

IRON CLIFFS COMPANY

MATERIALS AND SUPPLIES - NOVEMBER 30, 1903

MINE DEPARTMENT:

Cliffs Shaft,.....	\$64,651.87
Salisbury,.....	10,688.03
Ogden,.....	<u>36.49</u>

Total Mine Department,..... \$75,376.39

LAND DEPARTMENT:

Bellevue Farm,.....	\$12,808.60
Greenhouse,.....	1,868.22
Nursery,.....	1,624.69
Bone Fertilizer,.....	353.75
General,.....	<u>723.53</u>

Total Land Department,..... 17,378.79

TOTAL MATERIALS AND SUPPLIES,..... \$92,755.18

Exhibit 4
Schedule # 1

IRON CLIFFS COMPANY

ACCOUNTS RECEIVABLE - NOVEMBER 30, 1903

GENERAL OFFICE:

Allegheny Steel & Iron Company,.....	\$	903.47
American Rolling Mill Company,.....		105.76
Autrim Iron Company,.....	29,	185.15
Burden Iron Company,.....		403.56
Carbon Iron & Steel Company,.....	7,	458.38
DeCamp Bros. & Yule,.....		761.91
Deseronto Iron Company, Ltd.,.....	3,	997.49
Diamond Drill Machine Company,.....		318.30
Grand Crossing Tack Company,.....	1,	191.22
Island Steel Company,.....		810.32
Lackawanna Steel Company,.....	73,	643.94
National Malleable Castings Company,.....		469.65
National Enamelling & Stamping Company,....		143.92
Northwestern Iron Company,.....		76.50
Otis Steel Company,.....		563.29
Pennsylvania Steel Company, Ltd.,.....	38,	601.08
J. W. Pullman,.....		36.58
Queen Iron Mining Company,.....		375.00
Solid Steel Castings Company,.....		584.52
Spring Lake Iron Company,.....	4,	632.34
United Engineering & Fdy. Co.,.....		151.96
Wickwire Bros.,.....	1,	208.96
Mercantile Natl. Bank (For Exchange),.....		<u>211.17</u>

Total General Office,..... \$165,834.47

MINE DEPARTMENT:

Felch & Vandeventer,.....	\$	45.00
W. M. Sterling,.....		9.80
H. Kitts,.....		8.00
Cutta Percha Rubber Mfg. Company,.....		.58
J. Matthews,.....		18.02
L. S. & I. Ry. Company,.....		156.22
J. F. Van Brocklin,.....		25.63
Consolidated Fuel & Lumber Company,.....		5.59
Rand Drill Company,.....		187.50
City of Ishpeming,.....		<u>1,889.60</u>

Total Mine Department,..... 2,345.94

LAND DEPARTMENT - FOR LAND SALES:

Nick Arnett,.....	\$	200.00
C. W. McDonald,.....		165.00
Thos. Heckila,.....		35.86
P. G. Peterson,.....		100.00
Chas. Erickson,.....		150.00
S. Chartier,.....		266.67
Gust. Hill,.....		13.34
J. Dietel,.....		134.45
Aug. Doucette,.....		53.34
Jos. Beaudry,.....		181.50
A. T. Garland,.....		250.00
O. Raymond,.....		<u>285.00</u>

FORWARD,..... \$ 1,835.16 \$168,180.41

IRON CLIFFS COMPANY.
ACCOUNTS RECEIVABLE, ETC.

FORWARD,..... \$168,180.41

LAND DEPARTMENT - FOR LAND SALES - (Forward),	\$ 1,835.16	
H. & M. Kilta,.....	187.50	
Mandy & Maki,.....	113.34	
Ed Holland,.....	100.00	
Fred. Roberts,.....	436.00	
Chas. Peppin,.....	72.75	
Alf. Sabren,.....	25.37	
Alf. Lapalme,.....	125.00	
G. Danielson,.....	180.00	
Jno. Brown,.....	105.00	
Alex. Seymour,.....	200.00	
J. Carson,.....	5.00	
Chas. Dietrich,.....	410.00	
F. Povah,.....	100.00	
M. Huhtale,.....	50.00	
C. Baranoski,.....	66.65	
S. Himmila,.....	195.00	
F. Lompi,.....	55.32	
Lequie Charvayak & Vargay,.....	58.34	
Jno. Stunri,.....	110.67	
Alf. Franzen,.....	100.00	
Nap. Lequa,.....	200.00	
H. Hendrickson,.....	38.34	
G. Dahlstrom,.....	50.00	
Ed. Caton,.....	100.80	
H. Duford,.....	200.00	
M. Maijama,.....	50.00	
J. Cina and Anton Mingre,.....	150.00	
J. H. Harris,.....	112.00	
A. Himmila,.....	100.00	
W. Fish,.....	200.00	
M. Forgetti,.....	225.00	
E. Pekkevin,.....	133.34	
J. E. Sayer,.....	80.00	
I. Snell,.....	232.00	
E. Warbransien,.....	50.00	
M. Kauppala,.....	150.00	
J. Stromer,.....	112.00	
J. Mattson,.....	135.00	
H. Roosi,.....	140.00	
J. Lamini,.....	145.00	
Ed. Dulurd,.....	200.00	
J. Pianola,.....	225.00	
M. Wisure,.....	200.00	
H. Mickelow,.....	250.00	
F. Ulard,.....	84.00	
J. Karhi,.....	234.00	
C. Junttila,.....	100.00	
Peter Larim,.....	264.00	
Fred Lampi,.....	133.34	
J. Mitchell,.....	500.00	
Pat Hughes,.....	266.66	
W. Richman,.....	265.00	
A. Luakkauen,.....	165.00	
V. Anderson,.....	175.00	

FORWARD,..... \$10,196.58 \$168,180.41

IRON CLIFFS COMPANY.
 ACCOUNTS RECEIVABLE, ETC.

FORWARD,..... \$168,180.41

LAND DEPARTMENT - FOR LAND SALES - (Forward),	\$10,196.58
M. Ryykala,.....	166.67
N. Himanyo,.....	166.66
J. Storm,.....	150.00
Honkali & Karpi,.....	375.00
M. Olson,.....	166.65
N. Appleburg,.....	150.00
J. Mattson,.....	200.00
Lake & Lartata,.....	166.65
T. Kaminen,.....	333.34
J. Kaminen,.....	133.34
J. Maran, Sr.,.....	<u>100.00</u>

Total Land Department - For Land Sales, 12,304.89

LAND DEPARTMENT - FOR BELLEVUE FARM PRODUCTS:

Beach Inn,.....	\$ 27.69
M. M. Duncan,.....	3.60
The Cleveland-Cliffs Iron Company, Munising,	88.00
Dr. Deadman,.....	3.26
Geo. J. Haupt,.....	231.35
Jos. Kapp,.....	1.98
Nelson House,.....	19.64
H. Muck,.....	6.03
W. G. Mather,.....	.51
A. Nelson,.....	37.65
S. McCarthy,.....	2.70
H. Nightingale, Sr.,.....	1.60
Pittsburg & Lake Superior Iron Company,....	62.51
Sam Redfern,.....	1.18
J. Sellwood & Company,.....	67.06
Peter White,.....	7.92
H. A. St. John,.....	<u>1.74</u>

Total Land Department - For Bellevue Farm Products,..... 564.42

LAND DEPARTMENT - FOR NURSERY AND GREENHOUSE SALES -

GOOD:

Mrs. J. T. Adams,.....	\$.30
Alice Bellhumeur,.....	.50
Fred Bureau,.....	3.00
L. T. Bissell,.....	8.00
J. S. Beatty,.....	2.55
Mrs. L. Corbit,.....	.60
Louise Cyr,.....	.75
M. M. Duncan,.....	6.00
M. W. Donaldson,.....	.25
Mrs. C. R. Downey,.....	.60
Mrs. R. E. Drake,.....	.95
Mrs. P. R. Dawney,.....	3.20
Mrs. G. R. Empson,.....	12.75
Mrs. J. M. Edgerton,.....	.50
Dr. Goodnan,.....	8.20
Dr. Hudson,.....	2.50
Geo. Haupt,.....	<u>1.35</u>

FORWARD,..... \$ 51.40 \$181,049.72

IRON CLIFFS COMPANY.
 ACCOUNTS RECEIVABLE, ETC.

FORWARD,..... \$181,049.72

LAND DEPARTMENT - FOR NURSERY AND GREENHOUSE SALES -

GOOD - (Forward),.....	\$	51.40
H. C. Hargrave,.....		3.25
W. H. Johnston,.....		1.00
A. Johnston,.....		5.25
Anna Kergan,.....		1.00
Mrs. W. H. Laidley,.....		11.04
Ladies of the Eastern Star,.....		3.60
Ladies Aid of M. E. Church,.....		2.00
Thos. La Porte,.....		1.75
Mrs. G. A. Leiphart,.....		.25
Jacob Koukkri,.....		8.15
J. A. Kingstacet,.....		13.90
W. G. Mather,.....		5.00
Geo. Maas,.....		1.20
Mrs. A. Maitland, Sr.,.....		1.00
Masonic Lodge - Chap. #108,.....		4.80
Mrs. J. S. Mitchell,.....		9.00
Jacob Maki,.....		9.15
Peter Nadeau,.....		1.00
M. Uykauen,.....		13.85
Mrs. Fred. Nightingale,.....		1.00
Harry Nightingale,.....		19.65
Geo. O'Connor,.....		1.30
Mrs. J. M. Perkins,.....		18.25
Chas. Patrie - Silas Patenaude,.....		.50
Capt. Jas. Piper,.....		4.00
Fred. Pickands,.....		6.00
Jos. H. Primeau,.....		7.50
C. A. Ryan,.....		1.50
Jno. Stevens,.....		1.75
Reino Salo,.....		7.00
Mrs. F. A. Wentworth,.....		1.40
Mrs. T. M. Wells,.....		.15
Aug. Wauska,.....		13.25
Mrs. E. C. Williams,.....		6.95
Mrs. Jas. C. Wood,.....		.75
Mrs. H. A. Yungbluth,.....		.50
Mrs. H. A. Yungbluth,.....		10.20
Dr. Zellan,.....		1.85
Mrs. Geo. Barnes,.....		7.20
Mrs. Rd. Eddy,.....		.50
Mrs. Otto Eger,.....		2.25
Mrs. Thos. Harris,.....		2.45
Iron Cliffs Company,.....		6.20
Peter Johnson,.....		4.00
Gus. Koski,.....		5.75
D. McMillan,.....		2.80
Mrs. A. Moutri,.....		.60
Mrs. Sam. Mitchell,.....		42.90
Munising Ry. Company - Land Department,.....		13.55
Mrs. A. F. Maitland,.....		2.00
C. W. Munson,.....		2.75
Mrs. J. D. F. Pierson,.....		4.00
Swedish Sewing Society,.....		1.50
Mrs. F. P. Tillson,.....		.15

FORWARD,..... \$ 347.19 \$181,049.72

IRON CLIFFS COMPANY.
ACCOUNTS RECEIVABLE, ETC.

