 1, 1904	- R. J. Maas, .....	Oct. 1, 1903		15,000.00
"	- Manistique Lumbering Company, .....	"		33,056.21
Oct. 15, 1904	- Annie M. Stentz, ....	Oct. 15, 1902		21,250.00
Oct. 21, 1904	- T. W. Taylor, .....	Oct. 21, 1903		13,832.82
Total for Property Purchases - Due in 1904, .....				591,248.50
FORWARD, .....				\$1,180,081.03



CLEVELAND-CLIFFS IRON COMPANY.  
 NOTES PAYABLE, ETC.

MATURITY	PAYEE	DATE	ITEM	AMOUNT
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FORWARD,..... \$1,180,081.03

FOR PROPERTY PURCHASES - DUE SUBSEQUENT TO 1904

Jun. 18, 1905	- Edgar H. Tower, Trustee	Jun. 18, 1902	\$ 11,256.86
Jun. 26, 1905	- F.E. Driggs and W. W. Heaton, Trustees,.....	Jun. 26, 1902	155,748.02
Jul. 1, 1905	- Danaher & Melindy Co.,	Jul. 1, 1902	11,530.08
Sep. 1, 1905	- Geo. J. Lonstorf,.....	Sep. 1, 1903	60,000.00
Oct. 1, 1905	- Manistique Lumbering Company,.....	Oct. 1, 1903	33,056.22
Oct. 15, 1905	- Annie M. Stentz,.....	Oct. 15, 1902	21,250.00
Oct. 21, 1905	- T. W. Taylor,.....	Oct. 21, 1903	13,832.82
Oct. 1, 1906	- Manistique Lumbering Company,.....	Oct. 1, 1903	33,056.21
Oct. 21, 1906	- T. W. Taylor,.....	Oct. 21, 1903	13,832.81
Oct. 1, 1907	- Manistique Lumbering Company,.....	Oct. 1, 1903	5,000.00
"	- do	"	5,000.00
"	- do	"	5,000.00
"	- do	"	5,000.00
"	- do	"	5,000.00
"	- do	"	5,000.00
"	- do	"	3,056.22
Oct. 21, 1907	- T. W. Taylor,.....	Oct. 21, 1903	13,832.81
Oct. 21, 1908	- " ,.....	"	13,832.81
Oct. 21, 1909	- " ,.....	"	13,832.81
Oct. 21, 1910	- " ,.....	"	13,832.81
Oct. 21, 1911	- " ,.....	"	13,832.81

Total for Property Purchases - Due  
 Subsequent to 1904,..... 455,783.29

TOTAL NOTES PAYABLE,..... \$1,635,864.32

Exhibit "A"  
 Schedule #12 (concluded) - 21



CLEVELAND-CLIFFS IRON COMPANY

ACCOUNTS PAYABLE - NOVEMBER 30, 1903

GENERAL OFFICE:

Hayes Mining Company,.....	\$10,924.84
J. M. Longyear,.....	3,554.17
Fred. Ayer,.....	3,554.17
Superior Charcoal Iron Company #1,.....	137.78
Superior Charcoal Iron Company #2,.....	5,014.82
Superior Charcoal Iron Company #3,.....	9,886.71
L. & R. Wister & Company, Agents, Com. Account,..	95.33
Clara R. Benedict,.....	500.00
Clara W. Benedict,.....	250.00
J. W. Pullman, Com. Account,.....	81.64
Oliver Iron Mining Company,.....	21,559.10
M. Loustorf et al.,.....	15,000.00
W. G. Mather, Trustee, Upper Peninsula Land Co.,.	801.30
Michigan Land & Iron Company,.....	125.00
Total General Office,.....	\$71,484.86

MINE DEPARTMENT:

James Pickands & Company,.....	\$ 1,550.72
Youghioghney & Lehigh Coal Company,.....	180.40
Atlas Car Manufacturing Company,.....	23.94
Total Mine Department,.....	1,755.06

FURNACE DEPARTMENT:

Duluth, South Shore & Atlantic Railway Company,.....	133.43
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TOTAL ACCOUNTS PAYABLE,..... \$73,373.35

Exhibit 'A'  
Schedule #13



CLEVELAND-CLIFFS IRON COMPANY

DUE TO ALLIED COMPANIES - NOVEMBER 30, 1903

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AUDITED VOUCHERS

<u>Number</u>	<u>In favor of</u>	<u>Item</u>	<u>Amount</u>
GENERAL OFFICE:			
12853	Pioneer Iron Company,.....	\$ 1,368.30	
13072	" ,.....	865.22	
13304	" ,.....	273.49	
13535	" ,.....	1,867.40	
13168	Munising Railway Company,.....	51.52	
13510	Cleveland Iron Mining Company,.....	1,322.09	
13511	" ,.....	662.34	
13512	Iron Cliffs Company,.....	204.66	
13513	" ,.....	499.55	
	Total General Office,.....		\$ 7,114.57
FURNACE DEPARTMENT:			
9901	Pioneer Iron Company,.....		36.66
LAND DEPARTMENT:			
483	Munising Railway Company,.....	\$ 14.17	
485	Pioneer Iron Company,.....	85.10	
496	Iron Cliffs Company,.....	88.00	
519	" ,.....	481.59	
	Total Land Department,.....		668.86
MINE DEPARTMENT:			
3857	Marquette & Southeastern Railway Company	\$ 40.25	
3923	Cleveland Iron Mining Company,.....	5.00	
3924	Cleveland-Cliffs Iron Company,.....	188.08	
3925	Cleveland Iron Mining Company,.....	399.75	
3926	Cleveland-Cliffs Iron Company,.....	166.98	
3927	Cleveland Iron Mining Company,.....	156.40	
3928	Iron Cliffs Company,.....	19.75	
3929	" ,.....	7.26	
	Total Mine Department,.....		983.47
	Total Audited Vouchers,.....		\$ 8,803.56

OPEN ACCOUNTS

GENERAL OFFICE:	
Munising Company,.....	\$20,308.96
Munising Railway Company,.....	5,031.14
Total General Office,.....	\$25,340.10
MINE DEPARTMENT:	
Negaunee Land Department,.....	10.00
Total Open Accounts,.....	25,350.10
TOTAL DUE TO ALLIED COMPANIES,....	<u>\$34,153.66</u>



CLEVELAND-CLIFFS IRON COMPANY

STATEMENT OF INCOME AND PROFIT AND LOSS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903

EARNINGS:

Mine Profits - Schedule #1,.....	\$ 225,248.03	
Furnace Profit - Schedule #2,.....	159,670.85	
Wood Alcohol Profits - Schedule #3,.....	1,586.73	
Acetate of Lime Profits - Schedule #4,.....	4,529.02	
Profit on Ore Purchased and Sold, Independent of Mine Operations - Schedule #5	391,828.41	
Vessel - Net Income - Schedule #6,.....	33,769.07	
Royalty from Queen Mines,.....	2,599.30	
Total,.....		\$ 819,231.41

EXPENSES:

Maintenance of Queen Mine Tracks,.....	\$ 289.02	
Operating Business Car,.....	673.73	
Legal,.....	1,475.12	
Special at Mines,.....	233.36	
General - Schedule #7,.....	16,070.62	
Total,.....		18,741.85

NET EARNINGS,..... \$ 800,489.56

OTHER INCOME:

Interest on Bonds Owned,.....	\$ 30,916.66	
Dividends on Stocks Owned,.....	5,117,474.94	
Interest on Note and Account of Munising Railway Company,.....	27,695.07	
Interest on Account of Marquette & Southeastern Railway Company,.....	34,799.91	
Interest on Account of Pioneer Iron Company,	41,967.03	
Profit on Dunbar Pig Iron,.....	24,235.12	
Miscellaneous Income of Mine Department - Schedule #8,.....	468.63	
Miscellaneous Income of Furnace Department - Schedule #9,.....	5,147.86	
Total,.....		5,282,705.22

GROSS INCOME,..... \$6,083,194.78

DEDUCTIONS FROM INCOME:

Land Department Improvements, Taxes and Expense - Schedule #10,.....	\$ 68,903.37	
Toledo Property - Net Expense - Schedule #11	406.65	
Cost of Options, Ground Rents, Examinations and Explorations - Schedule #12,.....	199,478.09	
Interest on Notes and Accounts - Net,.....	84,889.72	
Expense of Timber Land Purchases,.....	100.25	
Expense of Mineral Land Purchases,.....	4,232.22	
Loss on Webster Mine,.....	295.17	
Loss on Imperial Mine,.....	476.24	
Engineer's Report regarding Proposed Marquette Rolling Mills,.....	500.00	
Plans regarding Construction of Munising Paper and Pulp Mills,.....	375.00	
Ground Rent, Minnesota State Leases,.....	200.00	
Personal Taxes,.....	58.70	
Royalty on Titan Mine,.....	62.50	
Total,.....		359,977.91

NET INCOME - (Forward),..... \$5,723,216.87

*Exhibit "B" (continued) - 1*



CLEVELAND-CLIFFS IRON COMPANY.  
 STATEMENT OF INCOME AND PROFIT AND LOSS, ETC.

