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*Miss - Belden,  
Haskins & Selts, etc.*

AGENTS' ANNUAL REPORTS AND  
STATISTICS  
YEAR ENDING DEC. 31,  
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AGENTS' ANNUAL REPORTS

AND STATISTICS

FOR YEAR ENDING DECEMBER 31, 1911

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1

THE CLEVELAND-CLIFFS IRON CO.

CLEVELAND IRON MINING CO.  
IRON CLIFFS CO.  
PIONEER IRON CO.

OFFICES: PENINSULA BANK BUILDING

WILLIAM P. BELDEN, SOLICITOR  
FRED H. BERG, ASSISTANT SOLICITOR

ISHPEMING, MICH.,

Jan. 15, 1912.

Mr. Wm. G. Mather, President,  
Rockefeller Bldg.,  
Cleveland, Ohio.

RECEIVED  
JAN 17 1912  
Ack..... Ans.....

Dear Sir:-

Enclosed please find my Annual Report for the year 1911.

Very truly yours,

*Wm. P. Belden*

*Good Night  
1/15/12*

Annual Report of William P. Belden, Solicitor,  
for the year 1911.

RECEIVED

JAN 17 1912

Ack. .... Ans. ....

-----

The following is a general summary of matters appearing in my  
monthly reports rendered during the year above mentioned.

I.

Cases Disposed of by Litigation or Settlement.

1. Hosking vs. Cleveland Iron Mining Co.

This case came on for trial in March and after a full  
hearing the jury disagreed. This was the third trial of the case.  
(See March Report). Nothing further was done in this case until the  
September term of court and at that time we settled it upon the payment  
of \$3300.00 for the reasons set forth in my September report.

2. Risku vs. Iron Cliffs Co.

This case came on for trial in March immediately following  
the Hosking case and the jury likewise disagreed. (See March Report).  
Nothing further was done until the September term when the case was  
settled upon the payment of \$3200.00 for the reasons set forth in my  
September report.

3. Jackson Iron Co. vs. Collins.

This was the ejectment case brought to obtain possession  
of the house and lot occupied by Collins between Iron Street and the

D.S.S. & A. right of way. This case was settled (see May report) Collins quit-claiming all his interest in the land and receiving in return a lease of the property subject to its use for mining purposes.

4. Jackson Iron Co. vs. Collins, et al.

This was a chancery suit brought in connection with the suit above mentioned to enforce the judgment obtained in that case and was disposed of by the same settlement.

5. Carlson vs. The Cleveland-Cliffs Iron Co.

This is a personal injury case from the Maas mine brought in the District Court of St. Louis County, Minnesota, to recover damages for the loss of an eye sustained March 2nd, 1909, through the explosion of a missed blast. This case was settled as appears by my July report for the sum of \$1500.00, but Carlson waived and assigned to the Company all claims to Club money amounting to about \$400.00, making the net amount paid \$1100.00.

6. Isackson vs. The Cleveland-Cliffs Iron Co.

Personal injury case from the Crosby Mine pending in Itasca County, Minnesota. Settled for \$900.00 for the reasons set forth in my March report.

7. Lake Superior & Ishpeming Condemnation Proceedings to Secure Negaunee Mine Track.

See April, May and June reports, the trial occurring in June. The amount of the award was in the nature of a compromise and neither side took any appeal therefrom.

II.

Cases Pending January 1st, 1912.

1. Gamble vs. The Cleveland-Cliffs Iron Co.

During 1911 this case was removed to the Circuit Court of Appeals at Cincinnati where it now awaits argument.

2. Arctic Iron Co. vs. The Cleveland-Cliffs Iron Co.

Suit for an accounting brought in the United States Circuit Court. Some testimony was taken during 1911 and considerable progress made in the accounting but it was not completed.

3. Pioneer Iron Co. vs. Muck.

Nothing of importance was done in this case.

4. Lonstorf vs. Maas and The Cleveland-Cliffs Iron Co.

This case was removed to the Circuit Court of Appeals at Cincinnati by Mr. Maas and was argued and submitted. Our Company is not financially interested in the result.

5. The Cleveland-Cliffs Iron Co. vs. Matthew Maloney, John Cumiskey and Newton C. Spencer.

This was number eleven in my 1910 report. This case was submitted at the May term, (See May and June reports), and is now awaiting decision.

6. Henry McKenna vs. Steamer Andaste.

This is a liber proceeding brought in the United States Circuit Court referred to as Number 12 in my 1910 report. Nothing has

been done in this case.

7. Susan Foard vs. Central Land & Timber Co.

This was Number 10 in my 1910 report. Nothing of importance was done in this case during the year.

8. Elizabeth Hallett, admx. of the Estate of Wesley Eaket, vs. Munising Railway Co.

Personal injury case to recover damages for death of Wesley Eaket who was killed in falling from the snow plough on the East branch of the Munising Railway March 25, 1908. See February Report. The case came on for trial at the October term of court at Munising, but was continued over the term because the plaintiff found his declaration to be defective. See October report.

9. Lake Superior & Ishpeming Railway vs. Matthew A. Maloney.

Suit brought in the Circuit Court for Marquette to recover the sum of \$300.00 paid by the Railway Co. to Maloney for a right of way across the S.E.  $\frac{1}{4}$  of the N.E.  $\frac{1}{4}$ , Section 33-48-26. Maloney warranted the title. In fact he had no title. This involves much the same facts as The Cleveland-Cliffs Iron Co. vs. Maloney, and we have deferred the trial pending the decision in that case. See May Report.

10. Susan Foard, et al., vs. The Cleveland-Cliffs Iron Co.

Suit begun in the Circuit Court for the County of Marquette, in trover, for the value of certain mine timber cut from land owned or claimed by the plaintiffs. The Cleveland-Cliffs Iron Co. purchased this timber from Thomas Connors of Negaunee who bought it from



the contractor who cut it. Mr. Connors has assumed responsibility for the claim and has agreed to indemnify the Company against any loss. See August Report.

11. Abilene Demerse, et al., vs. Maria Corbit, George J. Maas, Rose Maas and The Cleveland-Cliffs Iron Co.

Suit brought in the Circuit Court for the County of Marquette, in Chancery, by the heirs of Jean Blais claiming title to Harvey Lot 13. The basis of the claim is that Lewis Corbit fraudulently obtained his deed from Blais in 1899. (See August Report.)

12. Abilene Demerse, et al., vs. Mitchell heirs and Athens Mining Co.

This suit is similar to the one last above mentioned, the basis of the claim being that Samuel and George Mitchell obtained title to the mineral estate in Harvey lots 8, 9 and 11 by fraud and misrepresentation in 1887.

13. Oscar Johnson vs. The Cleveland-Cliffs Iron Co.

Personal injury suit brought in the Circuit Court at Marquette for personal injuries received by the plaintiff at the Negaunee Mine November 29, 1910. As suit has been brought against the wrong defendant this particular suit will have to be dismissed. (See October Report.)

14. The Cleveland-Cliffs Iron Co. vs. Elmer and Albert Johnson.

Suit brought in the Circuit Court for the County of Marquette, in Chancery, to foreclose land contract for house and lot at Gwinn. (See November Report.)

15. State Bank of Chicago vs. Upper Peninsula Land Co., Ltd.,  
Wm. G. Mather, Trustee, et al.

Suit brought in the Circuit Court for the County of Chippewa to quiet title as to all lands of the Upper Peninsula Land Co., Ltd., included in the contract of January 3, 1911, against all claims which might arise through the use of the words "and others" in the deed made in 1905. See September report for particulars.

16. State Bank of Chicago, vs. Upper Peninsula Land Co., Ltd.,  
Wm. G. Mather, Trustee, et al.

Suit brought in the Circuit Court for the County of Schoolcraft, in Chancery for same purpose as the foregoing suit, except that it related to lands in Schoolcraft County. See September Report.

17. State Bank of Chicago, vs. Upper Peninsula Land Co., Ltd.,  
Wm. G. Mather, Trustee, et al.

Suit brought in the Circuit Court for the County of Luce in Chancery, for the same purpose as the foregoing suit except that it related to lands in Luce County. See September report.

18. State Bank of Chicago vs. Upper Peninsula Land Co., Ltd.,  
Wm. G. Mather, Trustee, et al.

Suit brought in the Circuit Court for the County of Marquette, in Chancery for the same purpose as the foregoing suit, except that it related to lands in Marquette County. See September report.

19. State Bank of Chicago, vs. Upper Peninsula Land Co., Ltd.,  
Wm. G. Mather, Trustee, et al.

Suit brought in the Circuit Court for the County of Mackinac, in Chancery, for the same purpose as the foregoing suit, except

that it related to lands in Mackinac County. See September report.

20. Upper Peninsula Land Co., Ltd., vs. E.H. Bauch.

Suit filed in the Circuit Court for the County of Chippewa, in Chancery, to quiet title to the S.W. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Section 21-45-1. (See December report for particulars.)

21. Upper Peninsula Land Co., Ltd., vs. Mary A . Clendenen, et al.

Suit filed in the Circuit Court for the County of Luce, in Chancery, to remove clouds from title on thirteen forties in Section 4-45-12. (See December report for particulars.)

22. Upper Peninsula Land Co., Ltd., vs. John N. Wiklsell.

Suit filed in the Circuit Court for the County of Mackinac, in Chancery, to remove clouds from the title to the S. $\frac{1}{2}$  of the N.E. $\frac{1}{4}$  of Section 6, and the N.E. $\frac{1}{4}$  of N.W. $\frac{1}{4}$  of Section 5, 43-10. (See December report for particulars.)