FORWARD,..... \$181,049.72

LAND DEPARTMENT - FOR NURSERY AND GREENHOUSE SALES -

GOOD - (Forward),.....	\$	347.19
Mrs. J. E. Williams,.....		2.00
Mrs. C. J. Byrnes,.....		2.25
Mrs. F. H. Begsle,.....		4.75
Mrs. Frank Bell,.....		1.00
Mrs. McComber,.....		2.20
Mrs. Thos. Cervenyak,.....		1.25
Cleveland Iron Mining Company - Agent's Residence,.....		13.95
Mrs. W. Fitch,.....		3.00
Frank Howard,.....		5.00
Mrs. Jas. Japling,.....		2.00
Miss Ella Johnson,.....		2.60
H. L. Kaufman,.....		4.00
Mrs. A. E. Miller,.....		2.00
Mrs. R. Olson,.....		11.10
Negaunee Chapter R. A. M.,.....		5.00
Sam. Redfern,.....		1.45
O. Rosen,.....		.75
Mrs. B. Sherman,.....		1.25
Rev. F. Spence,.....		8.50
Rev. E. Shuck,.....		.50
La. V. Seass,.....		6.00
Mrs. F. H. Wallace,.....		3.00
Mrs. M. Arland,.....		.90

Total Land Department - For Nursery and
Greenhouse Sales - Good,..... 431.64

LAND DEPARTMENT - FOR NURSERY AND GREENHOUSE SALES -

DOUBTFUL:

H. C. Baker,.....	\$	3.40
G. W. Barnes,.....		1.00
J. H. Baldwin,.....		2.00
Mrs. Boyer,.....		2.50
W. G. Baumgarten,.....		1.80
A. Brooks,.....		2.75
Bell Bending,.....		1.00
W. S. Adams,.....		1.50
J. P. Bailey,.....		1.20
Ed. Bellhumeur,.....		13.00
J. J. Byers,.....		5.00
A. K. Cox,.....		1.65
L. L. Croze,.....		5.00
S. W. Clements,.....		1.75
N. Donohue,.....		.80
T. J. Cornell,.....		8.75
J. Collins,.....		8.50
G. Cameron,.....		3.00
Finnish Temperance Society,.....		5.00
Order of Elks,.....		3.00
J. C. Fowle,.....		17.15
Hy. Grant,.....		6.00
C. G. Hawes,.....		2.10
Paul Harris,.....		3.00
N. Yauthier,.....		2.00

FORWARD,..... \$ 101.85 \$181,481.36

IRON CLIFFS COMPANY.
 ACCOUNTS RECEIVABLE, ETC.

FORWARD,..... \$181,481.36

LAND DEPARTMENT - FOR NURSERY AND GREENHOUSE SALES -

DOUBTFUL - (Forward),.....	\$	101.85
H. Greenwald,.....		.35
A. K. Grant,.....		.80
Geo. B. Gibbard,.....		1.45
J. Hogberg,.....		5.00
J. H. Hudson,.....		11.85
M. Grooms,.....		5.05
M. Gouland,.....		12.75
Rev. -- Geers,.....		20.00
H. A. Johnson,.....		.80
Scott Johnson,.....		5.00
A. E. Lutey,.....		8.75
T. C. Kennedy,.....		2.00
E. C. Kayler,.....		.80
C. Lindh,.....		.50
A. Larson,.....		1.20
B. C. Kaufman,.....		2.00
Jno. Lewis,.....		24.50
N. Kennedy,.....		9.00
Mrs. McKenzie,.....		.45
Maas Store Company,.....		4.75
E. P. Monteith,.....		2.15
A. Meyers,.....		.25
Mrs. McIntosh,.....		2.65
R. MacKenzie,.....		1.15
Jno. McNamer,.....		.60
Jno. McDonald,.....		.75
J. J. Maker,.....		2.00
E. R. Nelson,.....		.75
E. E. Mertz,.....		6.50
Dr. F. W. Neill,.....		7.09
S. J. Mitchell,.....		6.00
R. J. Mackay,.....		9.50
T. H. Martin,.....		5.50
W. Palmer,.....		3.00
Wm. Pohlman,.....		1.00
Alma Peterson,.....		.80
H. Page,.....		2.15
Fred. Rinehart,.....		3.35
Edith Richardson,.....		.50
F. B. Ross,.....		3.80
Miss Shier,.....		1.00
Tonella & Johnson,.....		12.75
J. J. Voelker,.....		3.50
J. F. Van Brocklin,.....		3.00
L. M. Van Buren,.....		3.00
Geo. Voyle,.....		3.25
Mrs. C. Williamson,.....		.80
Wrights,.....		2.86
D. A. Whitney,.....		19.10
R. Wakefield,.....		4.00
A. M. York,.....		24.05

Total Land Department - For Nursery and
 Greenhouse Sales - Doubtful,..... \$ 355.65

LAND DEPARTMENT - SUNDRY PERSONS FOR MISCELLANEOUS TRUCK, 279.50

TOTAL,..... \$182,116.51

IRON CLIFFS COMPANY

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

EARNINGS:	
Mine Profits - Schedule #1,.....	\$ 457,168.49
EXPENSES:	
Legal,.....	\$ 598.88
Special at Mines,.....	.69
General - Schedule #2,.....	34,509.27
Total,.....	<u>35,108.84</u>
NET EARNINGS,.....	\$ 422,059.65
OTHER INCOME:	
Interest on Notes and Accounts - Net,.....	\$ 6,378.41
Profit on Dunbar Pig Iron,.....	63,398.78
Miscellaneous Income of Mine Department - Schedule #3,.....	6,118.85
Net Profit from Greenhouse and Nursery - Schedule #4,.....	2,298.04
Total,.....	<u>78,194.08</u>
GROSS INCOME,.....	\$ 500,253.73
DEDUCTIONS FROM INCOME:	
Carp River Water Power,.....	\$ 204.78
Land Department Expenses and Taxes in Excess of Revenue - Schedule #5,.....	10,514.88
Bellevue Farm Expenses and Taxes in Excess of Revenue - Schedule #6,.....	8,133.43
Explorations - Section #13,.....	118.71
Total,.....	<u>18,971.80</u>
NET INCOME,.....	\$ 481,281.93
PROFIT AND LOSS - SURPLUS, NOVEMBER 30, 1902,.....	<u>2,343,423.42</u>
PROFIT AND LOSS - GROSS SURPLUS,.....	<u>\$2,824,705.35</u>
PROFIT AND LOSS CHARGES:	
Dividend on \$1,000,000.00 Capital Stock issued and outstanding,.....	<u>2,463,997.53</u>
PROFIT AND LOSS - SURPLUS, NOVEMBER 30, 1903,.....	<u>\$ 360,707.82</u>

IRON CLIFFS COMPANY

MINE OPERATIONS -- FOR THE YEAR ENDED NOVEMBER 30, 1903

	TOTAL	CLIFFS SHAFT	SALISBURY	TILDEN	FOSTER	OGDEN	BARNUM	OLD MINE HEMATITE
GROSS SALES - DELIVERIES,	\$1,487,997.30	\$802,243.59	\$659,473.64	\$18,732.02	\$1,008.72		\$3,516.88	\$3,016.45
LESS:								
Rail Freight,	\$ 79,553.37	\$ 53,147.40	\$ 24,437.21	\$ 1,968.76				
Lake " "	181,006.55	120,861.65	56,825.45	3,519.45				
Cargo Insurance,	1,119.26	799.78	311.95	7.53				
Total,	\$ 261,679.18	\$174,808.83	\$ 81,374.61	\$ 5,495.74				
NET SALES,	\$1,226,318.12	\$627,434.76	\$578,099.03	\$13,242.28	\$1,008.72		\$3,516.88	\$3,016.45
COST OF ORE PRODUCED AND PURCHASED:								
Exploration,	\$ 3,015.49	\$ 3,015.49						
Mining,	399,790.81	233,031.02	\$162,329.61			\$4,430.18		
Loading and Shipping,	6,054.19	2,579.58	2,812.32	\$ 1.50	\$ 186.12	474.67		
Maintenance,	19,599.09	8,918.18	10,743.00	110.90	12.00	60.81		
Depreciation - Net,	5,835.32	2,054.80	53.40			3,633.92		
Central Office,	16,804.67	10,090.64	6,714.03					
Analysis,	698.00	444.20	194.30	59.50				
General,	9,890.58	5,026.39	4,469.65	1.00	231.59	161.95		
Taxes,	23,851.88	17,532.31	6,017.81	96.91	195.95	8.90		
Total Cost of Ore Produced, \$	485,340.03	\$282,692.61	\$193,227.32	\$ 48.01	\$ 601.66	\$8,770.43		
Purchases,	378,950.30	224,823.06	154,127.24					
Total Cost of Ore Pro- duced and Purchased, \$	864,290.33	\$507,515.67	\$347,354.56	\$ 48.01	\$ 601.66	\$8,770.43		
DEDUCT - INCREASE IN INVENTORY,	95,140.70	95,949.90	12,088.25					
ADD - DECREASE IN INVENTORY,				8,515.95				\$4,381.50
COST OF ORE SALES - DELIVERED,	\$ 769,149.63	\$411,565.77	\$335,266.31	\$ 8,563.96	\$ 601.66	\$8,770.43		\$4,381.50
PROFIT,	\$ 457,168.49	\$215,868.99	\$242,832.72	\$ 4,678.32	\$ 407.06	\$8,770.43	\$3,516.88	\$1,365.05

CO. BALTIMORE

IRON CLIFFS COMPANY

GENERAL EXPENSES -- FOR THE YEAR ENDED NOVEMBER 30, 1903

Salaries,.....	\$24,320.74
Traveling,.....	1,136.61
Telegraph and Telephone,.....	1,127.90
Stationery and Office Supplies,.....	731.16
Donations,.....	2,787.05
Rent,.....	1,400.00
Postage,.....	356.86
Furniture and Fixtures,.....	489.41
Typewriters, Adding Machine, etc.,.....	227.50
Extra Help,.....	87.60
Non-Bessemer Ore Association,.....	400.00
Miscellaneous,.....	<u>1,444.44</u>
TOTAL,.....	<u>\$34,509.27</u>

1903

Exhibit H
Schedule # 2

IRON CLIFFS COMPANY

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

REVENUE:

Rentals from Real Estate:

Cliffs Shaft Houses,.....	\$1,359.50
Salisbury Houses and Lots,.....	1,960.25
Foster Houses,.....	49.00
Barnum Lots,.....	324.50
Miscellaneous Lots,.....	140.79
Ground Rentals on Mine Leases,.....	<u>3,000.00</u>
Total,.....	\$6,834.04

EXPENSES:

Repairs to Cliffs Shaft Rented Houses,.....	\$ 279.07
" Salisbury Rented Houses,.....	312.92
" Foster Rented Houses,.....	19.67
Land Improvements,.....	67.30
Shop Expense,.....	5.00
Interest,.....	23.73
Collection Fees,.....	<u>7.50</u>
Total,.....	<u>715.19</u>

NET INCOME,..... \$6,118.85

Exhibit H
Schedule B3

IRON CLIFFS COMPANY

NET PROFIT FROM GREENHOUSE AND NURSERY -
FOR THE YEAR ENDED NOVEMBER 30, 1903

GREENHOUSE:

Sales of Flowers and Plants,		\$4,401.70
Expenses:		
Labor,	\$1,497.26	
Cut Flowers Purchased,	375.41	
General,	414.31	
Depreciation,	362.60	
Insurance,	37.67	
Taxes,	36.74	
Total,		<u>2,723.99</u>

Net Profit,

		\$1,677.71
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NURSERY:

Sales of Stock,		\$2,012.49
Expenses,		<u>1,487.39</u>

Net Profit,

		525.10
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ADDITIONAL SALES OF GREENHOUSE AND NURSERY STOCK,
PER JOURNAL ENTRY IN EXHIBIT "I",

		<u>95.23</u>
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TOTAL NET PROFIT FROM GREENHOUSE AND NURSERY,

		<u>\$2,298.04</u>
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Exhibit H
Schedule X 4

IRON CLIFFS COMPANY

LAND DEPARTMENT EXPENSES AND TAXES IN EXCESS OF REVENUE -
FOR THE YEAR ENDED NOVEMBER 30, 1903

EXPENSES AND TAXES:

Salaries,.....	\$ 2,480.15	
Repairs to Rented Houses,.....	722.60	
Repairs to Buildings,.....	16.68	
Surveying,.....	484.71	
Forestry,.....	86.60	
Baldwin Kilns Forestry,.....	1,164.47	
Office Yard,.....	20.27	
Insurance,.....	80.05	
Miscellaneous Expenses,.....	1,877.96	
Depreciation of Supplies,.....	185.07	
Depreciation of Ford River Kilns,.....	1,400.00	
Depreciation of Felch Mount Kilns,.....	2,700.00	
Taxes on Lands,.....	3,380.26	
Taxes on Timber Lands,.....	1,678.44	
Taxes on Rented Houses,.....	40.25	
Taxes on Personal Property,.....	17.50	
Total,.....		\$16,335.61

REVENUE:

Rentals:		
Farm Lands,.....	\$ 1,636.05	
Houses,.....	1,126.18	
Junction Lots,.....	454.00	
Miscellaneous Lots,.....	1,653.56	
Total,.....	\$ 4,869.79	
Interest,.....	855.94	
Miscellaneous,.....	95.00	
Total,.....		5,820.73

EXPENSES AND TAXES IN EXCESS OF REVENUE,..... \$10,514.88

Exhibit "H"
Schedule #5

IRON CLIFFS COMPANY

BELLEVUE FARM EXPENSES AND TAXES IN EXCESS OF REVENUE -
FOR THE YEAR ENDED NOVEMBER 30, 1903

EXPENSES AND TAXES:

Expenses,.....	\$10,894.74	
Taxes,.....	<u>167.26</u>	
Total,.....		\$11,062.00

REVENUE:

Net Sales:

Farm - Hay, Grain, Oats and Straw,.....	\$ 211.50	
Dairy - Butter, Milk and Meats,.....	2,181.90	
Sheep - Mutton, Wool and Pelts,.....	436.99	
Goat - Mohair,.....	21.81	
Additional Sales, per Journal Entry		
in Exhibit "I",.....	<u>16.37</u>	
Total,.....	\$ 2,868.57	
House Rental,.....	<u>60.00</u>	
Total,.....		<u>2,928.57</u>

EXPENSES AND TAXES IN EXCESS OF REVENUE,..... \$ 8,133.43

Exhibit H
Schedule #6

IRON CLIFFS COMPANY

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

ACCOUNTS RECEIVABLE - BELLEVUE FARM SALES,.....	\$	16.37
ACCOUNTS RECEIVABLE - NURSERY AND GREENHOUSE SALES,.....		95.23
TO BELLEVUE FARM SALES RECEIVABLE,.....	\$	16.37
NURSERY AND GREENHOUSE SALES RECEIVABLE,.....		95.23

To bring the Controlling Accounts Receivable for Bellevue Farm, Greenhouse and Nursery Sales, in the Land Department General Ledger, into agreement with the accounts in the subsidiary Ledgers. For details of the latter see Schedule #2 of Exhibit "G". It was found impracticable to distinguish between the "Greenhouse" and "Nursery" accounts in the subsidiary ledger; therefore, for the purpose of this entry it is necessary to aggregate the "Greenhouse" and "Nursery" differences.

FARM RENTALS RECEIVABLE,.....	\$	298.90
MISCELLANEOUS LOT RENTALS RECEIVABLE,.....		
JUNCTION LOT RENTALS RECEIVABLE,.....		883.17
HOUSE RENTALS RECEIVABLE,.....		
TO FARM RENTALS,.....	298.90	
MISCELLANEOUS LOT RENTALS,.....		
JUNCTION LOT RENTALS,.....		883.17
HOUSE RENTALS,.....		

To bring the Controlling Rentals Receivable accounts in the Land Department General Ledger into balance with the accounts in the subsidiary ledgers. For details of the latter see Schedule #2 of Exhibit "G". It was found impracticable to distinguish between the "Miscellaneous", the "Junction" and the "House" accounts in the subsidiary ledger; therefore, for the purpose of this entry, it was necessary to aggregate these accounts into one amount.

INTEREST ON DISCOUNTED NOTES RECEIVABLE - PAID IN ADVANCE,.....	\$	332.61
TO INTEREST,.....		332.61

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

IRON CLIFFS COMPANY.
JOURNAL ENTRIES, ETC.

INTEREST PAID IN ADVANCE ON DISCOUNTED NOTES RECEIVABLE,.. \$458.80
TO INTEREST,..... \$458.80

For Interest on Notes Receivable discounted December
1, 1903, erroneously charged to Interest in 1903
period.

INTEREST,..... 266.92
TO INTEREST ON NOTES RECEIVABLE -
COLLECTED IN ADVANCE,..... 266.92

For the unexpired proportion of Interest col-
lected in advance on Notes Receivable.

INTEREST,..... 405.68
TO INTEREST INCLUDED IN NOTES RECEIVABLE,..... 405.68

For the unexpired proportion of Interest included
in Notes Receivable.

Exhibit 'I' (Concluded) - 2.

PIONEER IRON COMPANY

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

	NOVEMBER 30, 1903	NOVEMBER 30, 1902	INCREASE	DECREASE
<u>ASSETS</u>				
<u>PROPERTY AND PLANT:</u>				
Real Estate,.....	\$ 125,000.00	\$ 125,000.00		
Lease of Excelsior Furnace Land,.....	10,000.00	10,000.00		
Cost of Carp River Furnace,.....	30,000.00	30,000.00		
Cost of Pioneer Furnace #2,.....	966,658.83	653,754.79	\$312,903.84	
Equipment - Pioneer Furnace #2,.....	29,577.28	11,089.32	18,487.96	
Barn Equipment - Pioneer Furnace #2,.....	16,694.54		16,694.54	
Carp Kiln Equipment,.....	724.64		724.64	
Improvements - Carp River Furnace,.....		83.44		\$ 83.44
New Kilns - Carp River Furnace,.....		14,816.89		14,816.89
Total Property and Plant,.....	\$1,178,855.09	\$ 844,744.44	\$333,910.65	
<u>WORKING AND TRADING ASSETS:</u>				
Ore - Carp River Furnace,.....	\$ 2,637.22	\$ 2,417.87	\$ 219.35	
Ore - Pioneer Furnace,.....	5,715.22		5,715.22	
Limestone - Carp River Furnace,.....	347.82	358.60		\$ 110.78
Limestone - Pioneer Furnace,.....	1,892.13		1,892.13	
Wood - Pioneer Furnace,.....	158,132.97		158,132.97	
Supplies - Carp River Furnace,.....	638.03	728.53		90.50
Supplies - Pioneer Furnace,.....	23,365.10		23,365.10	
Excelsior Pig Iron,.....	80,069.50	7,121.00		72,948.50
Marquette-Pioneer Pig Iron,.....	144,300.00		144,300.00	
Wood Alcohol,.....	5,481.60		5,481.60	
Insurance Premiums Paid - Unexpired Proportion,.....	593.53	309.58		283.95
Taxes Paid on Munising West Lands - Unexpired Proportion,.....	695.38		695.38	
Total Working and Trading Assets,.....	\$ 423,768.50	\$ 10,935.58	\$412,832.92	
<u>CURRENT ASSETS:</u>				
Cash in Hand and on Deposit:				
General Office,.....	\$ 45,605.64	\$ 24,636.90	\$ 20,968.74	
Carp River Furnace,.....	858.35	450.76	407.59	
Pioneer Furnace #2,.....	2,779.57		2,779.57	
Mine Department,.....		5.12		\$ 5.12
Land Department,.....	104.78		104.78	
Accounts Receivable - Schedule #1,.....	126,481.54	110,072.53	16,409.01	
Total Current Assets,.....	\$ 175,829.88	\$ 135,165.31	\$ 40,664.57	
<u>DUE FROM ALLIED COMPANIES:</u>				
Furnace Department:				
Munising Company - Land Department,.....	\$ 5.00		\$ 5.00	
Munising Railway Company,.....	80.00		80.00	
Cleveland-Cliffs Iron Company,.....	4,059.55		4,059.55	
Cleveland-Cliffs Iron Company - Ishpeming,.....	147.47		147.47	
Total Due from Allied Companies,.....	\$ 4,292.02		\$ 4,292.02	
<u>PROFIT AND LOSS - DEFICIT, PER EXHIBIT "K",.....</u>	\$ 27,164.37	\$ 39,974.41		\$ 12,810.04
<u>TOTAL ASSETS,.....</u>	\$1,809,709.86	\$1,030,819.74	\$778,890.12	
<u>LIABILITIES</u>				
<u>CAPITAL STOCK (5,000 shares of \$25.00 par value each),....</u>	\$ 125,000.00	\$ 125,000.00		
<u>CURRENT LIABILITIES:</u>				
Note Payable - Mercantile National Bank, on Demand,.....	\$ 50,000.00		\$ 50,000.00	
Vouchers Payable - Not including Allied Companies,.....	29,055.27	\$ 14,691.10	14,364.17	
Accounts Payable - Schaffer & Gray,.....	35,689.54	19,621.03	16,068.51	
" - Mercantile National Bank,.....	117.83		117.83	
" - Isabella C. Tower,.....	6,666.66		6,666.66	
Pay-rolls Payable,.....	18,809.91	2,654.05	16,155.86	
Unclaimed Wages,.....	18.15		18.15	
Total Current Liabilities,.....	\$ 140,357.36	\$ 36,966.18	\$103,391.18	
<u>DUE TO ALLIED COMPANIES - Schedule #2,.....</u>	\$1,531,676.62	\$ 859,534.12	\$672,142.50	
<u>RESERVES:</u>				
Insurance - Chemical Plant,.....	\$ 1,706.66		\$ 1,706.66	
Relining and Renewals - Pioneer Furnace #2,.....	2,382.10		2,382.10	
Relining and Renewals - Carp Furnace,.....	3,744.20		3,744.20	
Freight and Handling Charges on Pig Iron,.....	4,523.48	\$ 9,000.00		\$ 4,476.52
Employees' Benefit,.....	319.44	319.44		
Total Reserves,.....	\$ 12,675.88	\$ 9,319.44	\$ 3,356.44	
<u>TOTAL LIABILITIES,.....</u>	\$1,809,709.86	\$1,030,819.74	\$778,890.12	

PIONEER IRON COMPANY

ACCOUNTS RECEIVABLE - NOVEMBER 30, 1903

Gust. Niemisto,.....	\$	199.70
Alf. Hill,.....		190.70
H. W. Johns Manville Company,.....		2.00
Baker, Smith & Company,.....		9.44
Southwark Fdy. & Mach. Company,.....		78.07
Fairbanks Morse Company,.....		6.53
Murphy Iron Company,.....		58.23
D. Cluit-Prescott Company,.....		4.66
Western Railway Weighing Assn.,.....		25.00
Vulcan Copper Works,.....		64.09
Austin Farrell,.....		8.99
F. M. Prescott S. P. Company,.....		130.86
Crown Dryer Company,.....		4,254.97
M. J. Lynn,.....		7.00
Superior Charcoal Iron Company,.....		749.00
Green Fuel Economizer Company,.....		17.42
Jas. Pickands & Company,.....		1,053.30
L. E. Chausser,.....		9.60
Wood Products Company,.....		933.07
E. M. Nichols,.....		17.44
I. E. Swift & Company,.....		.75
Superior Charcoal Iron Company #1 Account,.....		41,978.69
" #2 " " ,.....		5,547.23
Berry Brothers, Ltd.,.....		5,210.75
Wood Products Company,.....		9,937.00
Lake Shore Engine Works,.....		1,476.00
Regent Iron Company,.....		50.00
Wm. G. Mather Pig Iron Dividend Account,.....		54,147.65
John McCall,.....		313.40
TOTAL,.....		<u>\$126,481.54</u>

Exhibit J
Schedule #1

PIONEER IRON COMPANY

DUE TO ALLIED COMPANIES - NOVEMBER 30, 1903

NUM- BER	IN FAVOR OF	ITEM	AMOUNT
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AUDITED VOUCHERS

701	Munising Company - Land Department,.....	\$ 504.95	
702	Munising Railway Company,.....	172.20	
704	Marquette & Southeastern Railway Company,	1,764.33	
706	Cleveland-Cliffs Iron Company,.....	659.94	
716	Marquette & Southeastern Railway Company,	298.60	
717	"	9,026.04	
720	Munising Railway Company,.....	99.50	
741	Marquette & Southeastern Railway Company,	6,613.82	
757	"	1,398.97	
759	Munising Railway Company,.....	335.47	
760	Munising Company - Land Department,.....	2,014.90	
761	Cleveland-Cliffs Iron Company,.....	<u>1,196.75</u>	
	Total Audited Vouchers,.....	\$	24,085.47

OPEN ACCOUNTS

Iron Cliffs Company,.....	\$ 237,856.84	
Cleveland-Cliffs Iron Company,.....	1,009,633.86	
Cleveland Iron Mining Company,.....	<u>260,100.45</u>	
Total Open Accounts,.....		<u>1,507,591.15</u>
TOTAL DUE TO ALLIED COMPANIES,.		<u>\$1,531,676.62</u>

Exhibit 'J'
Schedule #2.