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NET INCOME - (Forward),.....		\$5,723,216.87
PROFIT AND LOSS - SURPLUS, NOVEMBER 30, 1902,.....		2,153,322.30
OTHER PROFIT AND LOSS CREDITS:		
Interest on Marquette & Southeastern		
Railway Company Account for 1902,.....	\$	38,642.78
Interest on Upper Peninsula Land Company		
Account, applicable to 1902,.....		14,441.33
Sale of Titan Mine Lease,.....		12,500.00
Handling Coal for Ashland Mine in 1902,.....		1,428.81
Earnings of S. S. Falcon in 1902,.....		664.98
Interest on Alger County Bonds for 1902,....		583.34
Exchange on Drafts in 1902 recovered,.....		617.57
Interest on Lackawanna Steel Company		
Account regarding St. Clair and Negaunee		
Mine Lease, applicable to 1902,.....		354.17
Unclaimed Wages,.....		193.19
Total,.....		<u>69,426.17</u>
PROFIT AND LOSS - GROSS SURPLUS,.....		\$7,945,965.34
PROFIT AND LOSS CHARGES:		
Net Income of Marquette & Southeastern		
Railway taken up in 1902 - Surrendered,...	\$	9,238.87
Depreciation of Assets - Schedule #13,.....		591,032.16
Dividend - 12% on \$4,910,000.00 Capital		
Stock, issued and outstanding,.....		589,200.00
Total,.....		<u>1,189,471.03</u>
PROFIT AND LOSS - SURPLUS, NOVEMBER 30, 1903,.....		<u>\$6,756,494.31</u>



CLEVELAND-CLIFF'S IRON COMPANY

MINE OPERATIONS - FOR THE YEAR ENDED NOVEMBER 30, 1903

	TOTAL	ASHLAND	LUCY	NEGAUNEE	VOLUNTEER	MICHIGAMME	BARASA	AUSTIN
GROSS SALES - DELIVERIES,.....	\$1,301,001.09	\$1,196,836.34	\$ 1,283.29	\$37,744.81	\$39,852.21	\$3,135.71	\$22,148.73	
LESS:								
Rail Freight,.....	\$ 104,753.13	\$ 101,353.63			\$ 2,957.84	\$ 441.68		
Lake Freight,.....	218,381.70	213,222.50			4,503.40	655.80		
Cargo Insurance,.....	907.74	852.27			49.79	5.68		
Total,.....	\$ 324,042.57	\$ 315,428.40			\$ 7,511.03	\$1,103.14		
NET SALES,.....	\$ 976,958.52	\$ 881,407.94	\$ 1,283.29	\$37,744.81	\$32,341.18	\$2,032.57	\$22,148.73	
COST OF ORE PRODUCED AND PURCHASED:								
Exploration,.....	\$ 1,299.48	\$ 157.78		\$ 1,141.70				
Mining,.....	441,209.30	379,167.19	\$15,928.86	45,027.25				\$1,086.00
Loading and Shipping,.....	7,069.01	4,562.07	42.00	122.67	\$ 918.52	\$ 174.95	\$ 1,248.80	
Maintenance,.....	34,571.28	26,761.80	1,211.30	6,598.18				
Depreciation - Net,.....	25,382.82	18,374.82	4,074.80	32.90		2,900.30		
Central Office,.....	14,854.69	12,902.51	142.04	1,810.14				
Analysis,.....	695.04	698.70			13.38	9.72		
General,.....	19,672.08	17,209.60	776.90	1,652.49	5.17	1.00	8.73	18.19
Royalties,.....	234,619.97	227,107.84		3,272.67	739.46		3,500.00	
Taxes,.....	44,247.53	19,855.76	926.46	23,321.86	143.50			
Lackawanna Steel Company's one-half,.....	39,854.26			39,854.26				
Total Cost of Ore Produced,....	\$ 783,766.99	\$ 706,798.07	\$23,102.36	\$43,125.60	\$ 1,793.27	\$3,085.97	\$ 4,757.53	\$1,104.19
Purchases,.....	14,798.10			14,798.10				
Total Cost of Ore Produced and Purchased,.....	\$ 798,565.09	\$ 706,798.07	\$23,102.36	\$57,923.70	\$ 1,793.27	\$3,085.97	\$ 4,757.53	\$1,104.19
DEDUCT - INCREASE IN INVENTORY,.....	46,854.60	94,101.65	2,478.00	2,014.00				1,086.00
ADD - DECREASE IN INVENTORY,.....					31,386.00	1,439.05	20,000.00	
COST OF ORE SALES DELIVERED,.....	\$ 751,710.49	\$ 612,696.42	\$20,624.36	\$55,909.70	\$33,179.27	\$4,525.02	\$24,757.53	\$ 18.19
PROFIT,.....	\$ 225,248.03	\$ 268,711.52	\$19,341.07	\$18,164.89	\$ 838.09	\$2,492.45	\$ 2,608.80	\$ 18.19



CLEVELAND-CLIFFS IRON COMPANY

FURNACE OPERATIONS - FOR THE YEAR ENDED NOVEMBER 30, 1903

SALES:

Deliveries of Pig Iron:	
Non Bessemer,.....	\$477,108.27
Bessemer,.....	22,280.00
Profit on Superior Charcoal Iron Company,.....	<u>134,719.04</u>
Total,.....	<u>\$634,107.31</u>

COST OF PIG IRON DELIVERED:

Manufacture,.....	\$537,668.31
Maintenance,.....	20,452.30
General Expense,.....	<u>16,031.34</u>
Total Cost of Production,.....	\$574,151.95
Deduct - Increase in Inventory,.....	<u>112,437.00</u>
Remainder - Cost of Pig Iron Delivered,.	<u>\$461,714.95</u>

GROSS PROFIT,..... \$172,392.36

LESS:

Accounts Written Off, Applicable to Prior Period:	
Dorner Foundry Company,.....	\$ 234.38
W. G. Mather, Special Fund, Detroit,.....	<u>12,487.13</u>
	<u>12,721.51</u>

NET PROFIT,..... \$159,670.85

*Exhibit B*  
*Schedule # 2*



CLEVELAND-CLIFFS IRON COMPANY

WOOD ALCOHOL SALES, COST AND PROFIT -  
FOR THE YEAR ENDED NOVEMBER 30, 1903.

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GROSS SALES:	
Deliveries of Refined Wood Alcohol,.....	\$140,586.28
Deliveries of Crude Wood Alcohol,.....	6,079.05
Net Premiums,.....	<u>25.19</u>
Total,.....	\$146,690.52
LESS - RAIL FREIGHT,.....	<u>6,678.22</u>
NET SALES,.....	\$140,012.30
COST OF WOOD ALCOHOL DELIVERED:	
Manufacture,.....	\$111,842.24
Maintenance,.....	13,311.46
General Expense,.....	<u>15,373.78</u>
Total Cost of Production,...	\$140,527.48
Deduct Increase in Inventory:	
Increase - Refined Wood Alcohol,.....	\$2,264.66
Decrease - Crude Wood Alcohol, ..	<u>162.75</u>
Net Increase,.....	<u>2,101.91</u>
Remainder - Cost of Wood Alcohol Delivered,.....	<u>138,425.57</u>
PROFIT,.....	<u>\$ 1,586.73</u>

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Exhibit B  
Schedule #3



CLEVELAND-CLIFFS IRON COMPANY

ACETATE OF LIME SALES, COST AND PROFIT --  
FOR THE YEAR ENDED NOVEMBER 30, 1903.