23. Upper Peninsula Land Co., Ltd., vs. Joseph J. Wertz.

Suit filed in the Circuit Court for the County of Schoolcraft, in Chancery, to remove clouds from the title to the W. $\frac{1}{2}$  of the N.W. $\frac{1}{4}$  of Section 15-46-13. (See December report for particulars.)

24. Marquette National Bank vs. Northern Lumber Co., The Cleveland-Cliffs Iron Co., et al.

Suit filed in the Circuit Court for the County of Marquette, in Chancery, to foreclose a second mortgage held by the Bank on the lands of the Northern Lumber Co. (See December report.)

III.

The following is a summary of the written opinions and reports rendered during the year.

|       | M.D. | L.D. | F.D. | R.R. | Mr.M.&<br>Mr. M. | Lbr.<br>Dept. | Mr.Andrews &<br>Mr.Dustin. | U.P.<br>L. Co. |
|-------|------|------|------|------|------------------|---------------|----------------------------|----------------|
| Jan.  | 18   | 7    | 1    | 2    | 2                | 1             | 1                          | 9              |
| Feb.  | 7    | 7    | 0    | 3    | 9                | 0             | 2                          | 0              |
| Mar.  | 5    | 5    | 2    | 2    | 12               | 2             | 2                          | 6              |
| Apr.  | 7    | 8    | 0    | 1    | 3                | 0             | 0                          | 0              |
| May   | 14   | 6    | 1    | 5    | 4                | 0             | 4                          | 0              |
| June  | 16   | 9    | 1    | 5    | 8                | 1             | 3                          | 0              |
| July  | 15   | 6    | 0    | 5    | 3                | 1             | 0                          | 0              |
| Aug.  | 11   | 13   | 1    | 4    | 3                | 0             | 0                          | 0              |
| Sept. | 14   | 4    | 3    | 4    | 9                | 0             | 6                          | 0              |
| Oct.  | 11   | 4    | 0    | 3    | 6                | 0             | 1                          | 0              |
| Nov.  | 16   | 11   | 0    | 2    | 9                | 1             | 7                          | 0              |
| Dec.  | 11   | 13   | 0    | 3    | 9                | 1             | 2                          | 0              |
|       | 145  | 93   | 9    | 39   | 77               | 7             | 28                         | 15             |

Total, 413.

For the purpose of comparison, I call attention to the relative number of opinions and reports rendered in previous years.

|       |     |       |     |       |      |
|-------|-----|-------|-----|-------|------|
| 1904, | 248 | 1907, | 486 | 1910, | 495  |
| 1905, | 340 | 1908, | 515 | 1911, | 413. |
| 1906, | 420 | 1909, | 545 |       |      |

IV.

The list of deeds, agreements, leases, etc., prepared by this office is as follows:-

|       |           |       |           |
|-------|-----------|-------|-----------|
| Jan.  | 3         | July, | 7         |
| Feb.  | 6         | Aug., | 10        |
| Mar.  | 14        | Sept. | 4         |
| Apr.  | 8         | Oct.  | 5         |
| May,  | 14        | Nov.  | 9         |
| June, | 13        | Dec.  | 10        |
|       | <u>58</u> |       | <u>45</u> |

Total, 103.

For the purpose of comparison, I call attention to the similar number of instruments drafted in previous years.

|       |     |       |     |       |      |
|-------|-----|-------|-----|-------|------|
| 1904, | 72  | 1907, | 61  | 1910, | 102  |
| 1905, | 65  | 1908, | 83  | 1911, | 103. |
| 1906, | 100 | 1909, | 109 |       |      |

V.

Traveling.

During the year we made at the request and the expense of the different departments of The Cleveland-Cliffs Iron Co., 89 trips to Marquette, 4 to Chicago, 2 to New York, 1 to Philadelphia, 5 to Lansing, 2 to Saginaw, 5 to Detroit, 2 to Duluth, 1 to Muskegon, 6 to Munising, 1 to Grand Rapids, 1 to Cleveland, and 1 to Birch. This does not include trips made in behalf of the Upper Peninsula Land Co., or the Munising Paper Co., Ltd.

VI.

Expenses.

My expenses during the year 1911, including the amount of money which we expended in traveling and for the Company's proportion of my office expenses and for other expenses paid through this office, were as follows:-

|                      |                |                      |                |
|----------------------|----------------|----------------------|----------------|
| Jan.                 | \$ 196.71      | June Special Voucher |                |
| Feb.                 | 293.84         | (Negaunee Mine Track |                |
| Mar.                 | 271.34         | Condemnation)        | \$ 134.88      |
| Mar. Special Voucher |                | July,                | 442.33         |
| (Hosking & Risku     |                | Aug.                 | 368.86         |
| cases),              | 89.17          | Sept.,               | 292.00         |
| Apr.                 | 260.87         | Oct.                 | 425.53         |
| May,                 | 197.36         | Nov.                 | 449.26         |
| June,                | 377.45         | Dec.                 | 260.83         |
|                      | <u>1686.74</u> |                      | <u>2373.69</u> |

Total, \$4060.43

The items of these months appear in detail attached to each monthly report. For the purpose of comparison I give below my total expenditures for the same purposes during previous years, as follows:-

|       |            |
|-------|------------|
| 1904, | \$ 1156.11 |
| 1905, | 1755.64    |
| 1906, | 1856.37    |
| 1907, | 2967.03    |
| 1908, | 3439.65    |
| 1909, | 3440.36    |
| 1910, | 2897.05    |
| 1911, | 4060.43    |

#### VII.

##### Local Attorneys.

During the year 1911 we employed Mr. H. J. Grannis at Duluth, Mr. H. M. Norris at Ironwood, Mr. M. H. Moriarty at Crystal Falls, and Mr. G. R. Empson at Gladstone. We had no litigation, however, at any of these places except at Duluth, but had a considerable number of business matters which required the attention of these attorneys. At Duluth Mr. Grannis assisted in the settlement of Isackson vs. The Cleveland-Cliffs Iron Co., and in the preparation of Carlson vs. The Cleveland-Cliffs Iron Co. for trial.

#### VIII.

##### Counsel.

Mr. Horace Andrews of Hoyt, Dustin, Kelley, McKeehan & Andrews, performed a large amount of work during the year in connection with the Breitung-Kaufman negotiations and settlement, the preparation of the Gamble brief, Upper Peninsula Land Co. matters and other transactions. He spent the greater part of the months of July, August, September and

October at Ishpeming. In addition, Mr. A.C.Dustin also made two trips here in July and August and rendered valuable assistance in connection with the Breitung-Kaufman negotiations.

IX.

Upper Peninsula Land Company Work.

The affairs of the Upper Peninsula Land Co. have required more attention during the past year than during any previous year. We made seven trips to Chicago during the year on these matters and on one of these trips in March Mr. Berg spent three days there in connection with the preparation of deeds and bill of sale, and in July he spent two days checking over land lists.

The amount of correspondence relative to the contract executed with the Upper Michigan Land Co., State Bank of Chicago, et al., has been very large, as numerous questions have arisen for consideration. This has extended throughout the year.

In addition to this we have had the task of perfecting the title to about 35,000 acres of land, being the lands contained in Exhibit "C" attached to the contract. This work has been conducted by correspondence and personal interviews through which we have obtained many releases and quit-claim deeds clearing up apparent clouds on the title, and have also secured and recorded various instruments which had been omitted from the record, thereby perfecting the title to other descriptions of land. This work is being pushed as rapidly as possible. At the present time the steps which have been taken and the suits now pending will perfect the title to about 33,400 acres out of the total above mentioned leaving

only about 1640 acres yet to be looked after.

Some of these clouds on the title grow out of defects which existed prior to the execution of the warranty deed by the D.M.& M. R.R. Co. in May 1905, and the expense of bringing suits to remove such clouds and the work involved in the extensive correspondence with parties holding such claims is to be taken care of by the D.M.& M. R.R. Co. As will be seen by the foregoing report, we have nine suits now pending relative to such matters and others will shortly be brought.

My expenditures incurred during the year in behalf of the Upper Peninsula Land Co. and the dates on which bills were rendered, were as follows:-

|          |               |          |               |
|----------|---------------|----------|---------------|
| Feb. 14, | \$ 39.46      | July 24, | \$ 43.15      |
| Mar. 4,  | 46.30         | Oct. 23, | 30.27         |
| Apr. 1,  | 108.21        | Dec. 2,  | 19.03         |
| July 1,  | 84.47         | Jan. 2,  | 67.94         |
|          | <u>278.44</u> |          | <u>160.39</u> |

Total, \$438.83

In addition to these payments a large amount of bills have been sent directly to the Cleveland office for payment. These expenditures are not included in my Cleveland-Cliffs Iron Co. monthly statements. For the purpose of comparison I give below the total of similar expenses for previous years:-

|       |           |
|-------|-----------|
| 1906, | \$ 545.65 |
| 1907, | 281.17    |
| 1908, | 395.25    |
| 1909, | 80.65     |
| 1910, | 229.95    |
| 1911, | 438.83    |



X.

Office Help.

I have employed Mr. Fred.H. Berg during the past year as heretofore, giving him the title of Assistant Solicitor. I have also employed Mr. Thomas Clancey who came with me on July 1, 1910.

XI.

Important Work.

I will mention here briefly the more important work done during the year, all of which is covered in detail by the monthly reports.

1. Court Work.

The most important court work done during the year was the trial of the Hosking and Risku cases at the March term of the Marquette Circuit Court. Although the Supreme Court had held that both of these cases involved questions to be submitted to the jury, we succeeded in obtaining disagreements in both cases. This was a great shock to plaintiffs attorneys who had declined to settle these cases for less than a total sum of \$11,000. They were eventually settled for \$6500. We did not have a large amount of trial work during the year, but commenced a large number of new cases for the Upper Peninsula Land Co. and perfected the appeal in Gamble vs. The Cleveland-Cliffs Iron Co.