PIONEER IRON COMPANY

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

GROSS SALES - DELIVERIES:	
Excelsior Pig Iron,.....	\$322,803.80
Marquette-Pioneer Pig Iron,.....	209,081.33
Wood Alcohol,.....	45,254.13
Profit from Superior Charcoal Iron Company,.....	54,147.65
Total,.....	\$631,286.91
LESS:	
Lake Freight - Excelsior Pig Iron,.....	\$ 4,550.00
Rail Freight - " ,.....	26,990.25
Dockage and Handling - Excelsior Pig Iron,.....	2,106.58
Cargo Insurance - Excelsior Pig Iron,.....	450.00
Commissions - Excelsior Pig Iron,.....	4,373.01
Rail Freight - Wood Alcohol,.....	2,299.29
Total,.....	40,769.13
NET SALES - DELIVERIES,.....	\$590,517.78
COST OF SALES DELIVERED:	
Excelsior Pig Iron:	
Cost of Production,.....	\$286,075.34
Less - Increase of Inventory,....	72,948.50
Marquette-Pioneer Pig Iron:	
Cost of Production,.....	\$365,088.02
Less - Increase of Inventory,....	144,300.00
Wood Alcohol:	
Cost of Production,.....	\$ 52,184.92
Less - Increase of Inventory,....	5,481.60
Total,.....	480,618.18
GROSS PROFIT,.....	\$109,899.60
EXPENSES:	
General,.....	\$ 2,105.87
Legal,.....	1,855.48
Total,.....	3,961.35
NET PROFIT,.....	\$105,938.25
OTHER INCOME:	
Land Rental-Buffalo Mine,.....	50.00
GROSS INCOME - (Forward),.....	\$105,988.25

PIONEER IRON COMPANY.
 STATEMENT OF INCOME AND PROFIT AND LOSS, ETC.

GROSS INCOME - (Forward),.....		\$105,988.25
DEDUCTIONS FROM INCOME:		
Schaffer & Gray's Proportion of Earnings of Carp River Furnace,.....	\$ 35,689.54	
Interest and Discount - Net,.....	56,380.10	
Net Loss of Land Department,.....	<u>951.81</u>	
Total,.....		<u>93,021.45</u>
NET INCOME FOR THE YEAR,.....		<u>\$ 12,966.80</u>
PROFIT AND LOSS - DEFICIT AT BEGINNING OF THE YEAR,.....		\$ 39,974.41
OTHER PROFIT AND LOSS CHARGES:		
Rent of Excelsior Furnace Land,.....	\$ 100.00	
Buffalo Mine Royalty - 1902 Excess,.....	<u>81.88</u>	
Total,.....		<u>181.88</u>
PROFIT AND LOSS - GROSS DEFICIT,.....		\$ 40,156.29
PROFIT AND LOSS CREDITS:		
Unclaimed Wages Written Off,.....	\$ 25.12	
Net Income for the Year, as above,.....	<u>12,966.80</u>	
Total,.....		<u>12,991.92</u>
PROFIT AND LOSS - DEFICIT, NOVEMBER 30, 1903,.....		<u>\$ 27,164.37</u>

Exhibit R (continued) 2.

THE MUNISING COMPANY

GENERAL BALANCE SHEET - DECEMBER 31, 1903 AND 1902 - AND COMPARISON

	DECEMBER 31, 1903.	DECEMBER 31, 1902.	INCREASE	DECREASE
<u>A S S E T S</u>				
ALGER COUNTY LANDS,.....	\$245,010.50	\$260,399.47		\$15,388.97
CURRENT ASSETS:				
Cash in Hand and On Deposit,.....		\$ 516.68		\$ 516.68
Wm. G. Mather, Treasurer,.....		11,720.32		11,720.32
Accounts Receivable - Schedule #1,.....	\$ 11,678.28	16,711.86		5,033.58
Total Current Assets,.....	\$ 11,678.28	\$ 28,948.86		\$17,270.58
DUE FROM ALLIED COMPANIES:				
Munising Railway Company,.....	\$ 11,529.51	\$ 11,529.51		
" - Land Department,.....	2.75		\$ 2.75	
Cleveland Cliffs Iron Company - Cleveland,.....	20,476.83	5,361.13	15,115.70	
" - Furnace Department,.....	9,234.26	4,775.19	4,459.07	
Total Due from Allied Companies,.....	\$ 41,243.35	\$ 21,665.83	\$19,577.52	
DEFERRED ASSET:				
Delinquent Taxes Paid on Real Estate Sold and Leased,.....	\$ 792.09	\$ 792.09		
PROFIT AND LOSS - DEFICIT, PER EXHIBIT "M",.....	\$126,515.54	\$114,706.69	\$11,808.85	
TOTAL ASSETS,.....	\$425,239.76	\$426,512.94		\$ 1,273.18

<u>L I A B I L I T I E S</u>				
CAPITAL STOCK:				
4,159 Shares of \$100.00 Par Value Each,.....	\$415,900.00	\$415,900.00		
CURRENT LIABILITIES:				
Overdraft on Bank,.....	\$ 1,618.42		\$ 1,618.42	
Vouchers Payable, not including Allied Companies,.....	3,564.30	\$ 9,215.24		\$ 5,650.94
Wm. G. Mather, Treasurer,.....	2,067.98		2,067.98	
Chas. Clement,.....	40.00	40.00		
Timothy Nester,.....	9.91	9.91		
Total Current Liabilities,.....	\$ 7,300.61	\$ 9,265.15		\$ 1,964.54
DUE TO ALLIED COMPANIES - Schedule #2,.....	\$ 970.60	\$ 279.24	\$ 691.36	
SUSPENDED LIABILITY:				
French & Lyman (Out of Business),.....	\$ 1,068.55	\$ 1,068.55		
TOTAL LIABILITIES,.....	\$425,239.76	\$426,512.94		\$ 1,273.18

THE MUNISING COMPANY

ACCOUNTS RECEIVABLE - DECEMBER 31, 1903

FROM	FOR	AMOUNT
Comstock Brothers,.....	Taxes	\$ 55.03
Sundry Chatham Farmers,.....	"	415.15
Peter Pimstinen,.....	Farm Land	240.00
Aug. Traschance,.....	"	108.40
H. Laage,.....	"	199.25
Wm. Clark,.....	"	120.00
Geo. Moore,.....	"	120.00
Jason Clement,.....	"	320.00
Donald McKinnon,.....	"	200.00
Jas. Connors,.....	"	480.00
Amab Lucia,.....	"	16.00
Thos. Bushey,.....	"	35.20
Wm. Davidson,.....	"	80.00
Lewis Lavory,.....	"	120.00
Mat. Kurniemi,.....	"	187.25
John Kamppinen,.....	"	320.00
Simon Kirkkanen,.....	"	320.00
Peter Johnson,.....	"	160.00
Isaac Isaacson,.....	"	170.11
John Heikkila,.....	"	202.25
Gust. Hayne,.....	"	160.00
Oscar Hill,.....	"	212.25
Thos. Heikkila,.....	"	212.25
Gust. Koski,.....	"	160.00
Matti Maki,.....	"	200.00
John Kaustkan,.....	"	212.25
Jacob Ruspappa,.....	"	320.00
Kane Kauppanen,.....	"	212.25
Michael Seppi,.....	"	212.25
Oscar Lundwall,.....	"	212.25
Otto Hautato,.....	"	200.00
Victor Lempenen,.....	"	200.00
John E. Erickson,.....	"	212.19
Peter Maki,.....	"	212.25
Henry Hendrickson,.....	"	300.00
Thomas Houstrom,.....	"	160.00
John Kuju,.....	"	160.00
Mat. Nykauen,.....	"	200.00
Oscar Nejinan,.....	"	160.00
John Samanen,.....	"	212.25
Auti Jestila,.....	"	212.20
Jacob Maki,.....	"	212.25
John Hill,.....	"	212.25
Matti Lieppa,.....	"	212.25
Isaac Matno,.....	"	212.25
Jacob Kauppan,.....	"	200.00
John Luakkanen,.....	"	200.00
John Lahti,.....	"	200.00
K. C. Staln,.....	"	149.50
FORWARD,.....		\$ 9,809.53

THE MUNISING COMPANY.
ACCOUNTS RECEIVABLE, ETC.

FROM	FOR	AMOUNT
FORWARD,.....		\$ 9,809.53
Alex. Peterson,.....	Farm Land	200.00
Wm. Clark,.....	"	168.75
Mat. Nykauen,.....	"	200.00
John Nykauen,.....	"	200.00
Evert Henonen,.....	"	200.00
John Luoma,.....	"	200.00
John Jasper,.....	"	300.00
Chris. M. Baker,.....	"	200.00
Hermon Mackynen,.....	"	<u>200.00</u>
TOTAL,.....		<u>\$11,678.28</u>

Exhibit 'L'
Schedule # 1.