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GROSS SALES - DELIVERIES,.....	\$42,857.05
LESS - RAIL FREIGHT,.....	<u>10,939.35</u>
NET SALES,.....	\$31,917.70
COST OF ACETATE OF LIME DELIVERED:	
Manufacture,.....	\$23,607.87
Maintenance,.....	729.10
General Expense,.....	<u>1,943.44</u>
Total Cost of Production	\$26,280.41
Add - Decrease in Inventory,.....	<u>3.56</u>
Total Cost of Acetate of Lime Delivered,.....	<u>26,283.97</u>
GROSS PROFIT,.....	\$ 5,633.73
SELLING EXPENSE - COMMISSION,.....	<u>1,104.71</u>
NET PROFIT,.....	<u>\$ 4,529.02</u>

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Exhibit "B"  
Schedule #4



CLEVELAND-CLIFFS IRON COMPANY

SALES, COST AND PROFIT -  
ORE PURCHASED AND SOLD, INDEPENDENT OF MINE OPERATIONS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903

	TOTAL ORE PURCHASED AND SOLD	FLORENCE ORE	LAKE SUPE- RIOR IRON COMPANY ORE	REGENT IRON COMPANY ORE
GROSS SALES - DELIVERIES,	\$849,272.63	\$ 9,809.27	\$671,899.45	\$167,563.91
LESS:				
Rail Freight,.....	\$ 40,553.23	\$ 1,409.29	\$ 39,143.94	
Lake Freight,.....	81,934.03	2,290.08	79,643.95	
Cargo Insurance,.....	455.64		455.64	
Total,.....	\$122,942.90	\$ 3,699.37	\$119,243.53	
NET SALES,.....	\$726,329.73	\$ 6,109.90	\$552,655.92	\$167,563.91
COST OF ORE DELIVERED:				
Cost of Ore Purchased,.	\$360,494.51	\$ 9,087.58	\$271,218.01	\$ 80,188.92
Analysis,.....	539.33	.12	539.45	
Total,.....	\$361,033.84	\$ 9,087.46	\$271,757.46	\$ 80,188.92
DEDUCT - INCREASE IN INVENTORY,.....	26,532.52		26,532.52	
REMAINDER - COST OF ORE DELIVERED,.....	\$334,501.32	\$ 9,087.46	\$245,224.94	\$ 80,188.92
PROFIT,.....	\$391,828.41	\$ 2,977.56	\$307,430.98	\$ 87,374.99

Exhibit "B"  
Schedule X-5



CLEVELAND-CLIFFS IRON COMPANY

EARNINGS, EXPENSES AND NET INCOME FROM VESSELS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903

	TOTAL	S. S. CADILLAC	S. S. ANDASTE	S. S. CHOCTAW	S. S. FALCON	S. S. PIONEER	SCHR. CHATTANOOGA
<b>GROSS EARNINGS:</b>							
Ore Cargo,.....	\$207,619.40	\$37,376.20	\$52,674.10	\$49,121.10	\$ 734.25	\$20,156.25	\$47,557.50
Coal Cargo,.....	12,918.95	1,516.88	3,136.94	2,461.76	5,803.37		
Pig Iron Cargo,.....	13,838.36				12,478.36	1,360.00	
Towing Schr. Chattanooga,.....						* 11,889.38	
Total,.....	\$234,376.71	\$38,893.08	\$55,811.04	\$51,582.86	\$19,015.98	\$33,405.63	\$47,557.50
<b>EXPENSES:</b>							
<b>Operating:</b>							
Wages,.....	\$ 47,409.71	\$ 8,003.98	\$ 9,983.22	\$ 9,592.22	\$ 6,990.68	\$ 9,306.40	\$ 3,533.21
Captain's Expense,.....	323.05	72.44	78.79	60.82	48.52	41.58	20.90
Repairs - Hull, Deck and Rigging,.....	5,055.93	919.08	382.90	1,046.86	403.48	898.68	1,404.93
Cabin Equipment,.....	66.36	9.73				56.63	
Supplies - Mate's Department,.....	2,835.55	332.93	433.95	483.09	390.56	289.08	905.94
Provisions - Steward's Department,.....	7,379.62	1,211.08	1,466.53	1,499.12	1,149.24	1,504.88	548.77
Supplies - Steward's Department,.....	1,074.02	140.49	244.43	208.99	150.83	241.18	88.10
Fuel,.....	25,419.53	4,661.68	6,223.17	5,426.11	3,222.27	5,634.80	251.50
Oil,.....	544.26	88.04	100.14	130.53	83.93	123.90	17.72
Supplies - Engine Room,.....	817.39	167.48	216.21	177.06	112.18	137.07	7.39
Boiler Repairs,.....	1,518.77	121.86	549.46	315.18	38.10	395.91	98.26
Machinery Repairs,.....	718.49	255.52	156.16	203.60	58.35	12.97	31.89
Auxiliary Engine Repairs,.....	186.50	26.89	87.02	40.77	16.96	9.91	4.95
Tug Service,.....	4,085.78	275.79	229.68	276.20	225.13	177.68	* 14,790.68
Handling Cargo,.....	61,703.69	10,532.22	14,446.25	13,602.59	1,861.96	5,725.25	15,535.42
Cargo Commission,.....	140.00	20.00	20.00	20.00	30.00		50.00
Marine Insurance,.....	15,026.52	2,846.89	2,961.29	2,820.33	874.11	2,961.32	2,562.58
Freight List Insurance,.....	456.28	62.49	87.04	83.48	58.86	34.86	129.55
Total Operating,.....	\$174,761.45	\$29,748.59	\$37,666.24	\$35,986.95	\$15,715.16	\$27,552.10	\$39,981.79
General,.....	1,813.49	175.90	455.58	362.39	283.88	394.19	141.55
Damages,.....	2,045.04	1,226.89		665.18	150.97		
Personal Injuries,.....	223.50	91.65					131.85
Total Expenses,.....	\$178,841.48	\$31,243.03	\$38,121.82	\$37,014.52	\$16,150.01	\$27,946.29	\$40,255.19
<b>NET EARNINGS,</b> .....	\$ 55,535.23	\$ 7,650.05	\$17,689.22	\$14,568.34	\$ 2,865.97	\$ 5,459.34	\$ 7,302.31
<b>DEDUCTIONS FROM NET EARNINGS:</b>							
Taxes,.....	\$ 1,766.16	\$ 313.81	\$ 403.43	\$ 403.43	\$ 85.30	\$ 336.28	\$ 223.91
Depreciation,.....	20,000.00	2,000.00	5,000.00	5,000.00	1,000.00	2,000.00	5,000.00
Total,.....	\$ 21,766.16	\$ 2,313.81	\$ 5,403.43	\$ 5,403.43	\$ 1,085.30	\$ 2,336.28	\$ 5,223.91
<b>NET INCOME,</b> .....	\$ 33,769.07	\$ 5,336.24	\$12,285.79	\$ 9,164.91	\$ 1,780.67	\$ 3,123.06	\$ 2,078.40

\* \$11,889.38 eliminated from "Total" column.

EXHIBIT "B"  
SCHEDULE #6



CLEVELAND-CLIFFS IRON COMPANY

GENERAL EXPENSES - FOR THE YEAR ENDED NOVEMBER 30, 1903

Salaries,.....	\$12,160.33
Traveling,.....	564.36
Telegraph & Telephone,.....	564.02
License,.....	1,060.00
Stationery and Office Supplies,.....	369.03
Donations,.....	4,140.86
Rent,.....	700.00
Postage,.....	178.42
Furniture and Fixtures,.....	244.22
Extra Help,.....	43.80
Bessemer Ore Association,.....	145.92
Expenses of Grand Rapids Office,.....	500.00
Typewriters, Adding Machine, etc.,.....	113.75
Miscellaneous,.....	<u>785.91</u>

Total,..... \$21,570.62

Deduct Proportion Transferred, as follows:

Presque Isle Trans. Company,.....	\$2,000.00	
St. Clair Steamship Company,.....	500.00	
Hopkins Steamship Company,.....	1,000.00	
Pioneer Iron Company,.....	<u>2,000.00</u>	<u>5,500.00</u>

TOTAL GENERAL EXPENSES,..... \$16,070.62

*Exhibit 'B'  
Schedule #7*



CLEVELAND-CLIFFS IRON COMPANY

MISCELLANEOUS INCOME OF MINE DEPARTMENT -  
FOR THE YEAR ENDED NOVEMBER 30, 1903

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REVENUE:

Rentals from Real Estate:		
Ashland Houses and Lots,.....	\$	1,036.75
Maas Houses and Lots,.....		1,128.25
Imperial Houses,.....		36.00
Lucy Houses,.....		18.00
Crosby Houses,.....		210.00
Crosby Office,.....		45.00
Collection Fees,.....		30.12
Shop Earnings - Maas Mine,.....		17.56
Shop Earnings - Crosby Mine,.....		1.34
Sales of Equipment - Maas Mine,.....		10.00
		<hr/>
Total,.....	\$	2,533.02

EXPENSES:

Repairs to Lucy Rented Houses,.....	\$	1,039.62
Repairs to Maas Rented Houses,.....		346.58
Repairs to Ashland Rented Houses,.....		447.11
Ashland Land Rent,.....		1.00
Taxes on Negaunee Lots,.....		230.08
		<hr/>
Total,.....		2,064.39

NET INCOME,..... \$ 468.63

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Exhibit 'B'  
Schedule #8



CLEVELAND-CLIFFS IRON COMPANY

MISCELLANEOUS INCOME OF FURNACE DEPARTMENT -  
FOR THE YEAR ENDED NOVEMBER 30, 1903

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REVENUE:

Parsons Tract:	
Sales of Elm and Basswood Logs,.....	\$3,185.28
Sales of Bark,.....	512.74
Sales of Land,.....	1,205.00
Interest on Land Sales,.....	165.03
Mathews Tract:	
Interest on Land Sales,.....	38.16
Gladstone Lots:	
Rentals,.....	348.30
Interest on Sales,.....	<u>11.47</u>
Total,.....	\$5,465.98
TAXES ON GLADSTONE LOTS,.....	<u>318.12</u>
NET INCOME,.....	<u>\$5,147.86</u>

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Exhibit B<sup>+</sup>  
Schedule #4



CLEVELAND-CLIFFS IRON COMPANY

LAND DEPARTMENT IMPROVEMENTS, TAXES AND EXPENSE -  
FOR THE YEAR ENDED NOVEMBER 30, 1903

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IMPROVEMENTS:

Grand Island,.....		\$31,317.47
Stocking Streams,.....		3,539.93
Fish Hatchery,.....	\$1,786.23	
Less Increase of Hatchery Stock,.....	<u>190.00</u>	<u>1,596.23</u>

Total,..... \$36,453.63

TAXES,..... 26,451.82

EXPENSE:

Land Looking,.....	\$ 1,073.89	
Expense in Connection with Tax Titles Acquired,...	512.76	
Surveys,.....	655.31	
Abstracts and Recording,.....	103.10	
General,.....	<u>7,240.09</u>	
Total,.....		\$ 9,585.15

Less Revenue:

Fish Hatchery Sales,.....	\$3,190.00	
Grand Island Game Sales,.....	4.25	
Gravel Sales,.....	16.50	
Pendill Property Rental,.....	192.00	
Interest,.....	<u>184.48</u>	<u>3,587.23</u>

Net Expense,..... 5,997.92

TOTAL LAND DEPARTMENT IMPROVEMENTS, TAXES AND EXPENSE,..... \$68,903.37

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*Exhibit B<sup>n</sup>*  
*Schedule #10*



CLEVELAND-CLIFFS IRON COMPANY

TOLEDO PROPERTY -- EXPENSES, REVENUE AND NET EXPENSE --  
FOR THE YEAR ENDED NOVEMBER 30, 1903.

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	TAYLOR	STENTZ	TOTAL
<b>EXPENSES:</b>			
Repairs of Rented Houses,.....		\$ 3.00	\$ 3.00
Collection Fees,.....		17.10	17.10
Insurance,.....	\$ 45.00		45.00
Taxes,.....		170.22	170.22
Purchasing,.....	303.97	325.96	629.93
Total,.....	<u>\$348.97</u>	<u>\$516.28</u>	<u>\$865.25</u>
<b>REVENUE:</b>			
Farm Rentals,.....		\$ 70.00	\$ 70.00
House Rentals,.....		44.00	44.00
Royalty on Oil,.....	\$187.92	156.68	344.60
Total,.....	<u>\$187.92</u>	<u>\$270.68</u>	<u>\$458.60</u>
NET EXPENSE,.....	<u>\$161.05</u>	<u>\$245.60</u>	<u>\$406.65</u>

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*Exhibit 'B'*  
*Schedule #11*



CLEVELAND-CLIFFS IRON COMPANY

COST OF OPTIONS, GROUND RENTS, EXAMINATIONS AND EXPLORATIONS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903

---

OPTIONS AND LEASES AT MESABA ON WHICH EXPLORATIONS  
HAVE BEEN COMPLETED AND SURRENDER MADE:

B. Magoffin Option,.....	\$ 1,000.00
Nelson Lease,.....	1,562.50
Bailey-Akeley Lease,.....	4,997.40
Chesebrough-Sweeney-Crosby Lease,.....	<u>10,500.00</u>

Total,..... \$ 18,059.90

OPTION ON BARASA LEASE,..... 4,009.25

GROUND RENTS:

Bailey-Akeley Tract,.....	\$ 2,083.33
Chesebrough-Sweeney-Crosby Tract,.....	18,750.00
East Itasca Mining Company Tract,.....	<u>62,336.95</u>

Total,..... 83,170.28

EXAMINATION OF SWANZY LANDS,..... 1,014.00

EXPLORATIONS:

Mesaba,.....	\$ 49,045.71
Barasa,.....	16,460.61
Swanzy,.....	<u>27,718.34</u>

Total,..... 93,224.66

TOTAL COST OF OPTIONS, GROUND RENTS,  
EXAMINATIONS AND EXPLORATIONS,..... \$199,478.09

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*Exhibit B"  
Schedule A*



CLEVELAND-CLIFFS IRON COMPANY

DEPRECIATION OF ASSETS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903

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QUEEN MINES,.....	\$	625.00
PRIVATE BUSINESS CAR,.....		1,858.16
ASHLAND MINE LEASE,.....		268,500.00
STOCKS:		
Gladstone Opera House Company,.....	\$	249.00
Munising Company,.....		3,600.00
Arctic Iron Company,.....		5,100.00
Iron Cliffs Company,.....		89,600.00
Cleveland Iron Mining Company,.....		109,500.00
Lake Superior Iron Company,.....		<u>112,000.00</u>
Total Stocks,.....		<u>320,049.00</u>
TOTAL DEPRECIATION OF ASSETS,.		<u>\$591,032.16</u>

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*Exhibit B*  
*Schedule #13*



CLEVELAND-CLIFFS IRON COMPANY

CASH BOOK AND JOURNAL ENTRIES NECESSARY TO CORRECT THE BOOKS  
AND HARMONIZE THEM WITH EXHIBITS "A" AND "B" - NOVEMBER 30, 1903

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CASH BOOK ENTRY

CASH,.....	\$ 225.94	
TO INTEREST,.....		\$ 225.94

For interest on Bank Balances credited by the  
banks but not charged to the Cash account,  
as follows:

Caxton Savings & Trust Company,.....	\$208.10	
Citizens Savings & Trust Company, per letter dated March 9, 1904,.....	<u>17.84</u>	

JOURNAL ENTRIES

INTEREST ON NOTES RECEIVABLE - ACCRUED,.....	184.39	
TO INTEREST,.....		184.39

For interest accrued on Notes Receivable from  
their date to November 30, 1903.

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INTEREST ON DISCOUNTED NOTES RECEIVABLE - PAID IN ADVANCE,.....	1,223.08	
TO INTEREST,.....		1,223.08

For the unexpired proportion of interest paid  
in advance on Discounted Notes Receivable.

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INTEREST,.....	933.26	
TO INTEREST INCLUDED IN NOTES RECEIVABLE,...		933.26

For the unexpired proportion of interest in-  
cluded in Notes Receivable.