2. Breitung-Kaufman Negotiations.

The most important work during the year consisted of the negotiations and final settlement made with the Breitung-Kaufman interests. A large proportion of my time during the months of July, August,

September and October cover this subject in detail, but speaking generally it may be said that the work of planning and preparing the various contracts, conveyances and other instruments which were used in the consummation of this settlement was by far the greatest and most important which has been undertaken since I have been with the Company.

3. C. & N. W. Matters.

We did not get the joint shaft contracts with this company actually signed in 1911, but the correspondence in relation thereto continued and various new questions relative to the joint use of railroad tracks in that district were adjusted and assurances given by the C. & N. W. Co. that these papers would shortly be signed.

4. Oliver Iron Mining Co. Negotiations.

These contracts were in fact signed and closed up, but owing to some complications in the preparation of the escrow agreement with the Illinois Trust & Savings Bank have not been actually delivered.

5. Legislative and Economic Questions.

During the first three months of the year a determined effort was made by the State Grange to secure the passage of a tonnage tax bill through the legislature. They succeeded in getting this bill through the House, but it was finally defeated in the Senate. During this contest we had a large amount of work to do in preparing for hearings in Lansing and attending hearings there and in securing petitions to be presented in opposition to this bill.

In addition to the tonnage tax, important taxation measures were introduced and many other bills affecting railroads and other interests

were introduced. We followed closely all such bills, obtaining copies and noting the changes proposed to be made in the existing law and by correspondence and occasionally by attending hearings at Lansing, we opposed all that were regarded as injurious.

Mr. Bell and I prepared what was known as the Moriarty-James Bill, a compulsory bill providing compensation for injured workmen. This bill was introduced and in March I attended a large hearing and urged its adoption. Shortly after this the New York Court of Appeals declared the compulsory law in that State unconstitutional and the result was that all pending bills at Lansing were rejected and a bill passed providing for the appointment of a commission of five to investigate this subject and make a report. Governor Osborn appointed me a member of that commission in June and during the next six months I gave most careful attention to this question, securing and reading all available literature and also following closely the investigation conducted by our commission. I attended public hearings at Muskegon, Grand Rapids and Detroit. When the report was finally made I drafted the bill which we have recommended. The commission made a unanimous report and it will shortly be printed for distribution.

Through the kindness of the Company I attended the meeting of the National Civic Federation in New York and the American Academy of Political and Social Science in Philadelphia, and was much interested in the addresses, particularly at Philadelphia.

The legislature also passed a bill providing for the appraisal of the mines by an expert mining engineer. Mr. J. R. Finlay was employed by the State and proceeded with a staff of assistants during the summer

to investigate the mines. We gave careful attention to the question of the legal rights of such appraisers and advised the Mining Department during all these proceedings.

In October the State Tax Commission had hearings in the iron counties and largely increased the assessment of the mines. We helped outline and prepare the data submitted to the State Board in opposition to these assessments and attended the meetings of the Board.

Following the meetings of the State Board came the meeting of the County Board of Supervisors to equalize the assessments among the townships. I attended those meetings, made an argument before the Board, and advised our representatives.

Following closely upon the meetings of the State Tax Commission, the Special Tax Commission appointed by the Governor made a preliminary report recommending the adoption of the corporate excess plan of taxation for corporations generally, and suggesting three different plans for the assessment of mining properties. I went with Mr. Bell during the first week in November to attend a hearing before this commission and strongly urged the modification of these views, particularly as the commission had practically recommended that mining property ought to be taxed upon a different basis from other property and should bear a greater burden of taxation. We were successful in securing the modification of these views and the final report of the commission eliminates these plans and recommends further investigation of the subject so far as the mines are concerned.

6. Lac La Belle Matters.

Another important question which received attention during the year were the various complications in respect to the Lac La Belle lands. This involved the proposed adjustment with the Lake Superior Iron & Chemical Co. as to the descriptions on which the Cleveland Cliffs is entitled under the Clark contract to cut and remove the hardwood timber; also the arrangements for logging that portion of the Lac La Belle lands owned by the Weston Lumber Co., and the proposed general negotiations with the Munising Leather Co. adjusting all difficulties and controversies with that Company.

7. Land Title Work.

We have also had the usual amount of work examining land titles, preparing deeds, leases and contracts, including this year a large number of transmission line easements and matters relating to the development of the Carp River Water power, including the securing of deeds from the Carp River Furnace Co. which practically had to be revived for that purpose; also large and important construction contracts relating to the construction of the new ore dock and other important work.

While the number of reports rendered was less than in previous years, the actual amount of work done was the largest which we have ever had in any year for the Company.

  
Solicitor.

Annual Report of William P.  
Belden, Solicitor, for the  
year 1911.

*Annual Report.*



# HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET

NEW YORK

CHICAGO

ST. LOUIS

CLEVELAND

PITTSBURGH

BALTIMORE

SAN FRANCISCO

HARRIS TRUST BUILDING

THIRD NATIONAL BANK BUILDING

WILLIAMSON BUILDING

FARMERS BANK BUILDING

EQUITABLE BUILDING

CROCKER BUILDING

LONDON, E.C.

30 COLEMAN STREET

CABLE ADDRESS "HASKSELLS"

CLEVELAND, June 3, 1912.

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

RECEIVED

JUN 3 1912

Ask. 6/5 Ans. ....

Dear Sir:

please find herewith our reports and one copy on our  
audit of the books and accounts of the following Companies for  
the year ended December 31, 1911, viz.:

- ✓ The Cleveland-Cliffs Iron Company  
and Subsidiaries
- ✓ Negaunee Mine
- ✓ Artic Iron Company
- ✓ American Iron Mining Company
- ✓ Upper Peninsula Land Company, Limited
- ✓ Bay Mills Land & Lumber Company
- ✓ Michigamme Company
- ✓ Munising Paper Company, Limited
- ✓ Hopkins Steamship Company
- ✓ The Presque Isle Transportation Company
- ✓ Munising, Marquette & Southeastern  
Railway Company
- ✓ Lake Superior & Ishpeming Railway Company

Yours very truly,

*Haskins & Sells*

Enclosure.



HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET

NEW YORK

CHICAGO ST. LOUIS CLEVELAND PITTSBURGH BALTIMORE SAN FRANCISCO  
HARRIS TRUST BUILDING THIRD NATIONAL BANK BUILDING WILLIAMSON BUILDING FARMERS BANK BUILDING EQUITABLE BUILDING CROCKER BUILDING

LONDON, E.C.  
30 COLEMAN STREET

CABLE ADDRESS "HASKSELLS"

RECEIVED

JUN 3 - 1912

Ack. .... Ans. ....

CLEVELAND, May 29, 1912.

Mr. Wm. G. Mather,

President, The Cleveland-Cliffs Iron Company,  
Cleveland, Ohio.

Dear Sir:

Pursuant to engagement, we have audited the books and accounts  
of

- The Cleveland-Cliffs Iron Company
- Cleveland Iron Mining Company
- Iron Cliffs Company
- Pioneer Iron Company
- Excelsior Iron Company
- Jackson Iron Company
- The Munising Company
- The Central Land & Timber Company, Limited
- Grand Island Steamship Company

for the year ended December 31, 1911, and submit herewith the following  
described exhibits and schedules, viz.:

EXHIBIT

- "A" - CONSOLIDATED GENERAL BALANCE SHEET -  
DECEMBER 31, 1911, AND 1910 - AND  
COMPARISON. STEAMSHIP COMPANY -  
OPERATIONS FOR THE YEAR ENDED  
DECEMBER 31, 1911.
- "B" - COMBINED GENERAL BALANCE SHEET -  
DECEMBER 31, 1911.

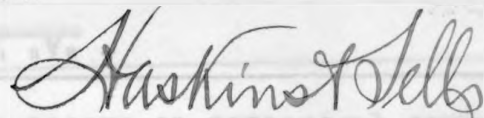
Schedule

- #1 - Accounts between Companies  
Eliminated in the Consoli-  
dated Balance Sheet.
- 2 - Summary of Property.
- 3 - Investments in Stocks, Bonds,  
Notes, etc.
- 4 - Deferred Assets.
- 5 - Deferred Liabilities.

- "C" - COMBINED SUMMARY OF INCOME AND PROFIT  
& LOSS FOR THE YEAR ENDED DECEMBER 31,  
1911.
- "D" - THE CLEVELAND-CLIFFS IRON COMPANY - NET  
PROFIT FROM OPERATIONS FOR THE YEAR  
ENDED DECEMBER 31, 1911.  
Schedule  
#1 - Mine Department Operations.  
2 - Miscellaneous Operations.  
3 - Chemical Department Operations.  
4 - Furnace Department Operations.  
5 - Lumbering Department Operations.  
6 - Land Department Operations.
- "E" - CLEVELAND IRON MINING COMPANY - OPERA-  
TIONS FOR THE YEAR ENDED DECEMBER 31,  
1911.
- "F" - IRON CLIFFS COMPANY - OPERATIONS FOR THE  
YEAR ENDED DECEMBER 31, 1911.
- "G" - PIONEER IRON COMPANY - OPERATIONS FOR  
THE YEAR ENDED DECEMBER 31, 1911.
- "H" - EXCELSIOR IRON COMPANY - OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1911.
- "I" - JACKSON IRON COMPANY - OPERATIONS FOR  
THE YEAR ENDED DECEMBER 31, 1911.
- "J" - THE MUNISING COMPANY - OPERATIONS FOR  
THE YEAR ENDED DECEMBER 31, 1911.
- "K" - THE CENTRAL LAND & TIMBER COMPANY,  
LTD. - OPERATIONS FOR THE YEAR  
ENDED DECEMBER 31, 1911.
- "L" - GRAND ISLAND STEAMSHIP COMPANY -  
OPERATIONS FOR THE YEAR ENDED  
DECEMBER 31, 1911.