THE MUNISING COMPANY

DUE TO ALLIED COMPANIES - DECEMBER 31, 1903

<u>NUM- BER</u>	<u>IN FAVOR OF</u>	<u>ITEM</u>	<u>AMOUNT</u>
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AUDITED VOUCHERS

176	Cleveland-Cliffs Iron Company,.....	\$167.87	
177	Iron Cliffs Company,.....	217.89	
178	Cleveland-Cliffs Iron Company,.....	<u>577.84</u>	
	Total,.....		\$963.60

OPEN ACCOUNT

Iron Cliffs Company,.....	<u>7.00</u>
TOTAL DUE TO ALLIED COMPANIES,....	<u>\$970.60</u>

Exhibit "L"
Schedule # 2

THE MUNISING COMPANY

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

REVENUE:	
Sale of Lots,.....	\$ 180.00
Chatham Rentals,.....	60.00
E. Munising Rentals,.....	167.00
Sale of Maps,.....	45.77
Miscellaneous Receipts,.....	55.30
Sale of Old Material,.....	70.00
Interest,.....	<u>421.45</u>
Total,.....	\$ 999.52
EXPENSES:	
Salaries,.....	\$ 2,184.41
Water and Ice,.....	5.30
Telephone and Telegraph,.....	48.25
Surveying,.....	145.27
Freight and Express,.....	38.34
Livery,.....	6.00
Legal,.....	148.10
Scaling,.....	193.50
Estimating,.....	216.73
Travelling,.....	145.79
Stationery and Printing,.....	60.07
Fuel and Light,.....	94.82
Postage,.....	44.85
Agricultural Interests,.....	166.67
Advertising,.....	2.50
Maps,.....	18.16
General Land Surveying,.....	434.37
Commissions,.....	489.17
Miscellaneous,.....	<u>80.90</u>
Total,.....	<u>4,523.20</u>
EXCESS OF EXPENSES OVER REVENUE,.....	\$ 3,523.68
TAXES,.....	<u>8,285.17</u>
EXCESS OF EXPENSES AND TAXES OVER REVENUE,.....	\$ 11,808.85
PROFIT AND LOSS - DEFICIT, DECEMBER 31, 1902,.....	<u>114,706.69</u>
PROFIT AND LOSS - DEFICIT, DECEMBER 31, 1903,.....	<u>\$126,515.54</u>

MICHIGAMME COMPANY

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

	NOVEMBER 30, 1903	NOVEMBER 30, 1902	INCREASE	DECREASE
<u>ASSETS</u>				
PROPERTY:				
Real Estate,.....	\$500,000.00	\$500,000.00		
Tax Titles Acquired,.....	155.09	155.09		
Total Property,.....	\$500,155.09	\$500,155.09		
WORKING AND TRADING ASSETS:				
General Supplies,.....	\$ 2,274.90	\$ 4,549.80		\$ 2,274.90
Ore,.....		604.50		604.50
Insurance Premiums Paid - Unexpired Proportion,....		270.51		270.51
Total Working and Trading Assets,.....	\$ 2,274.90	\$ 5,424.81		\$ 3,149.91
CURRENT ASSETS:				
Cash in Hand and on Deposit:				
General Office,.....	\$ 1,038.55	\$ 1,721.19		\$ 682.64
Land Department,.....	880.01	1,715.81		835.80
Total Current Assets,.....	\$ 1,918.56	\$ 3,437.00		\$ 1,518.44
TOTAL ASSETS,.....	\$504,348.55	\$509,016.90		\$ 4,668.35
<u>LIABILITIES</u>				
CAPITAL STOCK (20,000 SHARES OF \$25.00 PAR VALUE EACH)				
	\$500,000.00	\$500,000.00		
CURRENT LIABILITIES:				
Vouchers Payable,.....	\$ 641.18	\$ 736.80		\$ 95.62
Chas. Flink,.....		169.20		169.20
Employes' Benefit Fund Deposits,.....		1,490.88		1,490.88
Total Current Liabilities,.....	\$ 641.18	\$ 2,396.88		\$ 1,755.70
DUE TO IRON CLIFFS COMPANY,.....		\$ 2,682.64		\$ 2,682.64
EMPLOYES' BENEFIT FUND - SUSPENSE,.....		\$ 1,384.77		\$ 1,384.77
PROFIT AND LOSS - SURPLUS, PER EXHIBIT "0",.....	\$ 3,707.37	\$ 2,552.61	\$ 1,154.76	
TOTAL LIABILITIES,.....	\$504,348.55	\$509,016.90		\$ 4,668.35

MICHIGAMME COMPANY

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

GROSS INCOME:	
Sales of Fine Rock,.....	\$ 128.16
Rentals:	
Lands,.....	1,165.00
Houses,.....	<u>728.00</u>
Total,.....	\$ 2,021.16
EXPENSES:	
Wages of Watchman,.....	\$ 300.00
Salaries,.....	6.65
Travelling,.....	18.10
Stationery and Printing,.....	3.37
Livery,.....	1.00
Insurance,.....	102.31
Repairs on Rented Houses,.....	10.52
Miscellaneous,.....	<u>13.50</u>
Total,.....	<u>455.45</u>
NET PROFIT FROM OPERATIONS,.....	\$ 1,565.71
DEDUCTION FROM INCOME:	
Taxes,.....	<u>596.68</u>
NET INCOME FOR THE PERIOD,.....	\$ 969.03
PROFIT AND LOSS - SURPLUS, NOVEMBER 30, 1902,.....	2,552.61
OTHER PROFIT AND LOSS CREDITS:	
Rebate on 1902 Taxes,.....	\$ 20.28
Account Payable to Chas. Flink applicable to prior period - Written off, ..	169.20
Employees' Benefit Fund Suspense - Written off	1,384.77
Employees' Benefit Fund Deposits - Written off	<u>1,490.88</u>
Total,.....	<u>3,065.13</u>
PROFIT AND LOSS - GROSS SURPLUS,.....	\$ 6,586.77
PROFIT AND LOSS CHARGES:	
Depreciation of Inventory of Ore applicable to prior period, there being no Ore on hand at commencement of current period,.....	\$ 604.50
Depreciation of Supplies and Equipment,.....	<u>2,274.90</u>
Total,.....	<u>2,879.40</u>
PROFIT AND LOSS - SURPLUS, NOVEMBER 30, 1903,.....	<u>\$ 3,707.37</u>

ARCTIC IRON COMPANY

GENERAL BALANCE SHEET - DECEMBER 31, 1903 AND 1902 - AND COMPARISON

	DECEMBER 31, 1903.	DECEMBER 31, 1902.	INCREASE	DECREASE
<u>ASSETS</u>				
REAL ESTATE,.....	\$500,000.00	\$500,000.00		
CURRENT ASSETS:				
Cash in Hand and On Deposit,.....	\$ 896.11	\$ 910.27		\$ 14.16
Blue Iron Mining Company,.....	625.00	625.00		
Queen Iron Mining Company,.....	2,500.00	2,500.00		
Regent Iron Company,.....	2,781.80	5,069.35		2,287.55
Total Current Assets,.....	\$ 6,802.91	\$ 9,104.62		\$ 2,301.71
TOTAL ASSETS,.....	\$506,802.91	\$509,104.62		\$ 2,301.71
<u>LIABILITIES</u>				
CAPITAL STOCK - 20,000 SHARES OF \$25.00 PAR VALUE EACH,.....	\$500,000.00	\$500,000.00		
VOUCHERS PAYABLE,.....	3,000.00	5,374.31		\$ 2,374.31
PROFIT AND LOSS - SURPLUS, PER EXHIBIT "R",.....	3,802.91	3,730.31	\$ 72.60	
TOTAL LIABILITIES,.....	\$506,802.91	\$509,104.62		\$ 2,301.71

EXHIBIT "P"

ARCTIC IRON COMPANY

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

GROSS INCOME:	
Royalties from "Queen" Mine,.....	\$ 3,281.24
" " "Prince of Wales" Mine,.....	2,812.48
" " "Blue" Mine,.....	15,190.87
Rental from Surface Rights - "Buffalo" Mine,.....	50.00
Interest on Bank Balance,.....	<u>30.50</u>
Total,.....	\$21,365.09
LESS - TAXES,.....	<u>292.49</u>
NET INCOME,.....	\$21,072.60
PROFIT AND LOSS - SURPLUS AT BEGINNING OF YEAR:	
As shown by the books,.....	\$3,699.06
Interest on Deposits from Jan. 1, 1902, to Dec. 31, 1902,.....	<u>31.25</u> 3,730.31
OTHER PROFIT AND LOSS CREDIT:	
Sale of Right of Way to Lake Superior & Ishpeming Railway Company,.....	<u>1,000.00</u>
PROFIT AND LOSS - GROSS SURPLUS,.....	\$25,802.91
LESS - DIVIDEND PAID,.....	<u>22,000.00</u>
PROFIT AND LOSS - SURPLUS, DECEMBER 31, 1903,.....	<u>\$ 3,802.91</u>

Exhibit R

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, June 18, 1904.

Mr. William G. Mather,
President, Munising Railway Company,
Cleveland, Ohio.

Dear Sir:

In accordance with your request, we have made an audit of the books and accounts of the Munising Railway Company for the year ended December 31, 1903, and submit herewith our comments and the following described exhibits and schedules, viz.:

EXHIBIT

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

- #1 - Other Accounts Receivable - December 31, 1903.
- 2 - Other Accounts Payable - December 31, 1903.

"B" - STATEMENT OF INCOME - FOR THE YEARS ENDED
DECEMBER 31, 1903 AND 1902 - AND COMPARISON.

Schedule

- #1 - Land Department Expenses, Improvements and Taxes in Excess of Earnings - For the Year Ended December 31, 1903.

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

"D" - TRAFFIC STATISTICS - FOR THE YEARS ENDED
DECEMBER 31, 1903 AND 1902 - AND COMPARISON.

Yours truly,

Haskins & Sells
Certified Public Accountants.

MUNISING

MUNISING RAILWAY COMPANY

COMMENTS ON THE AUDIT ---
FOR THE YEAR ENDED DECEMBER 31, 1903

RIGHT OF WAY, BUILDINGS, ETC.

Expenditures during the year ended December 31, 1903, were charged to this account as follows:

Paper Mill Tracks,.....	\$6,860.01
Water Tank - Whitefish,.....	2,675.40
Right of Way - East Branch,.....	<u>201.00</u>
Total,.....	<u>\$9,736.41</u>

TEMPORARY SPURS - MATERIAL

This account represents the cost of temporary spurs laid to industries along the line of the road, excepting the cost of ties and labor which has been charged against operating expenses.

MUNISING TOWN SITE

This account represents a balance of \$40,763.59 from expenditures made in the improvement of Munising Town Site, prior to the year 1901. It is stated that this account is of no value and that it should be written off to Profit and Loss account.

NOTES RECEIVABLE - LAND DEPARTMENT

The balance of this account on December 31, 1903, as shown by the books of the Land Department, was \$14,399.75. The actual amount of Notes Receivable at that date was \$5,610.57. The difference of \$8,789.18 was created mainly by the failure to credit the account with notes surrendered and reductions allowed. Adjustment has been made

MUNISING RAILWAY COMPANY.
COMMENTS ON THE AUDIT, ETC.

in the accompanying General Balance Sheet, Exhibit "A", by charging the difference to Profit and Loss account.

DUE FROM PIONEER IRON COMPANY

This account as stated in the General Balance Sheet represents the difference between a balance of \$795.05 standing to the debit of its Land Department and vouchers to the amount of \$40 and an open account balance of \$57.90 standing to the credit of the Pioneer Iron Company - net \$697.15.

VOUCHERS PAYABLE

It was found that bills of Hoyt, Dustin & Kelly for legal services, amounting to \$3,472.95, had been credited on the books of the Company in error to Miscellaneous Accounts Receivable instead of to Vouchers Payable. This error in classification of the liability has been adjusted in the accompanying General Balance Sheet.

TAXES ACCRUED

The liability for Taxes Accrued was understated \$3,960.51 on the books of the Company and Vouchers Payable overstated a like amount, caused by charging "Taxes Accrued" and crediting "Vouchers Payable" with \$5,612.51 for Voucher #1062 in January, 1903, whereas the voucher called for only \$1,652 and was so registered. The correct liability of \$9,834.02 for Taxes Accrued, December 31, 1903, is represented in the accompanying General Balance Sheet.

MUNISING RAILWAY COMPANY.
COMMENTS ON THE AUDIT, ETC.

DUE FROM CLEVELAND-CLIFFS IRON COMPANY

This account as stated on the General Balance Sheet, December 31, 1903, represents the difference between

Note Payable to the Cleveland-Cliffs Iron Company,.....	\$376,728.35
Account Payable to the Cleveland-Cliffs Iron Company,.....	<u>243,810.43</u>
Total,.....	\$620,538.78

and an account receivable from the Land Department of that Company,..... 5,107.69

Net,..... \$615,431.09

GENERAL

The stock certificate book does not show receipts for the following shares of capital stock issued, viz.:

Certificate #81	for 24 shares	in name of Mary Witt Fells,
"	91	for 1 share in name of Wm. G. Mather,
"	93	for 1 share in name of Jas. H. Hoyt,
"	94	for 1 share in name of E. R. Perkins,
"	95	for 1 share in name of Samuel Mather,
"	96	for 8,102 shares in name of J. H. Wade.