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CLEVELAND IRON MINING COMPANY

GENERAL BALANCE SHEET - NOVEMBER 30, 1903 AND 1902 - AND COMPARISON

- A S S E T S -	.....NOVEMBER 30,..... 1903	1902	INCREASE	DECREASE
<b>PROPERTY AND EQUIPMENT:</b>				
Real Estate,.....	\$2,500,000.00	\$2,500,000.00		
Tax Titles Acquired,.....	426.21	426.21		
Mineral Lands - Adams Tract,.....	40,000.00	40,000.00		
Hospital Land,.....	652.82	652.82		
<b>New Construction:</b>				
Hard Ore - Additional Shop Room,.....	4,795.53		\$ 4,795.53	
Second Addition - New Houses,.....	34,109.53	31,953.97	2,155.56	
<b>Equipment:</b>				
Diamond Drills,.....	7,320.54	7,633.66		\$ 313.12
Portable Machinery,.....	550.00	1,279.39		729.39
S.S. Pontiac,.....	113,000.00	115,000.00		2,000.00
S.S. Frontenac,.....	93,000.00	95,000.00		2,000.00
Furniture and Fixtures,.....	1,000.00	1,000.00		
<b>Total Property and Equipment,.....</b>	<b>\$2,794,854.63</b>	<b>\$2,792,946.05</b>	<b>\$ 1,908.58</b>	
<b>CAPITAL STOCK OF LAKE CARRIERS ASSOCIATION:</b>				
34.64 Shares,.....	\$ 1.00		\$ 1.00	
<b>WORKING AND TRADING ASSETS:</b>				
<b>Materials and Supplies:</b>				
Hard Ore Mine,.....	\$ 23,965.32	\$ 22,511.98	\$ 1,453.34	
Lake Ore Mine,.....	33,703.27	31,302.60	2,400.67	
Ore - Hard,.....	105,878.00	150,519.40		\$ 44,641.40
Ore - Lake,.....	418,642.00	542,491.00		123,849.00
L. & R. Wister & Company,.....	37,738.90	62,008.13		24,269.23
Advance Payments on Coal not Received,.....	7,777.48		7,777.48	
Working Funds - Vessel Captains,.....		281.10		281.10
" - Bessemer Ore Association,.....	284.18	98.75	185.43	
" - Non-Bessemer Ore Association,.....		310.00		310.00
Telephone Coupons,.....		2.76		2.76
Revenue Tax,.....	11.76	15.39		3.63
Insurance Premiums Paid - Unexpired Proportion,.....	329.01	583.45		254.44
Interest Paid on Notes Payable and on Discounted Notes Receivable - Unexpired Proportion,.....	706.66		706.66	
Interest on Notes Receivable - Accrued,.....	11.56		11.56	
<b>Total Working and Trading Assets,.....</b>	<b>\$ 629,048.14</b>	<b>\$ 810,124.56</b>		<b>\$181,076.42</b>
<b>CURRENT ASSETS:</b>				
<b>Cash in Hand and on Deposit:</b>				
General Office,.....	\$ 45,834.04	\$ 79,433.22		\$ 33,599.18
Mine Department,.....	3,093.99	2,119.29	\$ 974.70	
Land Department,.....	2,750.75	3,678.32		927.57
Notes Receivable,.....	14,647.77		14,647.77	
Accounts Receivable - Schedule #1,.....	355,626.11	164,769.15	190,856.96	
<b>Total Current Assets,.....</b>	<b>\$ 421,952.66</b>	<b>\$ 249,999.98</b>	<b>\$171,952.68</b>	
<b>DUE FROM ALLIED COMPANIES - Schedule #2,.....</b>	<b>\$ 264,477.26</b>	<b>\$2,209,469.35</b>		<b>\$1,944,992.09</b>
<b>DEFERRED AND SUSPENDED ACCOUNTS RECEIVABLE:</b>				
Real Estate Rentals - Mine Dept. (See Contra),.....	\$ 3,578.50	\$ 3,228.68	\$ 349.82	
" - Land Dept. ( " ),.....	7,567.63	11,095.19		\$ 3,527.56
Delinquent Taxes Paid on Real Estate Sold and Leased,...	320.44	215.34		105.10
City of Negaunee - In Dispute,.....	134.40		134.40	
Land Contracts - Purchasers of Marquette Lots,.....	165.70	165.70		
Second Addition Lot Sales (See Contra),.....	3,566.84	2,634.34	932.50	
<b>Total Deferred and Suspended Assets,.....</b>	<b>\$ 15,331.51</b>	<b>\$ 17,339.25</b>		<b>\$ 2,007.74</b>
<b>NOTES RECEIVABLE - DISCOUNTED (See Contra),.....</b>	<b>\$ 43,035.83</b>		<b>\$ 43,035.83</b>	
<b>TOTAL ASSETS,.....</b>	<b>\$4,168,701.03</b>	<b>\$6,079,879.19</b>		<b>\$1,911,178.16</b>



CLEVELAND IRON MINING COMPANY.  
GENERAL BALANCE SHEET, ETC.

- LIABILITIES -	..... NOVEMBER 30, .....		INCREASE	DECREASE
	1903	1902		
<b>CAPITAL STOCK:</b>				
100,000 Shares, par value \$25.00 each,.....	\$2,500,000.00	\$2,500,000.00		
<b>CURRENT LIABILITIES:</b>				
Notes Payable,.....	\$ 80,000.00	\$ 60,000.00	\$ 20,000.00	
Vouchers Payable, not including Allied Companies,.....	97,294.81	73,338.18	23,906.63	
Accounts Payable - Schedule #3,.....	1,938.78	2,940.77		\$ 1,001.99
Pay-rolls,.....	29,704.19	30,693.91		989.72
Employees' Benefit Fund Deposits,.....	10,338.57	9,676.97	661.60	
Employees' Deposits for Identification Checks,.....	546.25	742.50		196.25
Interest on Notes Payable - Accrued,.....	550.00		550.00	
Interest Received in Advance on Notes Receivable - Unexpired Proportion,.....	519.47		519.47	
Taxes - Accrued,.....	36,300.72	30,929.01	5,371.71	
Total Current Liabilities,.....	\$ 257,192.79	\$ 208,371.34	\$ 48,821.45	
DUE TO ALLIED COMPANIES - Schedule #4,.....	\$ 2,140.75	\$ 311,004.28		\$ 308,863.53
<b>DEFERRED LIABILITIES:</b>				
Advance Receipts on Undelivered Ore,.....	\$ 209,835.05	\$ 385,960.43		\$ 176,125.38
Marquette Iron Company,.....	541.07	541.07		
Employees' Benefit Fund - Suspense,.....	10,528.77	9,867.17	\$ 661.60	
Total Deferred Liabilities,.....	\$ 220,904.89	\$ 396,368.67		\$ 175,463.78
<b>SUSPENDED INCOME:</b>				
Sales of Lots, Second Addition (See Contra),.....	\$ 3,566.84	\$ 2,634.34	\$ 932.50	
Rentals of Real Estate - Mine Dept. (See Contra),.....	3,576.50	3,228.68	347.82	
" - Land Dept. ( " " ),.....	7,567.63	11,095.19		\$ 3,527.56
Total Suspended Income,.....	\$ 14,710.97	\$ 16,958.21		\$ 2,247.24
DISCOUNTED NOTES RECEIVABLE (See Contra),.....	\$ 43,035.83		\$ 43,035.83	
PROFIT AND LOSS - SURPLUS, PER EXHIBIT "B",.....	\$1,130,715.80	\$2,647,176.69		\$1,516,460.89
TOTAL LIABILITIES,.....	\$4,168,701.03	\$6,079,879.19		\$1,911,178.16



CLEVELAND IRON MINING COMPANY

ACCOUNTS RECEIVABLE - NOVEMBER 30, 1903

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GENERAL OFFICE:

American Iron Mining Company,.....	\$ 1,565.18
Antrim Iron Company,.....	44,723.57
E. & G. Brooke Iron Company,.....	5,143.26
Corrigan, McKinney & Company,.....	10,833.36
Clinton Iron & Steel Company,.....	12,400.29
Deseronto Iron Company, Limited,.....	1,689.21
Elk Rapids Iron Company,.....	22,659.20
Lackawanna Steel Company,.....	91,899.62
Lake Superior & Ishpeming Railway Company,	15,252.30
Manistique Iron Company,.....	16,425.81
Michigan Iron Company,.....	14,965.70
Ohio Iron & Steel Company,.....	34,314.31
Spring Lake Iron Company,.....	2,384.27
Wellston Iron & Steel Company,.....	71,189.17
P. White & Company,.....	3.22
W. G. Mather, Personal,.....	83.07
Mercantile Nat'l Bank,.....	261.45
Total General Office,.....	\$345,792.99

MINE DEPARTMENT:

L. S. & I. Ry. Company,.....	\$ 6,412.01
A. J. Yungbluth,.....	16.00
C. J. Shattuck,.....	44.55
H. L. Ramsdall,.....	21.82
F. L. Christian,.....	29.57
E. A. Doty,.....	5.21
J. S. Mennie,.....	36.00
D. Campbell,.....	14.20
W. E. McKee,.....	30.76
Standard Oil Company,.....	22.85
J. H. Quinn,.....	30.00
D. J. Ryan,.....	23.00
J. M. Keith,.....	25.63
Robt. McCartney,.....	12.80
Rev. Atwell,.....	40.00
Thos. Buzzo,.....	15.63
Sullivan Machinery Company,.....	150.00
Pickands Mather & Company,.....	123.00
Dalton Packing Company,.....	34.31
August Bean,.....	92.29
Geo. J. Maas,.....	37.65
Ishpeming Mining Company,.....	20.70
J. F. Van B,.....	4.00
A. Henckson,.....	6.00
Thompson & Hodgkins,.....	205.25
South Arm Lumber Company,.....	65.89
A. Collick,.....	18.02
E. J. Eddy,.....	5.33
Lake Superior Iron Company,.....	1,619.91
Ward, Williams & Cruse Company,.....	286.20
Murphy Iron Works,.....	3.73
Lake Superior Steam Heating Company,.....	3.42
Western Passenger Association,.....	10.00
J. Bishop & Company,.....	3.99
Hoopes & Townsend,.....	68.85
Wisconsin Bridge & Iron Company,.....	2.17
Total Mine Department,.....	9,540.74

FORWARD,..... \$355,333.73

EXHIBIT "D"  
SCHEDULE #1

(Continued) - 1.



CLEVELAND IRON MINING COMPANY.  
ACCOUNTS RECEIVABLE, ETC.

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FORWARD,.....		\$355,333.73
LAND DEPARTMENT:		
American Iron Mining Company,.....	\$	279.30
Sam. Mather et al,.....		<u>13.08</u>
Total Land Department,.....		<u>292.38</u>
TOTAL ACCOUNTS RECEIVABLE,.....		<u>\$355,626.11</u>

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Exhibit D  
Schedule X 1.



CLEVELAND IRON MINING COMPANY

DUE FROM ALLIED COMPANIES - NOVEMBER 30, 1903

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GENERAL OFFICE:

Pioneer Iron Company,..... \$260,100.45

MINE DEPARTMENT:

Iron Cliffs Company, Negaunee,..... \$ 4.94  
" "..... 1,065.42  
Pioneer Iron Company,..... 5.65  
Cleveland-Cliffs Iron Company,..... 2,532.16

Total Mine Department,..... 3,608.17

LAND DEPARTMENT:

Cleveland Iron Mining Company -  
Mine Department,..... \$ 116.00  
Iron Cliffs Company - Land Department,.... 652.64

Total Land Department,..... 768.64

TOTAL DUE FROM ALLIED COMPANIES,..... \$264,477.26

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*Exhibit 'D'*  
*Schedule #2*



CLEVELAND IRON MINING COMPANY

ACCOUNTS PAYABLE -- NOVEMBER 30, 1903

MINE DEPARTMENT:

Estate of S. Lapala,.....	\$ 419.50
C. & N. W. Ry. Company,.....	26.16
Con. Fuel & Lumber Company,.....	11.46
Lake Superior Iron Company,.....	<u>1,481.66</u>
TOTAL,.....	<u>\$1,938.78</u>

Exhibit "D"  
Schedule #3



CLEVELAND IRON MINING COMPANY

DUE TO ALLIED COMPANIES -- NOVEMBER 30, 1903

	NUMBER OF VOUCHER	ITEM	AMOUNT
<b>GENERAL OFFICE:</b>			
Pioneer Iron Company,.....	9064	§ 93.82	
Iron Cliffs Company,.....	9169	829.14	
Cleveland-Cliffs Iron Company,.....	9170	<u>253.25</u>	
Total General Office,.....			<u>\$1,176.21</u>
<b>MINE DEPARTMENT:</b>			
Cleveland-Cliffs Iron Company - Land Dept.,..	10686	§ 116.50	
Pioneer Iron Company,.....	10750	21.12	
Iron Cliffs Company,.....	10777	60.50	
Cleveland-Cliffs Iron Company,.....	10778	10.00	
Iron Cliffs Company,.....	10779	476.54	
Cleveland-Cliffs Iron Company,.....	10780	134.96	
Cleveland-Cliffs Iron Company - Land Dept.,..	10781	<u>34.00</u>	
Total Mine Department,.....			<u>853.62</u>
<b>LAND DEPARTMENT:</b>			
Iron Cliffs Company,.....	510		<u>110.92</u>
TOTAL DUE TO ALLIED COMPANIES,.....			<u>\$2,140.75</u>

Exhibit D  
Schedule H. 4



CLEVELAND IRON MINING COMPANY

STATEMENT OF INCOME AND PROFIT AND LOSS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903

EARNINGS:		
Mine Profits - Schedule #1,.....	\$1,025,596.41	
Vessel - Net Income - Schedule #2,.....	12,791.26	
Total,.....		\$1,038,387.67
EXPENSES:		
Legal,.....	\$ 696.07	
General - Schedule #3,.....	17,719.31	
Total,.....		18,415.38
NET EARNINGS,.....		\$1,019,972.29
OTHER INCOME:		
Interest on Notes and Accounts - Net,.....	\$ 3,321.80	
Profit on Dunbar Pig Iron,.....	69,683.76	
Miscellaneous Income of Land Department - Schedule #4,.....	7,671.95	
Total,.....		80,677.51
GROSS INCOME,.....		\$1,100,649.80
DEDUCTIONS FROM INCOME:		
Miscellaneous Property Expenses in Excess of Revenue - Mine Department - Schedule #5,....	\$ 5,448.35	
Improvements - W.G.Mather Cottage and Grounds	11,278.66	
Improvements - M.M.Duncan Residence and Grounds,.....	873.09	
Improvements - Miscellaneous Land,.....	293.89	
Hematite Mine:		
Insurance,.....	\$ 13.50	
Taxes,.....	322.67	336.17
Personal Taxes,.....		61.41
Total,.....		18,291.57
NET INCOME,.....		\$1,082,358.23
PROFIT AND LOSS - SURPLUS, NOVEMBER 30, 1902,.....		2,649,841.03
OTHER PROFIT AND LOSS CHARGES:		
Lawrence Furnace Company - Penalty applica- ble to prior period forfeited,.....	\$ 88.00	
Exchange on Drafts from Mine Department, applicable to prior period - recovered,....	388.00	
Total,.....		476.00
PROFIT AND LOSS - GROSS SURPLUS,.....		\$3,732,675.26
PROFIT AND LOSS CHARGES:		
Second Addition Lot Sales, erroneously credited to Earnings prior to December 1, 1902,.....	\$ 2,664.34	
Dividend on \$2,500,000.00 Capital Stock,.....	2,598,474.61	
Depreciation of New Construction - Second Addition,.....	820.51	
Total,.....		2,601,959.46
PROFIT AND LOSS - SURPLUS, NOVEMBER 30, 1903,.....		\$1,130,715.80



CLEVELAND IRON MINING COMPANY

MINE OPERATIONS - FOR THE YEAR ENDED NOVEMBER 30, 1903

	TOTAL	MORO	LAKE
GROSS SALES - DELIVERIES,.....	\$2,685,499.55	\$ 253,999.33	\$2,431,500.22
LESS:			
Rail Freight,.....	\$ 129,068.01	\$ 9,407.95	\$ 119,660.06
Lake Freight,.....	296,433.30	21,825.75	274,607.55
Cargo Insurance,.....	1,693.77	217.91	1,475.86
Total,.....	\$ 427,195.08	\$ 31,451.61	\$ 395,743.47
NET SALES,.....	\$2,258,304.47	\$ 222,547.72	\$2,035,756.75
COST OF ORE PRODUCED AND PURCHASED:			
Exploration,.....	\$ 3,420.58	\$ 2,022.04	\$ 1,398.54
Mining,.....	442,989.59	76,768.28	366,221.31
Loading and Shipping,.....	11,030.86	3,675.78	7,355.08
Maintenance,.....	22,932.16	3,774.38	19,157.78
Depreciation,.....	97,850.12	4,761.70	93,088.42
Central Office,.....	16,702.31	1,800.00	14,902.31
Analysis,.....	1,317.78	82.41	1,235.37
General,.....	13,717.14	4,279.63	9,437.51
Taxes,.....	25,093.42	3,539.10	21,554.32
Total Cost of Ore Produced	\$ 635,053.96	\$ 100,703.32	\$ 534,350.64
Purchases,.....	429,163.70		429,163.70
Total Cost of Ore Produced and Purchased,.	\$1,064,217.66	\$ 100,703.32	\$ 963,514.34
Add Decrease in Inventory,...	168,490.40	44,641.40	123,849.00
Cost of Sales Delivered,..	\$1,232,708.06	\$ 145,344.72	\$1,087,363.34
PROFIT,.....	\$1,025,596.41	\$ 77,203.00	\$ 948,393.41