Our comments on this audit and these exhibits and supporting  
schedules are submitted separately, as desired.

Yours truly,



Certified Public Accountants.

THE CLEVELAND-CLIFFS IRON COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED GENERAL BALANCE SHEET - DECEMBER 31, 1911 AND 1910 - AND COMPARISON, SHOWING INCREASES (Black) AND DECREASES (Red)  
(After Eliminations As Between Companies)

| -- ASSETS --  | INCREASE<br>OR<br>DECREASE |                 |                      | -- LIABILITIES --  | INCREASE<br>OR<br>DECREASE |                      |                |
|---|----------------------------|-----------------|----------------------|--|----------------------------|----------------------|----------------|
|   | DECEMBER 31,<br>1911       | 1910            | DECEMBER 31,<br>1911 |  | 1910                       | DECEMBER 31,<br>1911 | 1910           |
| PROPERTY,.....  | \$15,107,330.33            | \$13,997,050.24 | \$1,110,280.09       | FUNDED DEBT:   |                            |                      |                |
| EXPLORATORY WORK,.....  | 294,929.59                 | 236,440.55      | 58,489.04            | First Mortgage, 5% Bonds, Grand Island Steamship Company, \$ 372,000.00  | \$ 372,000.00              | \$ 444,000.00        | \$ 72,000.00   |
| INVESTMENTS IN STOCKS, BONDS, NOTES, ETC.,.....                             | 2,587,473.61               | 2,478,549.49    | 108,924.12           | First Coll. Trust, 6%, Gold Bonds, Cleveland-Cliffs Iron Company,.....   | 2,500,000.00               |                      | 2,500,000.00   |
| WORKING AND TRADING ASSETS:   |                            |                 |                      | Total Funded Debt,.....  | 2,872,000.00               | 444,000.00           | 2,428,000.00   |
| Materials and Supplies,.....  | 621,628.42                 | 615,822.55      | 5,805.87             | CURRENT LIABILITIES:   |                            |                      |                |
| Ore Inventories,.....   | 3,063,822.04               | 2,333,077.69    | 730,744.35           | Notes Payable,.....  | 202,213.06                 | 738,499.56           | 536,286.50     |
| Furnace Products - Inventories,.....  | 2,166,041.12               | 1,945,418.52    | 220,622.60           | Vouchers Payable,.....   | 357,664.57                 | 643,384.18           | 285,719.61     |
| Saw Mill Products - Inventories,.....                                       | 99,279.17                  | 122,798.23      | 23,519.06            | Salaries and Wages Payable,.....   | 161,213.17                 | 208,462.21           | 47,249.04      |
| Lumbering Department Products - Inventories,.....                           | 296,957.42                 | 413,807.46      | 116,850.04           | Royalties Payable,.....  | 90,533.43                  | 55,134.61            | 35,398.82      |
| Chemical Products on Consignment,.....                                      | 3,431.29                   | 1,455.50        | 1,975.79             | Sundry Creditors,.....   | 77,623.42                  | 35,820.87            | 41,802.55      |
| Uncompleted Shop Orders,.....   | 2,500.59                   | 2,290.31        | 210.27               | Subscription to Bonds of Lake Superior & Ishpeming Railway Company,..... | 95,330.00                  |                      | 95,330.00      |
| Royalties Paid in Advance,.....   | 444,857.25                 | 281,869.69      | 162,987.56           | Brass Check Deposits,.....   | 2,787.95                   | 3,451.50             | 663.55         |
| Insurance Premiums - Unexpired Portion,.....                                | 14,962.42                  | 51,563.22       | 36,600.80            | Accrued Accounts:  |                            |                      |                |
| Miscellaneous,.....   | 11,689.36                  | 1,261.59        | 10,427.77            | Interest,.....   | 26,308.80                  | 1,133.33             | 25,175.47      |
| Total Working and Trading Assets,.....                                      | 6,725,169.07               | 5,769,364.76    | 955,804.31           | Taxes,.....  | 405,986.30                 | 274,746.99           | 131,239.31     |
| CURRENT ASSETS:   |                            |                 |                      | Total Current Liabilities,.....  | 1,419,660.70               | 1,960,633.25         | 540,972.55     |
| Cash in Hand and on Deposit,.....   | 1,235,146.01               | 807,237.62      | 427,908.39           | ADVANCE RECEIPTS ON ORE SALES CONTRACTS,.....                            | 1,340,804.55               | 1,794,818.74         | 454,014.19     |
| Notes Receivable,.....  | 758,948.92                 | 1,105,536.75    | 346,587.83           | DUE TO AFFILIATED COMPANIES,.....  | 34,752.61                  | 39,488.73            | 4,736.12       |
| Accounts Receivable - Ore,.....   | 557,952.06                 | 1,668,296.05    | 1,110,343.99         | DEFERRED LIABILITIES,.....   | 115,436.57                 | 99,673.26            | 15,763.31      |
| Accounts Receivable - Other,.....   | 837,066.16                 | 896,262.97      | 59,196.81            | CONTINGENT LIABILITIES (See Contra),.....                                | 179,000.00                 | 189,100.00           | 10,100.00      |
| Subscribers to Bonds of the Lake Superior & Ishpeming Railway Company,..... | 93,730.00                  |                 | 93,730.00            | RESERVES:  |                            |                      |                |
| Accrued Interest,.....  | 11,004.16                  | 28,130.59       | 17,126.43            | For Extension of Gladstone Dock,.....                                    | 3,237.23                   | 3,237.23             |                |
| Total Current Assets,.....  | 3,493,847.31               | 4,505,463.98    | 1,011,616.67         | For Interest - Princeton Mine,.....                                      | 29,187.59                  | 29,187.59            |                |
| DUE FROM AFFILIATED COMPANIES,.....   | 1,267,115.77               | 1,089,639.51    | 177,476.26           | For Insurance - Lake Superior Iron Company,.....                         | 9,088.64                   | 8,197.76             | 890.88         |
| DEFERRED ASSETS,.....   | 35,210.63                  | 47,230.72       | 12,020.09            | For Insurance - Regent Iron Company,.....                                | 3,137.46                   | 2,870.89             | 266.57         |
| CONTINGENT ASSETS (See Contra),.....  | 179,000.00                 | 189,100.00      | 10,100.00            | For Insurance on Chemical Plants,.....                                   | 76,422.29                  | 68,677.65            | 7,744.64       |
|   |                            |                 |                      | For Reelinings and Renewals, Furnace Department,.....                    | 26,636.81                  | 21,599.51            | 5,037.30       |
|   |                            |                 |                      | For Stumpage,.....   | 14,178.52                  | 9,569.87             | 4,608.65       |
|   |                            |                 |                      | For Doctors' Fees - Mine Department,.....                                | 716.49                     |                      | 716.49         |
|   |                            |                 |                      | For Sidewalk and Landscape Work - Land Department,.....                  | 810.00                     | 850.00               | 40.00          |
|   |                            |                 |                      | Total Reserves,.....   | 163,415.03                 | 144,190.50           | 19,224.53      |
|   |                            |                 |                      | STOCKHOLDERS' EQUITY IN ASSETS:  |                            |                      |                |
|   |                            |                 |                      | Represented by 49,100 Shares of Capital Stock of \$100 each,.....        | 4,910,000.00               | 4,910,000.00         |                |
|   |                            |                 |                      | Represented by Invested and Undistributed Surplus,.....                  | 18,655,006.85              | *18,730,934.77       | 75,927.92      |
|   |                            |                 |                      | Total Stockholders' Equity in Assets,.....                               | 23,565,006.85              | 23,640,934.77        | 75,927.92      |
| TOTAL ASSETS,.....  | \$29,690,076.31            | \$28,312,839.25 | \$1,377,237.06       | TOTAL,.....  | \$29,690,076.31            | \$28,312,839.25      | \$1,377,237.06 |

\* Includes \$458,920.23 Gain from elimination of stocks of subsidiary companies.