Don't need receipt - they are an over provision

It is also noted that Certificate #80 for 561 shares in the name of Mary Witt Fells, which has been transferred and cancelled, bears no endorsement.

The accounts were found to be generally well kept and the records in good condition.

MARQUETTE & SOUTHEASTERN RAILWAY COMPANY.
COMMENTS ON THE AUDIT, ETC.

GENERAL

On the books of the Company Miscellaneous Interest amounting to \$52,591.68 is charged to Income account for the year ended December 31, 1903. As \$16,612.77 of this Miscellaneous Interest accrued in the preceding year that amount has been applied as a charge against Profit and Loss, in Exhibit "C", thereby reducing the charge against Income, in Exhibit "B", to \$35,978.91.

The accounts were found in good condition and the records well kept.

* * * * *

DUE FROM ALLIED COMPANIES:			
Munising Railway Company,.....	\$ 45,739.01	\$ 32,711.25	\$ 13,027.76
Pioneer Iron Company,.....	29,289.25	32,659.65	\$ 3,370.40
Total Due from Allied Companies,.....	\$ 75,028.26	\$ 65,370.90	\$ 9,657.36
PROFIT AND LOSS - DEFICIT, PER EXHIBIT "C",.....	\$ 7,469.25	\$ 6,722.84	\$ 14,192.09
TOTAL ASSETS,.....	\$1,770,439.95	\$ 757,640.94	\$1,012,799.01

LIABILITIES

CAPITAL STOCK (10,000 shares of \$100.00 par value each)	\$1,000,000.00		\$1,000,000.00
CURRENT LIABILITIES:			
Bank Overdraft,.....	\$ 3,078.20		\$ 3,078.20
Vouchers Payable,.....	5,725.76	\$ 4,682.92	1,042.84
Pay-rolls Payable,.....	1,716.27	2,983.67	\$ 1,267.40
Other Accounts Payable - Schedule #2,.....	2,079.55	1,720.48	359.07
Taxes - Accrued,.....	11,180.29	6,023.16	5,157.13
Mileage Books - Suspense,.....	232.25	160.08	72.17
Total Current Liabilities,.....	\$ 24,012.32	\$ 15,570.31	\$ 8,442.01
DUE TO CLEVELAND-CLIFFS IRON COMPANY,.....	\$ 746,427.63	\$ 742,070.63	\$ 4,357.00
TOTAL LIABILITIES,.....	\$1,770,439.95	\$ 757,640.94	\$1,012,799.01

MUNISING RAILWAY COMPANY

GENERAL BALANCE SHEET - DECEMBER 31, 1903 AND 1902 - AND COMPARISON

.....DECEMBER 31,.....
1903 1902

INCREASE

DECREASE

A S S E T S

PROPERTY:

Right of Way, Buildings, etc.,.....	\$ 677,799.12	\$ 668,062.71	\$ 9,736.41	
Terminal Property - Munising,.....	150,500.00	150,500.00		
Permanent Contracts,.....	263,732.50	263,732.50		
Equipment,.....	95,933.46	94,379.35	1,554.11	
Construction and New Equipment,.....	350.00		350.00	
Temporary Spurs - Material,.....	9,089.29	4,214.15	4,875.14	
Land Department:				
Town Lots, Munising,.....	348,328.31	352,967.70		\$ 4,639.39
Walbridge Lots, Munising,.....	3,000.00		3,000.00	
Real Estate, Carlshend,.....	241.00	241.00		
Park Improvements,.....	793.74		793.74	
Munising Town Site,.....	40,763.59	40,763.59		
Tax Sales Purchase,.....	73.94	73.94		
Total Property,.....	\$1,590,604.95	\$1,574,934.94	\$15,670.01	

W. G. MATHER, TRUSTEE,.....	\$ 18,804.91	\$ 11,464.93	\$ 7,339.98	
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WORKING ASSETS:

Materials and Supplies,.....	\$ 16,455.03	\$ 11,494.65	\$ 4,960.38	
Insurance Premiums Paid - Unexpired Proportion,.....	517.70	486.55	31.15	
Total Working Assets,.....	\$ 16,972.73	\$ 11,981.20	\$ 4,991.53	

CURRENT ASSETS:

Cash in Hand and on Deposit,.....	\$ 3,860.38	\$ 8,208.46		\$ 4,348.08
Cash in Hand and on Deposit - Land Department,.....	3,701.82	6,306.86		2,605.04
Notes Receivable - Land Department,.....	5,610.57	19,235.52		13,624.95
Notes Receivable - Other,.....		464.29		464.29
Agents' and Conductors' Balances,.....	4,602.49	3,957.97	\$ 644.52	
United States Government,.....	408.39	397.80	10.59	
Other Accounts Receivable - Schedule #1,.....	5,409.42	4,908.78	500.64	
Total Current Assets,.....	\$ 23,593.07	\$ 43,479.68		\$19,886.61

DUE FROM PIONEER IRON COMPANY,.....	\$ 697.15		\$ 697.15	
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DEFERRED AND SUSPENDED ASSETS:

Washburn, Bayfield & Iron River R. R. Co. Receiver's Certificates,.....	\$ 2,000.00	\$ 2,000.00		
H. B. Freeman - Collections in Dispute - Land Department	107.23	107.23		
Delinquent Taxes Paid on Real Estate Sold and Leased,...	241.10	241.10		
Total Deferred Assets,.....	\$ 2,348.33	\$ 2,348.33		

PROFIT AND LOSS - DEFICIT, PER EXHIBIT "C",.....	\$ 91,336.28	\$ 49,617.80	\$ 41,718.48	
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TOTAL ASSETS,.....	\$1,744,357.42	\$1,693,826.88	\$50,530.54	
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L I A B I L I T I E S

CAPITAL STOCK (8,700 SHARES OF \$100 PAR VALUE EACH),.....	\$ 870,000.00	\$ 870,000.00		
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FIRST MORTGAGE 4% GOLD BONDS,.....	\$ 160,000.00	\$ 160,000.00		
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CURRENT LIABILITIES:

Vouchers Payable - General,.....	\$ 19,314.22	\$ 6,468.91	\$ 12,845.31	
" - Land Department,.....	2,956.07	2,493.37	462.70	
Pay-rolls Payable,.....	3,874.19	3,467.47	406.72	
Other Accounts Payable - Schedule #2,.....	4,273.98	956.99	3,316.99	
Interest on Funded Debt,.....	1,600.00	1,600.00		
Taxes - Accrued,.....	9,834.02	5,486.02	4,348.00	
Total Current Liabilities,.....	\$ 41,852.48	\$ 20,472.76	\$ 21,379.72	

DUE TO ALLIED COMPANIES:

Cleveland-Cliffs Iron Company,.....	\$ 615,431.09	\$ 597,406.78	\$ 18,024.31	
Iron Cliffs Company,.....	10.78	6.96	3.82	
Munising Company,.....	11,525.26	11,523.26	2.00	
Marquette & Southeastern Railway Company,.....	45,537.81	34,417.12	11,120.69	
Total Due to Allied Companies,.....	\$ 672,504.94	\$ 643,354.12	\$ 29,150.82	

TOTAL LIABILITIES,.....	\$1,744,357.42	\$1,693,826.88	\$50,530.54	
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MUNISING RAILWAY COMPANY

OTHER ACCOUNTS RECEIVABLE - DECEMBER 31, 1903

CARRIERS:

Baltimore & Ohio Railroad,.....	\$ 18.88	
Chicago & Northwestern Railway,.....	393.68	
Chicago, Milwaukee & St. Paul Railway,.....	35.24	
Chicago, St. Paul, Minneapolis & Omaha Railway,.	49.86	
Chicago & Alton Railway,.....	38.42	
Chicago Great Western Railway,.....	25.41	
Canadian Pacific Railway,.....	1.95	
Duluth, South Shore & Atlantic Railway,.....	40.08	
Delaware, Lackawanna & Western Railway,.....	.25	
Erie Railroad,.....	2.60	
Grand Rapids & Indiana Railway,.....	45.72	
Grand Trunk Railway System,.....	.96	
Illinois Central Railroad,.....	19.41	
Lake Superior & Ishpeming Railway,.....	381.01	
Minneapolis, St. Paul & Sault Ste. Marie Ry.,...	12.84	
Mineral Range Railway,.....	.17	
Northern Pacific Railway,.....	413.79	
New York, Central & Hudson River Railroad,.....	5.99	
Pennsylvania Railroad,.....	.60	
" Company,.....	16.70	
American Express Company,.....	<u>131.04</u>	\$1,634.60

OTHER COMPANIES AND INDIVIDUALS:

Lake Shore Engine Works,.....	\$ 2.55	
Munising Paper Company,.....	3,446.09	
State Board of Agriculture,.....	1.00	
St. John, H. A.,.....	11.98	
Wicks Brothers,.....	93.32	
White, Peter & Company,.....	<u>219.88</u>	<u>3,774.82</u>

TOTAL,..... \$5,409.42

MUNISING RAILWAY COMPANY

OTHER ACCOUNTS PAYABLE - DECEMBER 31, 1903

CARRIERS:

Ann Arbor Railway,.....	\$	9.20	
Alabama & Vicksburg Railway,.....		7.60	
Atlantic Coast Line,.....		1.20	
Alabama Great Southern Railway,.....		.80	
Bangor & Aroostook Railway,.....		1.20	
Baltimore & Ohio Railroad,.....		13.40	
Chicago & Northwestern Railway,.....	1,196.63		
Chicago, Milwaukee & St. Paul Railway,.....	277.33		
Chicago, Burlington & Quincy Railroad,.....		17.40	
Chicago, St. Paul, Minneapolis & Omaha Railway,.....		66.00	
Chicago & Alton Railway,.....		8.20	
Canadian Pacific Railway,.....		5.40	
Chicago, Indianapolis & Louisville Railway,.....		1.80	
Cleveland, Cincinnati, Chicago & St. Louis Railway, ..		1.40	
Chesapeake & Ohio Railway,.....		1.20	
Cincinnati Northern Railway,.....		.20	
Cincinnati, Hamilton & Dayton Railway,.....		1.80	
Chicago & Eastern Illinois Railway,.....		.20	
Chicago, Rock Island & Texas Railway,.....		.40	
Coal & Ocke Railway,.....		1.00	
Duluth, South Shore & Atlantic Railway,.....	1,668.22		
Denver & Rio Grande Railroad,.....		.20	
Detroit Southern Railway,.....		2.00	
Delaware & Hudson Railway,.....		.60	
Great Northern Railway,.....	18.18		
Grand Rapids & Indiana Railway,.....		2.20	
Grand Trunk Railway System,.....		5.80	
Illinois Central Railroad,.....		3.20	
Louisville & Nashville Railroad,.....		1.60	
Lake Shore & Michigan Southern Railway,.....		4.00	
Lake Erie & Western Railway,.....		.40	
Lehigh Valley Railway,.....		.80	
Minneapolis, St. Paul & Sault Ste. Marie Railway,...	238.70		
Mobile & Ohio Railway,.....		4.80	
Michigan Central Railroad,.....		46.60	
Missouri Pacific Railway,.....		2.60	
Northern Pacific Railway,.....		.80	
New York Central & Hudson River Railroad,.....	13.93		
New Orleans & North-eastern Railway,.....		6.00	
New York, Chicago & St. Louis Railway,.....		2.60	
New York, New Haven & Hartford Railway,.....		2.60	
Ohio Central Railway,.....		1.60	
Pere Marquette Railway,.....		62.55	
Pennsylvania Railroad,.....		22.40	
Pennsylvania Lines West of Pittsburg,.....		1.40	
Southern Railway,.....		.40	
Southern Pacific Railway,.....		1.00	
Wheeling & Lake Erie Railway,.....		4.00	
Freight Suspense,.....		207.88	\$3,939.47

OTHER COMPANIES AND INDIVIDUALS:

Cudahy Milwaukee Refrigerator Line,.....	\$	2.37	
Cold Blast Transportation Company,.....		1.11	
Chicago, New York & Boston Refrigerator Company,....		.09	
Empire Line,.....		.18	

FORWARD,..... \$ 3.75 \$3,939.47

MUNISING RAILWAY COMPANY.
OTHER ACCOUNTS PAYABLE, ETC.