Exhibit 'E'  
Schedule #1

D  
A  
P  
L



CLEVELAND IRON MINING COMPANY

EARNINGS, EXPENSES AND NET INCOME FROM VESSELS -  
FOR THE YEAR ENDED NOVEMBER 30, 1903

	TOTAL	S. S. PONTIAC	S. S. FRONTENAC
<b>GROSS EARNINGS:</b>			
Ore Cargo,.....	\$111,729.80	\$58,332.80	\$53,397.00
Coal Cargo,.....	8,905.80	2,750.78	6,155.02
Total,.....	<u>\$120,635.60</u>	<u>\$61,083.58</u>	<u>\$59,552.02</u>
<b>EXPENSES:</b>			
Operating:			
Wages,.....	\$ 21,081.24	\$10,619.88	\$10,461.36
Captains' Expense,.....	148.22	70.95	77.27
Repairs - Hull, Deck and Rigging	15,634.38	8,360.34	7,274.04
Cabin Equipment,.....	256.71	217.71	39.00
Supplies - Mates' Department,...	820.33	343.17	477.16
Provisions - Stewards' Depart-			
ment,.....	3,423.79	1,558.94	1,864.85
Supplies - Stewards' Depart-			
ment,.....	572.47	212.13	360.34
Fuel,.....	16,793.51	10,380.76	6,412.75
Oil,.....	164.78	96.30	68.48
Supplies - Engine Room,.....	427.58	263.12	164.46
Boiler Repairs,.....	1,834.79	1,716.60	118.19
Machinery Repairs,.....	379.54	287.88	91.66
Tug Service,.....	973.54	486.50	487.04
Handling Cargo,.....	30,556.81	15,986.06	14,570.75
Cargo Commission,.....	40.00		40.00
Marine Insurance,.....	8,291.55	4,441.80	3,849.75
Freight List Insurance,.....	191.65	98.95	92.70
Total,.....	<u>\$101,590.89</u>	<u>\$55,141.09</u>	<u>\$46,449.80</u>
General,.....	820.62	412.97	407.65
Damages,.....	97.78		97.78
Total,.....	<u>\$102,509.29</u>	<u>\$55,554.06</u>	<u>\$46,955.23</u>
NET EARNINGS,.....	<u>\$ 18,126.31</u>	<u>\$ 5,529.52</u>	<u>\$12,596.79</u>
<b>DEDUCTIONS FROM NET EARNINGS:</b>			
Taxes,.....	\$ 941.42	\$ 515.52	\$ 425.90
Depreciation,.....	4,000.00	2,000.00	2,000.00
Damages applicable to prior			
period,.....	393.63		393.63
Total,.....	<u>\$ 5,335.05</u>	<u>\$ 2,515.52</u>	<u>\$ 2,819.53</u>
NET INCOME,.....	<u>\$ 12,791.26</u>	<u>\$ 3,014.00</u>	<u>\$ 9,777.26</u>



CLEVELAND IRON MINING COMPANY

GENERAL EXPENSES - FOR THE YEAR ENDED NOVEMBER 30, 1903

Salaries,.....	\$12,160.33
Travelling,.....	804.28
Telegraph and Telephone,.....	564.01
Stationery and Office Supplies,.....	370.04
Donations,.....	1,394.05
Rent,.....	700.00
Postage,.....	178.42
Furniture and Fixtures,.....	244.22
Typewriters, Adding Machine, etc.,.....	113.75
Extra Help,.....	43.79
Bessemer Ore Association,.....	98.75
Non Bessemer Ore Association,.....	310.00
Miscellaneous,.....	<u>737.67</u>
TOTAL,.....	<u>\$17,719.31</u>

Exhibit E  
Schedule #3



CLEVELAND IRON MINING COMPANY

MISCELLANEOUS INCOME OF LAND DEPARTMENT -  
FOR THE YEAR ENDED NOVEMBER 30, 1903.

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REVENUE:

Sales of Timber,.....	\$	10.00
Sales of Second Addition Lots,.....		312.50
Rentals:		
Bancroft Lots,.....	\$	340.00
First Cleveland Addition Lots,.....		3,458.68
North Location Lots,.....		3,855.35
Second Addition Lots,.....		5.00
Miscellaneous Lots,.....		1,405.00
Farm,.....		<u>419.41</u>
Total,.....		<u>9,483.44</u>
Total Revenue,.....	\$	<u>9,805.94</u>

EXPENSES:

Salaries,.....	\$	918.85
Repairing Sidewalks,.....		64.67
Stationery and Printing,.....		60.50
Postage,.....		18.89
Fuel and Light,.....		43.45
Telegraph and Telephone,.....		10.49
Travelling,.....		22.00
Miscellaneous,.....		14.80
Taxes on Lands,.....		914.07
Taxes on Timber Lands,.....		<u>84.10</u>
Total,.....		<u>2,151.82</u>

NET REVENUE,..... \$7,654.12

OTHER INCOME:

Taxes applicable to prior period - recovered,..... 17.83

NET INCOME,..... \$7,671.95

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*Exhibit 'E'*  
*Schedule #4*



306155A

CLEVELAND IRON MINING COMPANY

MISCELLANEOUS PROPERTY EXPENSES IN EXCESS OF REVENUE -  
MINE DEPARTMENT - FOR THE YEAR ENDED NOVEMBER 30, 1903

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EXPENSES:

Hard Ore Location:

Rented Houses,.....	\$ 681.25
Surface Cleaning,.....	388.07
Shop Buildings,.....	80.51
Shop Machinery,.....	452.72
Insurance,.....	141.52
Taxes,.....	9,912.27

Other Locations:

Hematite Rented Houses,.....	10.11
Second Addition Rented Houses,.....	<u>1,055.74</u>

Total,..... \$12,722.19

REVENUE:

Rentals from Real Estate:

Hard Ore Houses,.....	\$ 2,307.00
Hematite Houses,.....	127.60
Second Addition Houses,.....	1,876.25
Hard Ore Lots,.....	730.81
Marquette Lots,.....	1,038.00
Nebraska Lots,.....	727.75
Hematite Lots,.....	21.00
Miscellaneous Lots,.....	308.69
Miscellaneous Shop Earnings,.....	81.23
Interest on Notes and Accounts - Net,.....	<u>55.51</u>

Total,..... 7,273.84

NET EXPENSE,..... \$ 5,448.35

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Exhibit 'E'  
Schedule #5



CLEVELAND IRON MINING COMPANY

JOURNAL ENTRIES NECESSARY TO CORRECT THE BOOKS  
AND HARMONIZE THEM WITH EXHIBITS "A" AND "B" -- NOVEMBER 30, 1903

---

SECOND ADDITION LOT SALES RECEIVABLE,.....	\$ 312.50	
TO SALES OF SECOND ADDITION LOTS,.....		\$ 312.50

For correction of erroneous credits to the former account from reports of the Land Department during the year 1903 of collections made on the sales of Second Addition Lots.

\*\*\*\*\*

PROFIT AND LOSS,.....	2,664.34	
TO SECOND ADDITION LOT SALES RECEIVABLE,		2,664.34

To transfer this amount from the latter account and close it out to the former. Prior to December 1, 1902, earnings were erroneously credited and the latter account was set up as an asset on the books of the general office, notwithstanding the asset account was then as now carried on the book of the Land Department at Negaunee. It is not the policy of the Company to take such sales into Earnings until the Cash is collected, and all such collections during the year ended November 30, 1903, are represented by the preceding entry.