THE CLEVELAND-CLIFFS IRON COMPANY AND SUBSIDIARY COMPANIES

COMBINED GENERAL BALANCE SHEET - DECEMBER 31, 1911  
(Showing Eliminations As Between Companies)

| -- A S S E T S --  | CONSOLIDATED<br>TOTAL | ELIMINATIONS<br>AS BETWEEN<br>COMPANIES<br>(Schedule #1) | COMBINED<br>TOTAL | THE<br>CLEVELAND-CLIFFS<br>IRON COMPANY | CLEVELAND<br>IRON MINING<br>COMPANY | IRON CLIFFS<br>COMPANY | PIONEER IRON<br>COMPANY | EXCELSIOR IRON<br>COMPANY | JACKSON IRON<br>COMPANY | THE MUNISING<br>COMPANY | THE CENTRAL<br>LAND & TIMBER<br>COMPANY, LTD. | GRAND ISLAND<br>STEAMSHIP<br>COMPANY |
|--|-----------------------|--|-------------------|---|-------------------------------------|------------------------|-------------------------|---------------------------|-------------------------|-------------------------|---|--------------------------------------|
| PROPERTY - Schedule #2.....  | \$15,107,330.33       |  | \$15,107,330.33   | \$ 8,780,537.51                         | \$2,580,327.98                      | \$ 521,615.19          | \$1,099,223.25          | \$ 105,734.71             | \$ 448,057.38           | \$ 158,065.43           | \$ 30,768.88                                  | \$1,383,000.00                       |
| EXPLORATORY WORK.....  | 294,929.59            |  | 294,929.59        | 279,740.89                              |                                     | 7,358.24               |                         |                           | 7,830.46                |                         |   |                                      |
| INVESTMENTS IN STOCKS, BONDS, NOTES, ETC. -<br>Schedule #3.....                        | 2,587,473.61          |  | 2,587,473.61      | 2,562,261.89                            |                                     |                        |                         |                           | 1.00                    |                         |   | 25,210.72                            |
| STOCKS OWNED IN SUBSIDIARY COMPANIES.....  |                       | \$3,873,960.97   | 3,873,960.97      | 3,750,709.97                            |                                     | 123,251.00             |                         |                           |                         |                         |   |                                      |
| WORKING AND TRADING ASSETS:  |                       |  |                   |   |                                     |                        |                         |                           |                         |                         |   |                                      |
| Materials and Supplies.....  | 621,628.42            |  | 621,628.42        | 408,134.53                              | 44,444.64                           | 35,379.51              | 131,947.35              |                           | 1,614.47                |                         |   | 107.92                               |
| Ore Inventories.....   | 3,063,822.04          |  | 3,063,822.04      | 1,717,830.38                            | 627,275.18                          | 659,648.38             |                         |                           | 59,068.10               |                         |   |                                      |
| Furnace Products - Inventories.....  | 2,166,041.12          |  | 2,166,041.12      | 1,104,452.19                            |                                     |                        | 1,061,588.94            |                           |                         |                         |   |                                      |
| Saw Mill Products - Inventories.....   | 99,279.17             |  | 99,279.17         |   |                                     |                        |                         |                           |                         |                         |   |                                      |
| Lumbering Department Products - Inventories,<br>Chemical Products on Consignment.....  | 296,957.42            |  | 296,957.42        | 296,957.42                              |                                     |                        |                         |                           |                         |                         |   |                                      |
| Uncompleted Shop Orders.....   | 3,431.29              |  | 3,431.29          |   |                                     |                        | 3,431.29                |                           |                         |                         |   |                                      |
| Royalties Paid in Advance.....   | 2,500.58              |  | 2,500.58          |   | 2,500.58                            |                        |                         |                           |                         |                         |   |                                      |
| Insurance Premiums - Unexpired Portion.....  | 444,857.25            |  | 444,857.25        | 444,857.25                              |                                     |                        |                         |                           |                         |                         |   |                                      |
| Miscellaneous.....   | 14,962.42             |  | 14,962.42         | 8,673.42                                | 1,213.39                            | 1,560.00               | 688.26                  |                           | 1,064.62                |                         |   | 1,762.73                             |
| Total Working and Trading Assets,...   | 11,689.36             |  | 11,689.36         | 11,478.02                               |                                     |                        |                         |                           |                         | 211.34                  |   |                                      |
|  | 6,725,169.07          |  | 6,725,169.07      | 4,091,662.37                            | 675,433.79                          | 696,587.89             | 1,197,655.84            |                           | 61,747.19               | 211.34                  |   | 1,870.65                             |
| CURRENT ASSETS:  |                       |  |                   |   |                                     |                        |                         |                           |                         |                         |   |                                      |
| Cash in Hand and on Deposit.....   | 1,235,146.01          |  | 1,235,146.01      | 1,039,366.54                            | 79,407.13                           | 41,065.79              | 24,617.88               | 2,583.42                  | 31,126.78               | 3,881.29                | 826.70  | 12,270.48                            |
| Notes Receivable.....  | 758,948.92            |  | 758,948.92        | 576,864.79                              | 112,222.30                          | 69,861.83              |                         |                           |                         |                         |   |                                      |
| Accounts Receivable - Ore.....   | 557,952.06            |  | 557,952.06        | 239,263.08                              | 175,040.37                          | 137,462.26             |                         |                           | 6,186.35                |                         |   |                                      |
| Accounts Receivable - Other.....   | 837,066.16            |  | 837,066.16        | 692,883.90                              | 3,637.53                            | 10,633.82              | 117,457.34              | 746.93                    | 1,305.05                | 6,890.15                |   | 3,511.44                             |
| Due from Subscribers to Bonds of the Lake<br>Superior & Ishpeming Railway Company..... | 93,730.00             |  | 93,730.00         | 93,730.00                               |                                     |                        |                         |                           |                         |                         |   |                                      |
| Accrued Interest.....  | 11,004.16             |  | 11,004.16         | 11,004.16                               |                                     |                        |                         |                           |                         |                         |   |                                      |
| Total Current Assets.....  | 3,493,847.31          |  | 3,493,847.31      | 2,653,112.47                            | 370,307.33                          | 259,023.70             | 142,075.22              | 3,330.35                  | 38,618.18               | 10,771.44               | 826.70  | 15,781.92                            |
| DUE FROM AFFILIATED COMPANIES.....   | 1,267,115.77          |  | 1,267,115.77      | 1,202,034.00                            | 16,071.02                           | 701.69                 | 18.26                   |                           | 34,613.45               | 13,677.35               |   |                                      |
| DUE FROM RELATED COMPANIES.....  |                       | 3,451,931.72   | 3,451,931.72      | 1,963,766.34                            | 1,029,047.29                        | 210,427.86             | 4,652.50                | 4,629.53                  | 140,798.70              | 75,598.85               |   | 23,010.65                            |
| DEFERRED ASSETS - Schedule #4.....   | 35,210.63             |  | 35,210.63         | 14,583.18                               | 120.00                              | 359.32                 | 2,384.33                |                           | 13,632.34               | 670.66                  | 3,460.80                                      |                                      |
| CONTINGENT ASSETS - (See Contra).....  | 179,000.00            | 372,000.00   | 551,000.00        | 551,000.00                              |                                     |                        |                         |                           |                         |                         |   |                                      |
| TOTAL ASSETS.....  | \$29,690,076.31       | \$7,697,892.69   | \$37,387,969.00   | \$25,849,408.62                         | \$4,671,307.41                      | \$1,819,324.89         | \$2,446,009.40          | \$ 113,694.59             | \$ 745,298.70           | \$ 258,995.07           | \$ 35,056.38                                  | \$1,448,873.94                       |

IRON COMPANY AND SUBSIDIARY COMPANIES.  
COMBINED GENERAL BALANCE SHEET, ETC.