FORWARD,.....		\$3,939.47
OTHER COMPANIES AND INDIVIDUALS - (Forward),.....	\$	3.75
Hammond Refrigerator Line,.....		2.46
Merchants Despatch Transportation Company,.....		.13
Morris, H. N.,.....		321.09
National Despatch,.....		.07
Nelson, Morris & Company Line,.....		.09
National Car Company,.....		.09
North & South Rolling Stock Company,.....		.57
Swift Refrigerator Line,.....		4.20
Union Refrigerator Transit Company of Wisconsin,....		<u>2.01</u>
		334.51
TOTAL,.....		<u>\$4,273.98</u>

Exhibit A
Schedule # 2

(Concluded) - 2.

MUNISING RAILWAY COMPANY

STATEMENT OF INCOME -
FOR THE YEARS ENDED DECEMBER 31, 1903 AND 1902 - AND COMPARISON.

	.YEAR ENDED DECEMBER 31, .			
	1903	1902	INCREASE	DECREASE
MILES OF ROAD OPERATED,	62.93	62.93		
GROSS EARNINGS:				
Freight,	\$ 91,818.33	\$ 44,782.24	\$47,036.09	
Passenger,	21,189.35	16,910.49	4,278.86	
Mail,	1,642.74	1,628.64	14.10	
Express,	2,444.13	1,460.27	983.86	
Excess Baggage,	215.75	263.58		\$ 47.83
Miscellaneous,	20.28	938.39		918.11
Total,	\$117,330.58	\$ 65,983.61	\$51,346.97	
OPERATING EXPENSES:				
Maintenance of Way and Structures,	\$ 29,429.86	\$ 30,867.31		\$ 1,437.45
Maintenance of Equipment,	10,119.93	6,785.05	\$ 3,334.88	
Conducting Transportation,	52,602.76	31,672.51	20,930.25	
General Expenses,	11,671.62	5,135.67	6,535.95	
Total,	\$103,824.17	\$ 74,460.54	\$29,363.63	
Ratio to Gross Earnings,	88.49%	112.85%		24.36%
NET EARNINGS,	\$ 13,506.41	\$ 8,476.93	\$21,983.34	
OTHER INCOME:				
Rentals from House and Ground,	196.55	96.33	100.22	
GROSS INCOME,	\$ 13,702.96	\$ 8,380.60	\$22,083.56	
DEDUCTIONS FROM INCOME:				
Interest on Bonds,	\$ 6,400.00	\$ 6,400.00		
Miscellaneous Interest,	27,587.04	23,683.37	\$ 3,903.67	
Taxes,	6,000.00	5,622.51	377.49	
Land Department Expenses, Improvements and Taxes in excess of Earnings - Schedule #1,	3,205.70	9,776.78		\$ 6,571.08
Expenses of Engineering Party scouting for prospective line to Manistique (Line Abandoned),		399.58		399.58
Total,	\$ 43,192.74	\$ 45,882.24		\$ 2,689.50
INCOME DEFICIT,	\$ 29,489.78	\$ 54,262.84		\$24,773.06

1903 22AM

MUNISING RAILWAY COMPANY

LAND DEPARTMENT EXPENSES, IMPROVEMENTS AND TAXES
IN EXCESS OF EARNINGS - FOR THE YEAR ENDED DECEMBER 31, 1903

✓ EXPENSES, IMPROVEMENTS AND TAXES:		
Expenses,.....	\$	716.50
Town Site Improvements,.....		222.17
Taxes,.....		<u>4,551.93</u>
Total Expenses, Improvements and Taxes,...		\$5,490.60
EARNINGS:		
Lease Lot Collections,.....	\$	2.00
Interest,.....		2,239.03
Miscellaneous Receipts,.....		<u>43.87</u>
Total Earnings,.....		<u>2,284.90</u>
EXPENSES, IMPROVEMENTS AND TAXES IN EXCESS OF EARNINGS,....		<u>\$3,205.70</u>

Exhibit B
Schedule #1

MUNISING RAILWAY COMPANY

MUNISING RAILWAY COMPANY

STATEMENT OF PROFIT AND LOSS -
FOR THE YEAR ENDED DECEMBER 31, 1903

BALANCE - DEFICIT, DECEMBER 31, 1902,..... \$49,617.80

PROFIT AND LOSS CHARGES:

Accounts of prior period written off
as uncollectible:

Powell & Mitchell,..... \$170.86
Rock River Township,..... 150.00
State Board of Agriculture,..... 775.92 \$ 1,096.78

Interest on Notes Payable accrued in the
month of December, 1902,..... 1,622.02

Interest on open account with Cleveland-
Cliffs Iron Company, accrued in the
month of December, 1902,..... 720.72

Adjustment of "Notes Receivable Account"
Land Department,..... 8,789.18

Deficit from operation for the year ended
December 31, 1903,..... 29,489.78

Total,..... 41,718.48

BALANCE - DEFICIT, DECEMBER 31, 1903,..... \$91,336.28

was statement sent to all heads of depts

Exhibit "C"

MUNISING RAILWAY COMPANY

TRAFFIC STATISTICS -
FOR THE YEARS ENDED DECEMBER 31, 1903 AND 1902 - AND COMPARISON

	YEAR ENDED DECEMBER 31, 1903	1902	DE- INCREASE CREASE
<u>FREIGHT TRAFFIC</u>			
Earnings from Freight,....	\$91,818.33	\$44,782.24	\$47,036.09
Tons Carried one Mile,....	6,485,038	2,038,904	4,446,134
Average ton Miles per Mile Operated (density),.....	103,052	32,399	70,653
Earnings per ton Mile - in Cents,.....	1.42	2.20	.78
<u>PASSENGER TRAFFIC</u>			
Earnings from Passengers,.	\$21,189.35	\$16,910.49	\$ 4,278.86
Passengers Carried one Mile,.....	832,624	608,761	223,863
Average Passenger Miles per Mile Operated (densi- ty),.....	13,231	9,674	3,557
Earnings per Passenger Mile - in Cents,.....	2.54	2.78	.24

Exhibit D

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, June 18, 1904.

Mr. Wm. G. Mather,
President, Marquette & Southeastern Railway Company,
Cleveland, Ohio.

Dear Sir:

In accordance with your request, we have made an audit of the books and accounts of the Marquette & Southeastern Railway Company for the year ended December 31, 1903, and submit herewith our comments and the following described exhibits and schedules, viz.:

EXHIBIT

- "A" -- GENERAL BALANCE SHEET - DECEMBER 31,
1903 AND 1902 - AND COMPARISON.
Schedule
#1 - Other Accounts Receivable -
December 31, 1903.
2 - Other Accounts Payable -
December 31, 1903.
- "B" - STATEMENT OF INCOME - FOR THE YEAR
ENDED DECEMBER 31, 1903.
- "C" - STATEMENT OF PROFIT AND LOSS - FOR
THE YEAR ENDED DECEMBER 31, 1903.
- "D" - TRAFFIC STATISTICS - FOR THE YEAR
ENDED DECEMBER 31, 1903.

Yours truly,

Haskins & Sells

Certified Public Accountants.

MARQUETTE & SOUTHEASTERN RAILWAY COMPANY

COMMENTS ON THE AUDIT - FOR THE YEAR ENDED DECEMBER 31, 1903.

RIGHT OF WAY, BUILDINGS, ETC.

The increase in this account during the year under review is caused mainly by a charge of \$23,703.24 for interest from September 30, 1900, to June 30, 1902, on money borrowed from the Cleveland-Cliffs Iron Company and used for construction expenditures. Interest accrued subsequent to June 30, 1902, has been charged to Profit and Loss account.

CONTRACTS, FRANCHISES, ETC.

The amount of \$987,500.00 charged to this account represents the total issue of Capital Stock amounting to \$1,000,000.00 par value less \$12,500.00 paid for in cash, being 5% on a \$250,000.00 subscription made by the Cleveland-Cliffs Iron Company.

EQUIPMENT

The above account has been increased by the purchase of 60 logging cars during the year.

PAY-ROLLS PAYABLE

During the course of the audit it was found that the Labor account embraced a credit of \$42.49 representing excess deductions from Pay-rolls for Wood, Straw, etc., during a period dating back two years, charge for which was made on anticipated cost, it being explained by the Auditor that actual cost could not at all times be determined when completing rolls. In this report the amount mentioned has been transferred to the credit of Profit and Loss account.

MARQUETTE & SOUTHEASTERN RAILWAY COMPANY

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

	DECEMBER 31, 1903	DECEMBER 31, 1902	INCREASE	DECREASE
<u>A S S E T S</u>				
PROPERTY:				
Right of Way, Buildings, etc.,.....	\$ 503,691.31	\$ 470,716.01	\$ 32,975.30	
Contracts, Franchises, etc.,.....	987,500.00		987,500.00	
Equipment,.....	135,308.79	110,079.84	25,228.85	
Total Property,.....	\$1,626,500.10	\$ 580,795.95	\$1,045,704.15	
WORKING ASSETS:				
Materials and Supplies,.....	\$ 53,927.70	\$ 82,357.44		\$ 28,429.74
Insurance Premiums Paid - Unexpired Proportion,.....	730.62	670.84	\$ 59.78	
Total Working Assets,.....	\$ 54,658.32	\$ 83,028.28		\$ 28,369.96
CURRENT ASSETS:				
Cash,.....	\$ 104.00	\$ 2,683.25		\$ 2,579.25
Agents' and Conductors' Balances,.....	1,489.15	831.20	\$ 657.95	
United States Government,.....	253.08		253.08	
Other Accounts Receivable - Schedule #1,.....	4,937.79	31,654.20		26,716.41

MARQUETTE & SOUTHEASTERN RAILWAY COMPANY

OTHER ACCOUNTS RECEIVABLE - DECEMBER 31, 1903.