\*\*\*\*\*

BANCROFT RENTS,.....	16.76	
FIRST CLEVELAND LOT RENTS,.....	106.40	
NORTH LOT RENTS,.....	49.35	
FARM RENTS,.....	62.81	
MISCELLANEOUS LOT RENTS,.....	69.00	
TO BANCROFT LOT RENTS RECEIVABLE,.....		16.76
FIRST CLEVELAND LOT RENTS RECEIVABLE,		106.40
NORTH LOT RENTS RECEIVABLE,.....		49.35
FARM RENTS RECEIVABLE,.....		62.81
MISCELLANEOUS LOT RENTS RECEIVABLE,..		69.00

To bring the controlling Rentals Receivable accounts in Land Department general ledger into balance with the supporting accounts in the subsidiary ledgers.

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CLEVELAND IRON MINING COMPANY.  
 JOURNAL ENTRIES, ETC.

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INTEREST - PAID IN ADVANCE ON DISCOUNTED NOTES RECEIVABLE,.....	\$ 192.11	
TO INTEREST,.....		\$ 192.11
For Interest on Notes Receivable discounted December 1, 1903, erroneously charged to Interest in 1903 period.		

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INTEREST - PAID IN ADVANCE ON DISCOUNTED NOTES RECEIVABLE,.....	417.88	
TO INTEREST,.....		417.88
For the unexpired proportion of Interest paid in advance on Discounted Notes Receivable.		

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INTEREST ON NOTE RECEIVABLE - ACCRUED,.....	11.56	
TO INTEREST,.....		11.56
For the interest accrued to November 30, 1903, on a Note Receivable, held by the Company at that date.		

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INTEREST,.....	519.47	
TO INTEREST INCLUDED IN NOTES RECEIVABLE		519.47
For the unexpired proportion of interest included in Notes Receivable.		

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Exhibit 'F'

(Concluded) - 2



IRON CLIFFS COMPANY

GENERAL BALANCE SHEET - NOVEMBER 30, 1903 AND 1902 - AND COMPARISON

	NOVEMBER 30, 1903	NOVEMBER 30, 1902	INCREASE	DECREASE
<u>A S S E T S</u>				
PROPERTY AND PLANT:				
Real Estate,.....	\$ 473,667.64	\$ 480,177.64		\$ 6,510.00
Tax Titles Acquired,.....	2,151.29	2,678.93		527.64
Hospital Land,.....	602.89	602.89		
Excelsior Iron Company Lot - First Addition,.....	410.08	400.83	\$ 9.25	
Ford River Kilns,.....	270.11	1,689.33		1,419.22
Felch Mount Kilns,.....	361.52	3,061.52		2,700.00
Bellevue Farm Improvement,.....	4,221.74	4,749.39		527.65
Total Property and Plant,.....	\$ 481,685.27	\$ 493,360.53		\$ 11,675.26
CAPITAL STOCK OF PIONEER IRON COMPANY:				
4,000 shares, par value \$25.00 each,.....	\$ 93,250.00	\$ 93,250.00		
WORKING AND TRADING ASSETS:				
Materials and Supplies - Schedule #1,.....	\$ 92,755.18	\$ 88,299.42	\$ 4,455.76	
Ore:				
Cliffs Shaft,.....	\$ 365,868.00	\$ 269,918.10	\$ 95,949.90	
Salisbury,.....	165,048.25	152,960.00	12,088.25	
Tilden,.....	6,517.50	15,033.45		\$ 8,515.95
Old Mine Hematite,.....	8,032.50	12,414.00		4,381.50
Total,.....	\$ 545,466.25	\$ 450,325.55	\$ 95,140.70	
L. & R. Wister & Co., Agents - Balance of Iron Ore and Pig Iron Account - Net,.....	\$ 39,657.00	\$ 68,140.47		\$ 28,483.47
Working Fund - Ore Association,.....	\$ 169.25	\$ 400.00		\$ 230.75
Insurance Premiums Paid - Unexpired Proportion,.....	\$ 545.60	\$ 917.88		\$ 372.28
Interest Paid on Notes Payable and on Discounted Notes Receivable - Unexpired Proportion,.....	\$ 888.08		\$ 888.08	
Revenue Tax,.....	\$ 27.20	\$ 28.40		\$ 1.20
Total Working and Trading Assets,.....	\$ 679,508.56	\$ 608,111.72	\$ 71,396.84	
CURRENT ASSETS:				
Cash in Hand and on Deposit:				
General Office,.....	\$ 70,690.89	\$ 60,710.52	\$ 9,980.37	
Mine Department,.....	1,555.00	1,131.74	223.26	
Land Department,.....	5,916.50	5,072.17	844.33	
Notes Receivable,.....	31,884.17	13,666.66	18,217.51	
Accounts Receivable - Schedule #2,.....	182,116.51	672,801.12		\$ 490,684.61
Total Current Assets,.....	\$ 291,963.07	\$ 753,562.21		\$ 461,419.14
DUE FROM ALLIED COMPANIES - Schedule #3,.....				
DEFERRED ACCOUNTS RECEIVABLE:	\$ 240,609.92	\$ 1,810,255.07		\$ 1,569,645.15
Delinquent Taxes Paid on Real Estate Sold and Leased	\$ 1,247.58	\$ 1,028.62	\$ 218.96	
Real Estate Rentals - Mine Department (See Contra),..	846.25	682.22	164.03	
" - Land Department (See Contra),..	3,774.39	4,151.33		\$ 376.94
Total Deferred Accounts Receivable,.....	\$ 5,868.22	\$ 5,862.17	\$ 6.05	
NOTES RECEIVABLE - DISCOUNTED (See Contra),.....	\$ 29,218.34	\$ 29,218.34		
<b>TOTAL ASSETS,.....</b>	<b>\$1,822,103.38</b>	<b>\$3,764,221.70</b>		<b>\$1,942,118.32</b>
<u>L I A B I L I T I E S</u>				
CAPITAL STOCK:				
20,000 shares, par value \$50.00 each,.....	\$1,000,000.00	\$1,000,000.00		
CURRENT LIABILITIES:				
Notes Payable,.....	\$ 80,000.00	\$ 60,000.00	\$ 20,000.00	
Vouchers Payable, not including Allied Companies,..	34,829.23	97,801.07		\$ 62,971.84
J. W. Pullman - Commission Account,.....	39.08	824.59		785.51
Pay-Rolls Payable,.....	19,748.42	27,860.39		8,111.97
Employees' Benefit Fund Deposits,.....	7,522.46	6,292.35	1,230.11	
Employees' Deposits for Identification Checks,.....	304.75	593.75		289.00
Interest on Notes Payable - Accrued,.....	250.00		250.00	
Interest Included in and Collected in Advance on Notes Receivable - Unexpired Proportion,.....	672.60		672.60	
Taxes - Accrued,.....	25,741.48	23,031.74	2,709.74	
Total Current Liabilities,.....	\$ 169,108.02	\$ 216,403.89		\$ 47,295.87
DUE TO ALLIED COMPANIES - Schedule #4,.....				
DEFERRED LIABILITIES:	\$ 2,876.43	\$ 2,182.41	\$ 694.02	
Advance Receipts on Undelivered Ore,.....	\$ 249,005.13	\$ 192,000.78	\$ 57,004.35	
Cash over at Mine Department,.....	13.87	13.87		
Employees' Benefit Fund - Suspense,.....	5,704.94	4,515.59	1,189.35	
Total Deferred Liabilities,.....	\$ 254,723.94	\$ 196,530.24	\$ 58,193.70	
SUSPENDED INCOME:				
Rentals of Real Estate - Mine Department (See Contra)	\$ 846.25	\$ 682.22	\$ 164.03	
" - Land Department (See Contra)	3,774.39	4,151.33		\$ 376.94
Total Suspended Income,.....	\$ 4,620.64	\$ 4,833.55		\$ 212.91
RESERVES:				
New Building Fund,.....	\$ 177.43	\$ 177.43		
Fire Loss - Salisbury Mine,.....	670.76	670.76		
Total Reserves,.....	\$ 848.19	\$ 848.19		
DISCOUNTED NOTES RECEIVABLE (See Contra),.....	\$ 29,218.34	\$ 29,218.34		
PROFIT AND LOSS - SURPLUS, PER EXHIBIT "H",.....	\$ 360,707.82	\$ 2,343,423.42		\$ 1,982,715.60
<b>TOTAL LIABILITIES,.....</b>	<b>\$1,822,103.38</b>	<b>\$3,764,221.70</b>		<b>\$1,942,118.32</b>

EXHIBIT "G"