| -- LIABILITIES --   | CONSOLIDATED<br>TOTAL | ELIMINATIONS<br>AS BETWEEN<br>COMPANIES<br>(Schedule #1) | COMBINED<br>TOTAL | THE<br>CLEVELAND-CLIFFS<br>IRON COMPANY | CLEVELAND<br>IRON MINING<br>COMPANY | IRON CLIFFS<br>COMPANY | PIONEER IRON<br>COMPANY | EXCELSIOR IRON<br>COMPANY | JACKSON IRON<br>COMPANY | THE MUNISING<br>COMPANY | THE CENTRAL<br>LAND & TIMBER<br>COMPANY, LTD. | GRAND ISLAND<br>STEAMSHIP<br>COMPANY |
|---|-----------------------|--|-------------------|---|-------------------------------------|------------------------|-------------------------|---------------------------|-------------------------|-------------------------|---|--------------------------------------|
| CAPITAL STOCK,.....   | \$ 4,910,000.00       | \$4,490,900.00   | \$ 9,400,900.00   | \$ 4,910,000.00                         | \$2,500,000.00                      | \$1,000,000.00         | \$ 125,000.00           | \$ 100,000.00             | \$ 300,000.00           | \$ 415,900.00           | \$ 25,000.00                                  | \$ 25,000.00                         |
| FUNDED DEBT:  |                       |  |                   |   |                                     |                        |                         |                           |                         |                         |   |                                      |
| First collateral Trust, 6% Gold Bonds,....                                  | 2,500,000.00          |  | 2,500,000.00      | 2,500,000.00                            |                                     |                        |                         |                           |                         |                         |   |                                      |
| First Mortgage, 5% Bonds,.....  | 372,000.00            |  | 372,000.00        |   |                                     |                        |                         |                           |                         |                         |   | 372,000.00                           |
| Total Funded Debt,.....   | 2,872,000.00          |  | 2,872,000.00      | 2,500,000.00                            |                                     |                        |                         |                           |                         |                         |   | 372,000.00                           |
| CURRENT LIABILITIES:  |                       |  |                   |   |                                     |                        |                         |                           |                         |                         |   |                                      |
| Notes Payable,.....   | 202,213.06            |  | 202,213.06        | 191,713.06                              | 5,500.00                            | 5,000.00               |                         |                           |                         |                         |   |                                      |
| Vouchers Payable,.....  | 357,664.57            |  | 357,664.57        | 279,716.88                              | 34,883.98                           | 7,902.61               |                         |                           | 1,552.98                |                         |   | 14,950.85                            |
| Salaries and Wages Payable,.....  | 161,213.17            |  | 161,213.17        | 96,846.61                               | 24,289.94                           | 24,390.12              |                         |                           | 628.53                  |                         |   |                                      |
| Royalties Payable,.....   | 90,533.43             |  | 90,533.43         | 90,533.43                               |                                     |                        |                         |                           |                         |                         |   |                                      |
| Sundry Creditors,.....  | 77,623.42             |  | 77,623.42         | 60,966.13                               | 1,190.52                            | 497.49                 |                         |                           |                         |                         |   |                                      |
| Subscription to Bonds of Lake Superior &<br>Isipeming Railway Company,..... | 95,330.00             |  | 95,330.00         | 95,330.00                               |                                     |                        |                         |                           |                         |                         |   |                                      |
| Brass Identification Checks,.....   | 2,787.95              |  | 2,787.95          | 1,658.70                                | 528.75                              | 578.50                 |                         |                           | 22.00                   |                         |   |                                      |
| Accrued Accounts:   |                       |  |                   |   |                                     |                        |                         |                           |                         |                         |   |                                      |
| Interest,.....  | 26,308.80             |  | 26,308.80         | 25,308.80                               |                                     |                        |                         |                           |                         |                         |   | 1,000.00                             |
| Taxes,.....   | 405,986.30            |  | 405,986.30        | 248,891.31                              | 69,356.64                           | 61,969.45              | 6,600.91                | 245.74                    | 5,504.07                | 12,998.18               | 420.00  |                                      |
| Total Current Liabilities,.....   | 1,419,660.70          |  | 1,419,660.70      | 1,090,964.92                            | 135,749.83                          | 100,338.17             | 55,285.43               | 245.74                    | 7,707.58                | 12,998.18               | 420.00  | 15,950.85                            |
| ADVANCE RECEIPTS ON ORE SALES CONTRACTS,.....                               | 1,340,804.55          |  | 1,340,804.55      | 793,926.32                              | 196,785.10                          | 284,858.69             |                         |                           | 65,234.44               |                         |   |                                      |
| DUE TO AFFILIATED COMPANIES,.....   | 34,752.61             |  | 34,752.61         | 34,559.99                               |                                     |                        |                         |                           | 74.09                   | 118.53                  |   |                                      |
| DUE TO RELATED COMPANIES,.....  |                       | 3,451,931.72   | 3,451,931.72      | 141,900.95                              | 79.44                               | 3,249.17               | 2,044,886.69            | 125.41                    | 71,062.30               | 80,621.02               | 18,564.23                                     | 1,091,442.51                         |
| DEFERRED LIABILITIES - Schedule #5,.....                                    | 115,436.57            |  | 115,436.57        | 49,073.03                               | 33,434.79                           | 22,980.14              | 7,605.69                |                           | 2,342.92                |                         |   |                                      |
| RESERVES:   |                       |  |                   |   |                                     |                        |                         |                           |                         |                         |   |                                      |
| For Extension of Gladstone Dock,.....                                       | 3,237.23              |  | 3,237.23          | 3,237.23                                |                                     |                        |                         |                           |                         |                         |   |                                      |
| For Interest - Princeton Mine,.....   | 29,187.59             |  | 29,187.59         | 29,187.59                               |                                     |                        |                         |                           |                         |                         |   |                                      |
| For Insurance - Lake Superior Iron Company,.                                | 9,088.64              |  | 9,088.64          | 9,088.64                                |                                     |                        |                         |                           |                         |                         |   |                                      |
| For Insurance - Regent Iron Company,.....                                   | 3,137.46              |  | 3,137.46          | 3,137.46                                |                                     |                        |                         |                           |                         |                         |   |                                      |
| For Insurance on Chemical Plants,.....                                      | 76,422.29             |  | 76,422.29         | 33,377.48                               |                                     |                        | 43,044.81               |                           |                         |                         |   |                                      |
| For Relinings and Renewals - Furnace Dept.,.                                | 26,636.81             |  | 26,636.81         | 16,450.70                               |                                     |                        | 10,186.11               |                           |                         |                         |   |                                      |
| For Stumpage - Lumber Department,.....                                      | 14,178.52             |  | 14,178.52         | 14,178.52                               |                                     |                        |                         |                           |                         |                         |   |                                      |
| For Doctors' Fees - Mine Department,.....                                   | 716.49                |  | 716.49            | 716.49                                  |                                     |                        |                         |                           |                         |                         |   |                                      |
| For Sidewalk and Landscape Work - Land Dept.                                | 810.00                |  | 810.00            | 810.00                                  |                                     |                        |                         |                           |                         |                         |   |                                      |
| Total Reserves,.....  | 163,415.03            |  | 163,415.03        | 110,184.11                              |                                     |                        | 53,230.92               |                           |                         |                         |   |                                      |
| CONTINGENT LIABILITIES - (See Contra),.....                                 | 179,000.00            | 372,000.00   | 551,000.00        | 551,000.00                              |                                     |                        |                         |                           |                         |                         |   |                                      |
| SURPLUS:  |                       |  |                   |   |                                     |                        |                         |                           |                         |                         |   |                                      |
| Profit & Loss, Per Exhibit "C",.....  | 18,038,067.82         |  | 18,038,067.82     | 15,667,799.30                           | 1,805,258.25                        | 407,898.72             | 160,000.67              | 13,323.44                 | 298,877.37              | 250,642.66              | 8,927.85                                      | 55,519.42                            |
| Gain from Elimination of Stocks of Subsidi-<br>ary Companies,.....          | 616,939.03            | 616,939.03   |                   |   |                                     |                        |                         |                           |                         |                         |   |                                      |
| Total Surplus,.....   | 18,655,006.85         | 616,939.03   | 18,038,067.82     | 15,667,799.30                           | 1,805,258.25                        | 407,898.72             | 160,000.67              | 13,323.44                 | 298,877.37              | 250,642.66              | 8,927.85                                      | 55,519.42                            |
| TOTAL,.....   | \$29,690,076.31       | \$7,697,892.69   | \$37,387,969.00   | \$25,849,408.62                         | \$4,671,307.41                      | \$1,819,324.89         | \$2,446,009.40          | \$ 113,694.59             | \$ 745,298.70           | \$ 258,995.07           | \$ 35,056.38                                  | \$1,448,873.94                       |

EXHIBIT "B"

(Concluded) - 2.

THE CLEVELAND-CLIFFS IRON COMPANY AND SUBSIDIARY COMPANIES

ACCOUNTS BETWEEN COMPANIES ELIMINATED IN THE CONSOLIDATED BALANCE SHEET - DECEMBER 31, 1911

|  | INVESTMENTS -<br>STOCKS, BONDS,<br>NOTES, ETC. | CAPITAL STOCK  | DUE FROM<br>RELATED<br>COMPANIES | DUE TO<br>RELATED<br>COMPANIES | CONTINGENT<br>ASSETS | CONTINGENT<br>LIABILITIES |
|--|--|----------------|----------------------------------|--------------------------------|----------------------|---------------------------|
| <b>CAPITAL STOCKS OF SUBSIDIARY COMPANIES:</b>       |  |                |                                  |                                |                      |                           |
| Owned by The Cleveland-Cliffs Iron Company:          |  |                |                                  |                                |                      |                           |
| Cleveland Iron Mining Company,.....                  | \$ 935,220.60                                  | \$2,500,000.00 |                                  |                                |                      |                           |
| Iron Cliffs Company,.....                            | 1,497,992.60                                   | 1,000,000.00   |                                  |                                |                      |                           |
| Jackson Iron Company,.....                           | 1,101,520.80                                   | 300,000.00     |                                  |                                |                      |                           |
| Grand Island Steamship Company,.....                 | 1.00   | 25,000.00      |                                  |                                |                      |                           |
| The Munising Company,.....                           | 190,974.97                                     | 415,900.00     |                                  |                                |                      |                           |
| The Central Land & Timber Company, Limited,.....     | 25,000.00                                      | 25,000.00      |                                  |                                |                      |                           |
| Owned by Iron Cliffs Company:                        |  |                |                                  |                                |                      |                           |
| Pioneer Iron Company,.....                           | 123,250.00                                     | 125,000.00     |                                  |                                |                      |                           |
| Excelsior Iron Company,.....                         | 1.00   | 100,000.00     |                                  |                                |                      |                           |
| <b>DUE FROM AND TO RELATED COMPANIES:</b>            |  |                |                                  |                                |                      |                           |
| To The Cleveland-Cliffs Iron Company:                |  |                |                                  |                                |                      |                           |
| By Pioneer Iron Company,.....                        |  |                | \$ 953,143.29                    | \$ 953,143.29                  |                      |                           |
| By Grand Island Steamship Company,.....              |  |                | 916,442.51                       | 916,442.51                     |                      |                           |
| By The Munising Company,.....                        |  |                | 75,616.31                        | 75,616.31                      |                      |                           |
| By The Central Land & Timber Company, Limited,.....  |  |                | 18,564.23                        | 18,564.23                      |                      |                           |
| To Cleveland Iron Mining Company:                    |  |                |                                  |                                |                      |                           |
| By Pioneer Iron Company,.....                        |  |                | 827,877.74                       | 827,877.74                     |                      |                           |
| By Jackson Iron Company,.....                        |  |                | 23,759.55                        | 23,759.55                      |                      |                           |
| By Grand Island Steamship Company,.....              |  |                | 175,000.00                       | 175,000.00                     |                      |                           |
| By The Munising Company,.....                        |  |                | 2,410.00                         | 2,410.00                       |                      |                           |
| To Pioneer Iron Company:                             |  |                |                                  |                                |                      |                           |
| By Jackson Iron Company,.....                        |  |                | 4,652.50                         | 4,652.50                       |                      |                           |
| To Iron Cliffs Company:                              |  |                |                                  |                                |                      |                           |
| By Pioneer Iron Company,.....                        |  |                | 188,211.55                       | 188,211.55                     |                      |                           |
| By Jackson Iron Company,.....                        |  |                | 19,621.60                        | 19,621.60                      |                      |                           |
| By The Munising Company,.....                        |  |                | 2,594.71                         | 2,594.71                       |                      |                           |
| To Jackson Iron Company:                             |  |                |                                  |                                |                      |                           |
| By The Cleveland-Cliffs Iron Company,.....           |  |                | 140,798.70                       | 140,798.70                     |                      |                           |
| To Grand Island Steamship Company:                   |  |                |                                  |                                |                      |                           |
| By Jackson Iron Company,.....                        |  |                | 23,010.65                        | 23,010.65                      |                      |                           |
| To The Munising Company:                             |  |                |                                  |                                |                      |                           |
| By Pioneer Iron Company,.....                        |  |                | 75,455.44                        | 75,455.44                      |                      |                           |
| By Jackson Iron Company,.....                        |  |                | 18.00                            | 18.00                          |                      |                           |
| By Excelsior Iron Company,.....                      |  |                | 125.41                           | 125.41                         |                      |                           |
| To Excelsior Iron Company:                           |  |                |                                  |                                |                      |                           |
| By The Cleveland-Cliffs Iron Company,.....           |  |                | 1,102.25                         | 1,102.25                       |                      |                           |
| By Cleveland Iron Mining Company,.....               |  |                | 79.44                            | 79.44                          |                      |                           |
| By Pioneer Iron Company,.....                        |  |                | 198.67                           | 198.67                         |                      |                           |
| By Iron Cliffs Company,.....                         |  |                | 3,249.17                         | 3,249.17                       |                      |                           |
| <b>CONTINGENT ASSETS AND CONTINGENT LIABILITIES:</b> |  |                |                                  |                                |                      |                           |
| The Cleveland-Cliffs Iron Company as Endorser on     |  |                |                                  |                                |                      |                           |
| Bonds of Grand Island Steamship Company,.....        |  |                |                                  |                                | \$372,000.00         | \$372,000.00              |
| TOTAL,.....  | \$3,873,960.97                                 | \$4,490,900.00 | \$3,451,931.72                   | \$3,451,931.72                 | \$372,000.00         | \$372,000.00              |