CARRIERS:

American Express Company,.....	\$	132.08	
Baltimore & Ohio Railroad,.....		13.40	
Chicago & Northwestern Railway,.....		34.08	
Chicago & Alton Railway,.....		5.80	
Chicago Terminal Transfer Railroad,.....		.57	
Chicago, Milwaukee & St. Paul Railway,.....		.72	
Chicago Junction Railway,.....		2.20	
Chicago & Eastern Illinois Railway,.....		.40	
Duluth, South Shore & Atlantic Railway,.....		314.29	
Lake Superior & Ishpeming Railway,.....		1,493.21	
Minneapolis, St. Paul & Sault Ste. Marie Ry.,		115.46	
Pennsylvania Company,.....		4.60	
Freight Suspense,.....		6.59	
			<u>\$2,123.40</u>

OTHER COMPANIES AND INDIVIDUALS:

Crothers, Francis,.....	\$	895.41	
Manhard, M. A.,.....		10.00	
" , M. R.,.....		20.00	
Pickands, James & Company,.....		173.56	
St. John, H. A.,.....		53.50	
Worcester Munising Company,.....		1,661.92	
			<u>2,814.39</u>

TOTAL,..... \$4,937.79

Exhibit A
Schedule X

MARQUETTE & SOUTHEASTERN RAILWAY COMPANY

OTHER ACCOUNTS PAYABLE - DECEMBER 31, 1903

CARRIERS:

Atlantic Coast Line,.....	\$.80	
Ann Arbor Railroad,.....		16.00	
Algoma Central Railway,.....		10.60	
Chicago & Northwestern Railway,.....		1,233.30	
"		8.80	
Chicago, St. Paul, Minneapolis & Omaha Railway		.66	
"		39.60	
Chicago & Alton Railway,.....		2.40	
Chicago, Milwaukee & St. Paul Railway,.....		2.20	
Canadian Pacific Railway,.....		6.20	
Chicago, Burlington & Quincy Railroad,.....		1.20	
Chesapeake & Ohio Railway,.....		1.20	
Chicago Great Western Railway,.....		.60	
Chicago, Indianapolis & Louisville Railway,...		1.60	
Duluth, South Shore & Atlantic Railway,.....		10.20	
Denver & Rio Grande Railroad,.....		.80	
Erie Railroad,.....		1.60	
Grand Rapids & Indiana Railway,.....		2.40	
Hocking Valley Railroad,.....		1.00	
Illinois Central Railroad,.....		.80	
Lake Shore & Michigan Southern Railway,.....		5.20	
Lehigh Valley Railroad,.....		6.00	
Louisville & Nashville Railroad,.....		.60	
Minneapolis, St. Paul & Sault Ste. Marie Ry.,.		643.50	
"		60.20	
Michigan Central Railroad,.....		3.40	
Minneapolis & St. Louis Railway,.....		1.60	
New York Central & Hudson River Railroad,.....		4.00	
New York, Chicago & St. Louis Railway,.....		.40	
Pere Marquette System,.....		.33	
"		6.80	
Quebec Central Railway,.....		.60	
Union Pacific Railroad,.....		1.20	\$2,075.79

OTHER COMPANIES:

Armour Refrigerator Line,.....	\$.70	
Cold Blast Transportation Company,.....		.35	
Michigan Telephone Company,.....		1.33	
Swift Refrigerator Line,.....		.69	
Union Refrigerator Transit Company of Wisconsin,.....		.69	3.76

TOTAL,..... \$2,079.55

Exhibit A

MARQUETTE & SOUTHEASTERN RAILWAY COMPANY

STATEMENT OF INCOME -- FOR THE YEAR ENDED DECEMBER 31, 1903

MILES OF ROAD OPERATED,.....		<u>32.40</u>
GROSS EARNINGS:		
Freight,.....	\$78,436.24	
Passenger,.....	11,356.16	
Mail,.....	667.46	
Express,.....	2,551.07	
Telephone,.....	71.63	
Miscellaneous,.....	<u>2,934.42</u>	
Total,.....		\$96,016.98
OPERATING EXPENSES:		
Maintenance of Way and Structures,.....	\$11,531.92	
Maintenance of Equipment,.....	3,380.26	
Conducting Transportation,.....	31,840.64	
General Expenses,.....	<u>5,498.53</u>	
Total,.....		52,251.35
Ratio to Gross Earnings,.....	54.42%	
NET EARNINGS,.....		<u>\$43,765.63</u>
OTHER INCOME:		
Rentals from House and Casino Buildings,.....		<u>832.41</u>
GROSS INCOME,.....		<u>\$44,598.04</u>
DEDUCTIONS FROM INCOME:		
Taxes,.....	\$ 6,240.94	
Miscellaneous Interest,.....	<u>35,978.91</u>	
Total,.....		<u>42,219.85</u>
NET INCOME,.....		<u>\$ 2,378.19</u>

Compare with our statement

Exhibit B

MARQUETTE & SOUTHEASTERN RAILWAY COMPANY

STATEMENT OF PROFIT AND LOSS -
FOR THE YEAR ENDED DECEMBER 31, 1903

BALANCE - SURPLUS, JANUARY 1, 1903,.....	\$ 6,722.84
CREDITS:	
Excess Deductions from Pay-roll for Supplies sold during the two years ended December 31, 1903,.....	42.49
Net Income for the year ended December 31, 1903, per Exhibit "B",.....	<u>2,378.19</u>
Total Surplus,.....	\$ 9,143.52
DEBITS:	
Interest on Open Account with Cleveland-Cliffs Iron Company, June 30, 1902, to December 31, 1902,....	<u>16,612.77</u>
BALANCE - DEFICIT, DECEMBER 31, 1903,.....	<u>\$ 7,469.25</u>

Exhibit C

MARQUETTE & SOUTHEASTERN RAILWAY COMPANY

TRAFFIC STATISTICS --
FOR THE YEAR ENDED DECEMBER 31, 1903

FREIGHT TRAFFIC

Earnings from Freight,.....	\$78,436.24
Tons carried one mile,.....	8,541,525
Average ton miles per mile operated (density),..	263,627
Earnings per ton mile, in cents,.....	.92

PASSENGER TRAFFIC

Earnings from Passengers,.....	\$11,356.16
Passengers carried one mile,.....	511,808
Average Passenger Miles per Mile operated (density),.....	15,796
Earnings per passenger mile, in cents,.....	2.22

Exhibit D

CLEVELAND-CLIFFS IRON COMPANY
AND ALLIED AND ASSOCIATED COMPANIES

COPY.

REPORT
RELATING TO EXAMINATIONS OF THE
BOOKS AND ACCOUNTS.

DATED JULY 9, 1904

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET
NEW YORK

LONDON, E. C.
30 COLEMAN STREET

CHICAGO ST. LOUIS CLEVELAND PITTSBURG

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET
NEW YORK

LONDON, E.C.
30 COLEMAN STREET

CABLE ADDRESS "HASKSELLS"

COPY.

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 - Novem-
ber 30, 1903.
- 6 - Finished Product - November 30,
1903.
- 7 - Mining Royalties Paid - Unexpir-
ed Proportion - November 30,
1903.
- 8 - Notes Receivable - November 30,
1903.
- 9 - Accounts Receivable - November
30, 1903.
- 10 - Due from Allied Companies - No-
vember 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 - Novemb-
er 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,

(Signed) HASKINS & SELLS

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. V. 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. X

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. X

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. X

"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.

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

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

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

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. X

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. ok

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. ok

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

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

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-

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

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,

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

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. Boogirn,.....	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

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

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

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

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 \$1,659.83 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

CLEVELAND-CLIFFS IRON COMPANY
AND ALLIED AND ASSOCIATED COMPANIES.
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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

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

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. X

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. X

Comments continued 1-11

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

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. ~~XXXX~~

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.

(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
PROPERTY AND EQUIPMENT:				
Real Estate.....	\$ 1,604,600.93	\$ 776,279.75	\$ 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	
Total Property and Equipment.....	\$ 4,951,562.25	\$ 3,489,761.59	\$ 1,461,800.66	
SECURITIES OWNED - Schedule #4.....	\$ 5,026,965.07	\$ 5,508,142.07		\$ 481,177.00
CAPITAL STOCK IN THE TREASURY.....	\$ 90,000.00	\$ 90,000.00		
WORKING AND TRADING ASSETS:				
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
Total Working and Trading Assets.....	\$ 1,009,895.23	\$ 720,879.22	\$ 289,016.01	
CURRENT ASSETS:				
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	
Total Current Assets.....	\$ 489,930.98	\$ 945,785.62		\$ 455,854.64
DUE FROM ALLIED COMPANIES - Schedule #10.....	\$ 2,373,094.64	\$ 2,013,042.85	\$ 360,051.79	
DEFERRED AND SUSPENDED ASSETS:				
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
Total Deferred and Suspended Assets.....	\$ 54,990.72	\$ 29,295.92	\$ 25,694.80	
NOTES RECEIVABLE - DISCOUNTED (see contra).....	\$ 85,723.99		\$ 85,723.99	
TOTAL ASSETS.....	\$14,082,162.28	\$12,796,907.27	\$1,285,255.61	

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

-- LIABILITIES --NOVEMBER 30,.....		INCREASE	DECREASE
	1903	1902		
CAPITAL STOCK:				
50,000 Shares, par value \$100.00 each,.....	\$ 5,000,000.00	\$ 5,000,000.00		
CURRENT LIABILITIES:				
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	
Total Current Liabilities,.....	\$ 2,107,650.19	\$ 1,824,420.86	\$ 283,229.33	
DUE TO ALLIED COMPANIES - Schedule #14,.....	\$ 34,153.66	\$ 3,547,643.22		\$3,513,489.56
DEFERRED AND SUSPENDED LIABILITIES:				
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
Total Deferred and Suspended Liabilities,.....	\$ 59,922.16	\$ 248,750.92		\$ 188,828.76
RESERVES:				
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	
Total Reserves,.....	\$ 38,218.57	\$ 22,769.97	\$ 15,448.60	
DISCOUNTED NOTES RECEIVABLE (see contra),.....	\$ 85,723.99		\$ 85,723.99	
PROFIT AND LOSS - SURPLUS, PER EXHIBIT "B",.....	\$ 6,756,494.31	\$ 2,153,322.30	\$4,603,172.01	
TOTAL LIABILITIES,.....	\$14,022,162.88	\$12,796,907.27	\$1,285,255.61	

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 #1*

CLEVELAND-CLIFFS IRON COMPANY

IMPROVEMENTS - NOVEMBER 30, 1903

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

*Exhibit A
Schedule #2*

CLEVELAND-CLIFFS IRON COMPANY

EQUIPMENT - NOVEMBER 30, 1903

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

Exhibit 'A'
Schedule #3

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., 48,.....	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,.....	\$	<u>3,120.00</u>
TOTAL SECURITIES OWNED,.....	\$	<u>5,026,965.07</u>

* 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,.....	42.42	17,185.92
Ashland - General Supplies,.....		34,415.33
Negaunee - General Supplies,.....	\$28,813.33	
Negaunee - Scrap,.....	29.66	28,842.99
Crosby - General Supplies,.....		8,391.20
Austin - " ,.....		15,595.85
Lucy - General Supplies,.....		7,272.91

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,.....		12,554.51
		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,.....		24,170.40
		71,764.82
Charcoal,.....		269.22
Limestone,.....		97.51

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

LAND DEPARTMENT:

Wood at Grand Island,.....	\$	53.43
Fish at Hatchery,.....		190.00

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 #6

CLEVELAND-CLIFFS IRON COMPANY

MINING ROYALTIES PAID -
UNEXPIRED PROPORTION - NOVEMBER 30, 1903

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>

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>

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,.....	123,742.39
Total General Office - (Forward),.....	\$384,874.36

CLEVELAND-CLIFFS IRON COMPANY.
ACCOUNTS RECEIVABLE, ETC.

NAME	AMOUNT
TOTAL GENERAL OFFICE - (Forward),.....	\$384,874.36
MINE DEPARTMENT:	
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
Crasselli Chem. Company,.....	9.45
Alfred Noble,.....	1.57
Cust 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
LAND DEPARTMENT:	
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
FURNACE DEPARTMENT:	
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. F. 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.

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,.....	.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,.....	600.00
Total Furnace Department,.....	<u>7,982.49</u>
TOTAL ACCOUNTS RECEIVABLE,.....	<u>\$422,072.17</u>

CLEVELAND-CLIFFS IRON COMPANY

DUE FROM ALLIED COMPANIES - NOVEMBER 30, 1903.

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),....		<u>5.55</u>	
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,.....		<u>2,849.09</u>	
Total Mine Department,.....			4,788.24

LAND DEPARTMENT:

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

FURNACE DEPARTMENT:

Pioneer Iron Company,.....			<u>3,742.10</u>
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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. G. 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>

CLEVELAND-CLIFFS IRON COMPANY

NOTES PAYABLE - NOVEMBER 30, 1903

<u>MATURITY</u>	<u>PAYEE</u>	<u>DATE</u>	<u>ITEM</u>	<u>AMOUNT</u>
<u>FOR LOANS - DEMAND AND DUE IN 1904</u>				
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

Exhibit A
Schedule X B

(Continued) - 1

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) - 2.