THE CLEVELAND-CLIFFS IRON COMPANY AND SUBSIDIARY COMPANIES

SUMMARY OF PROPERTY - DECEMBER 31, 1911

|  | TOTAL                  | THE CLEVELAND-<br>CLIFFS IRON<br>COMPANY | CLEVELAND<br>IRON MINING<br>COMPANY | IRON CLIFFS<br>COMPANY | PIONEER IRON<br>COMPANY | EXCELSIOR<br>IRON COM-<br>PANY | JACKSON<br>IRON COM-<br>PANY | THE<br>MUNISING<br>COMPANY | THE CENTRAL<br>LAND & TIM-<br>BER COMPANY,<br>LIMITED | GRAND ISLAND<br>STEAMSHIP<br>COMPANY |
|--|------------------------|--|-------------------------------------|------------------------|-------------------------|--------------------------------|------------------------------|----------------------------|---|--------------------------------------|
| Real Estate and Timber Lands,.                         | \$ 3,141,287.96        | \$2,836,658.27                           |                                     |                        | \$ 138,714.14           |                                | \$ 7,850.12                  | \$158,065.43               |   |                                      |
| Mining Lands, Leases, and<br>Options,.....             | 5,245,886.40           | 1,735,670.37                             | \$2,528,003.60                      | \$453,701.87           |                         | \$105,657.01                   | 393,530.27                   |                            | \$ 29,323.28  |                                      |
| Tax Certificates,.....                                 | 5,273.88               | 2,413.11                                 | 173.89                              | 1,057.88               | 95.69                   | 77.70                          | 10.01                        |                            | 1,445.60  |                                      |
| Plant, Equipment, and Con-<br>struction Accounts,..... | 5,312,726.38           | 4,187,895.76                             | 51,497.67                           | 66,252.55              | 960,413.42              |                                | 46,666.98                    |                            |   |                                      |
| Vessels,.....  | 1,383,000.00           |  |                                     |                        |                         |                                |                              |                            |   | \$1,383,000.00                       |
| Hospital Lands - Ishpeming,...                         | 1,255.71               |  | 652.82                              | 602.89                 |                         |                                |                              |                            |   |                                      |
| Queen Mine Tracks,.....                                | 2,900.00               | 2,900.00                                 |                                     |                        |                         |                                |                              |                            |   |                                      |
| Private Car,.....                                      | 14,000.00              | 14,000.00                                |                                     |                        |                         |                                |                              |                            |   |                                      |
| Office Furniture and Fixtures,                         | 1,000.00               | 1,000.00                                 |                                     |                        |                         |                                |                              |                            |   |                                      |
| <b>TOTAL,.....</b>                                     | <b>\$15,107,330.33</b> | <b>\$8,780,537.51</b>                    | <b>\$2,580,327.98</b>               | <b>\$521,615.19</b>    | <b>\$1,099,223.25</b>   | <b>\$105,734.71</b>            | <b>\$448,057.38</b>          | <b>\$158,065.43</b>        | <b>\$ 30,768.88</b>                                   | <b>\$1,383,000.00</b>                |

*8/11/12*  
*58/11/12*

AND SUBSIDIARY COMPANIES  
INVESTMENTS IN STOCKS, BONDS, NOTES, ETC.

INVESTMENTS IN STOCKS, BONDS, NOTES, ETC. - DECEMBER 31, 1911  
 (Not Including Securities of Related Companies)

| DESCRIPTION   | NUMBER OF<br>SHARES OR<br>BONDS | PAR VALUE      | BOOK VALUE     |
|---------------|---------------------------------|----------------|----------------|
| FORWARD,..... |                                 | \$5,938,525.00 | \$1,717,084.45 |

MISCELLANEOUS:

THE CLEVELAND-CLIFFS IRON COMPANY

|   |            |                |               |
|---|------------|----------------|---------------|
| Equity in Coal Land<br>vania,.....                          |            | \$ 468,449.09  | \$ 468,449.09 |
| STOCKS OWNED: Mining Railway,.....                          |            | 376,728.35     | 376,728.35    |
| Arctic Iron Company,.....                                   | 9,998      | \$ 249,950.00  | \$ 37,320.58  |
| Bay Mills Land & Lumber Company,...                         | 1,625      | 162,500.00     | 162,500.00    |
| The Gladstone Opera House Company,...                       | 12         | 300.00         | 1.00          |
| Lac La Belle Company,.....                                  | 100        | 1,000.00       | 2,562,261.89  |
| Lake Superior Iron Company,.....                            | 21,000     | 525,000.00     | 10,000.00     |
| Munising Paper Company, Limited,...                         | 3,560      | 356,000.00     | 27,500.00     |
| Negaunee Mine,.....   | 10,000     | 250,000.00     | 10,000.00     |
| The Regent Iron Company,.....                               | 1,125      | 112,500.00     | 10,000.00     |
| Upper Peninsula Land Company, Ltd.,                         | 3,125      | 312,500.00     | 1.00          |
| Northern Lumber Company,.....                               | 1          | 100.00         | 100.00        |
| Michigan Mineral Land Company,.....                         | 2,500      | 25,000.00      | 95,000.00     |
| Munising Woodenware Company,.....                           | 2,170      | 21,700.00      | 21,700.00     |
| Carp River Furnace Company,.....                            | 2,705      | 67,625.00      | 1.00          |
| Lake Superior & Ishpeming Railway<br>Company,.....          | 6,567      | 656,700.00     | 1,000.00      |
| Munising, Marquette & Southeastern<br>Railway Company,..... | 18,190-1/2 | 1,819,050.00   | 13,899.30     |
| Total Stocks,.....  |            | \$4,559,925.00 | \$ 389,022.88 |

BONDS OWNED:

|   |     |                |                |
|---|-----|----------------|----------------|
| Upper Peninsula Land Company, Ltd.,                         | 105 | \$ 105,000.00  | \$ 102,992.07  |
| Gladstone Company,.....                                     | 22  | 11,000.00      | 967.50         |
| Lake Shore Engine Works,.....                               | 38  | 38,000.00      | 38,000.00      |
| Marquette & Southeastern Railway<br>Company,.....           | 985 | 985,000.00     | 985,000.00     |
| Forsythe Township School District,...                       | 13  | 6,500.00       | 6,500.00       |
| Northwestern Publishing Company,...                         | 4   | 2,000.00       | 2,000.00       |
| Carp River Furnace Company,.....                            | 35  | 35,000.00      |                |
|   | 6   | 3,000.00       | 1.00           |
| Munising Paper Company, Limited,...                         | 191 | 191,000.00     | 2,587,473.61   |
|   | 1   | 100.00         | 191,100.00     |
| Cleveland Central Armory - De-<br>benture Certificate,..... | 1   | 500.00         | 1.00           |
| Lake Superior & Ishpeming Railway<br>Company,.....          | 1   | 1,000.00       |                |
|   | 1   | 500.00         | 1,500.00       |
| Total Bonds,.....   |     | \$1,378,600.00 | \$1,328,061.57 |

FORWARD,..... \$5,938,525.00 \$1,717,084.45

Ent. B  
Sch. #3

(Continued)



THE CLEVELAND-CLIFFS IRON COMPANY, ETC.  
 INVESTMENTS IN STOCKS, BONDS, NOTES, ETC.

| DESCRIPTION  | NUMBER OF<br>SHARES OR<br>BONDS | PAR VALUE      | BOOK VALUE     |
|--|---------------------------------|----------------|----------------|
| FORWARD,.....                                      |                                 | \$5,938,525.00 | \$1,717,084.45 |
| MISCELLANEOUS:                                     |                                 |                |                |
| Equity in Coal Lands in Pennsyl-<br>vania,.....    |                                 | \$ 468,449.09  | \$ 468,449.09  |
| Note - Munising Railway,.....                      |                                 | 376,728.35     | 376,728.35     |
| Total Miscellaneous,.....                          |                                 | \$ 845,177.44  | \$ 845,177.44  |
| Total - The Cleveland-Cliffs Iron<br>Company,..... |                                 | \$6,783,702.44 | \$2,562,261.89 |

JACKSON IRON COMPANY

STOCKS OWNED:

|  |    |              |         |
|--|----|--------------|---------|
| Republic Iron & Steel Company -<br>Preferred,..... | 52 | \$ 5,200.00) |         |
| Republic Iron & Steel Company -<br>Common,.....    | 52 | 5,200.00)    | \$ 1.00 |
| Total - Jackson Iron Company,.....                 |    | \$ 10,400.00 | \$ 1.00 |

GRAND ISLAND STEAMSHIP COMPANY

STOCK OWNED IN LAKE CARRIERS'

|   |        |                |                |
|---|--------|----------------|----------------|
| ASSOCIATION,.....   | 376.94 | \$ 376.94      | \$ 210.72      |
| CONSTRUCTION CONTRACT - STEAMER   |        |                |                |
| "WM. G. MATHER",.....   |        | 25,000.00      | 25,000.00      |
| Total - Grand Island Steamship Com-<br>pany,.....                             |        | \$ 25,376.94   | \$ 25,210.72   |
| TOTAL - THE CLEVELAND-CLIFFS IRON COM-<br>PANY AND SUBSIDIARY COMPANIES,..... |        | \$6,819,479.38 | \$2,587,473.61 |

THE CLEVELAND-CLIFFS IRON COMPANY AND SUBSIDIARY COMPANIES

DEFERRED ASSETS - DECEMBER 31, 1911

|  | TOTAL              | THE CLEVELAND-<br>CLIFFS IRON<br>COMPANY | CLEVELAND<br>IRON MINING<br>COMPANY | IRON CLIFFS<br>COMPANY | PIONEER IRON<br>COMPANY | JACKSON IRON<br>COMPANY | THE MUNISING<br>COMPANY | THE CENTRAL<br>LAND & TIM-<br>BER COMPANY,<br>LIMITED |
|--|--------------------|--|-------------------------------------|------------------------|-------------------------|-------------------------|-------------------------|---|
| Wm. G. Mather (Trustee, Grand Rapids Special Fund),.....                                     | \$ 3,750.00        | \$ 3,750.00                              |                                     |                        |                         |                         |                         |   |
| Cliffs Chemical Company,.....  | 317.17             | 317.17                                   |                                     |                        |                         |                         |                         |   |
| Surveys,.....  | 262.92             | 262.92                                   |                                     |                        |                         |                         |                         |   |
| Timber Deeds,.....   | 181.75             | 181.75                                   |                                     |                        |                         |                         |                         |   |
| Brower Shingle Company,.....   | 334.43             | 334.43                                   |                                     |                        |                         |                         |                         |   |
| Cash on Deposit with First National Bank, Ironwood, Michigan - Now in Receivers' Hands,..... | 4,069.90           | 4,069.90                                 |                                     |                        |                         |                         |                         |   |
| Weston Lumber Company Lands - Litigation,...   | 1,312.87           | 1,312.87                                 |                                     |                        |                         |                         |                         |   |
| Eagle Mills Site,.....   | 493.02             | 493.02                                   |                                     |                        |                         |                         |                         |   |
| The Munising Paper Company, Limited - Tax Titles,.....                                       | 981.20             | 981.20                                   |                                     |                        |                         |                         |                         |   |
| Addition to Launch Dock - Munising,.....   | 153.20             | 153.20                                   |                                     |                        |                         |                         |                         |   |
| Donated Rents - Land Department,.....  | 192.00             |  | \$ 120.00                           |                        |                         | \$ 72.00                |                         |   |
| Filtration Plant,.....   | 1,646.81           |  |                                     |                        | \$ 1,646.81             |                         |                         |   |
| Fencing Lackawanna Pit,.....   | 39.67              |  |                                     |                        | 39.67                   |                         |                         |   |
| Claims - Chemical Accounts,.....   | 697.85             |  |                                     |                        | 697.85                  |                         |                         |   |
| Repairs - Rented Houses,.....  | 359.32             |  |                                     | \$ 359.32              |                         |                         |                         |   |
| Lake Superior & Ishpeming Railway Company - Right of Way,.....                               | 9,748.44           |  |                                     |                        |                         | 9,748.44                |                         |   |
| Duluth, South Shore & Atlantic Railway Company - Right of Way,.....                          | 937.64             |  |                                     |                        |                         | 937.64                  |                         |   |
| Repairs to Crusher,.....   | 46.91              |  |                                     |                        |                         | 46.91                   |                         |   |
| Repairs to Buildings - Fayette,.....   | 2,827.35           |  |                                     |                        |                         | 2,827.35                |                         |   |
| Estimating Hemlock on Grand Island,.....   | 670.66             |  |                                     |                        |                         |                         | \$ 670.66               |   |
| Forest Reserve Scrip - California Lands,....   | 2,640.00           |  |                                     |                        |                         |                         |                         | \$ 2,640.00   |
| Soldiers Additional Scrip - Michigan Lands,..  | 60.80              |  |                                     |                        |                         |                         |                         | 60.80   |
| Soldiers Additional Scrip - Michigan Lands - Filed for Entry,.....                           | 480.00             |  |                                     |                        |                         |                         |                         | 480.00  |
| Samuel P. Snider - Taxes,.....   | 280.00             |  |                                     |                        |                         |                         |                         | 280.00  |
| Department Balances - Unadjusted,.....   | 2,726.72           | 2,726.72                                 |                                     |                        |                         |                         |                         |   |
| <b>TOTAL,.....</b>   | <b>\$35,210.63</b> | <b>\$14,583.18</b>                       | <b>\$ 120.00</b>                    | <b>\$ 359.32</b>       | <b>\$ 2,384.33</b>      | <b>\$13,632.34</b>      | <b>\$ 670.66</b>        | <b>\$ 3,460.80</b>                                    |

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THE CLEVELAND-CLIFFS IRON COMPANY AND SUBSIDIARY COMPANIES

COMBINED SUMMARY OF INCOME AND PROFIT & LOSS FOR THE YEAR ENDED DECEMBER 31, 1911  
(Showing Elimination of Income and Profit & Loss Transactions Between Companies)

|  | CONSOLIDATED<br>TOTAL | TRANSACTIONS<br>BETWEEN COM-<br>PANIES<br>ELIMINATED | COMBINED TOTAL  | THE CLEVELAND-<br>CLIFFS IRON<br>COMPANY | CLEVELAND<br>IRON MINING<br>COMPANY | IRON CLIFFS<br>COMPANY | PIONEER<br>IRON COMPANY | EXCELSIOR<br>IRON COMPANY | JACKSON<br>IRON COMPANY | THE MUNISING<br>COMPANY | THE CENTRAL<br>LAND & TIM-<br>BER COMPANY,<br>LIMITED | GRAND IS-<br>LAND STEAM-<br>SHIP COM-<br>PANY |
|--|-----------------------|--|-----------------|--|-------------------------------------|------------------------|-------------------------|---------------------------|-------------------------|-------------------------|---|---|
| NET PROFIT FROM OPERATIONS, PER EXHIBITS,.....   | \$ 1,004,768.08       |  | \$ 1,004,768.08 | \$ 201,429.58                            | \$ 590,629.17                       | \$ 251,484.19          | \$ 92,098.37            | \$ 1,423.72               | \$ 3,902.67             | \$ 18,356.89            | \$ 705.42   | \$ 74,864.77                                  |
| GENERAL EXPENSES,.....   | 181,212.76            |  | 181,212.76      | 79,221.38                                | 47,916.28                           | 17,977.70              | 25,614.85               |                           | 1,316.73                |                         |   | 9,165.82                                      |
| NET OPERATING INCOME,.....   | 823,555.32            |  | 823,555.32      | 122,208.20                               | 542,712.89                          | 233,506.49             | 117,713.22              | 1,423.72                  | 5,219.40                | 18,356.89               | 705.42  | 65,698.95                                     |
| OTHER INCOME:  |                       |  |                 |  |                                     |                        |                         |                           |                         |                         |   |   |
| Interest on Bank Balances, Interest on Notes and Accounts<br>Receivable, and Discount on Purchases - Cleveland<br>Office,..... | 103,110.94            |  | 103,110.94      | 77,318.81                                | 17,498.92                           | 5,581.61               | 917.27                  |                           | 1,254.85                |                         |   | 539.48  |
| Interest and Discount - Operating Departments,.....  | 7,986.66              |  | 7,986.66        | 6,690.06                                 | 581.16                              | 674.98                 |                         |                           | 40.46                   |                         |   |   |
| Sales of Equipment and Houses - Mine Department,.....  | 3,213.94              |  | 3,213.94        | 2,577.83                                 |                                     | 522.43                 |                         |                           | 113.68                  |                         |   |   |
| Sales of Equipment - Lumbering Department,.....  | 420.06                |  | 420.06          |  |                                     |                        |                         |                           |                         |                         |   |   |
| Royalties,.....  | 5,343.75              |  | 5,343.75        | 2,343.75                                 |                                     | 3,000.00               |                         |                           |                         |                         |   |   |
| Dividends on Investment Stocks,.....   | 8,362.40              |  | 8,362.40        | 7,998.40                                 |                                     |                        |                         |                           | 364.00                  |                         |   |   |
| Interest on Investment Bonds,.....   | 122,851.35            |  | 122,851.35      | 122,851.35                               |                                     |                        |                         |                           |                         |                         |   |   |
| Interest on Construction Advances to Subsidiary Companies, ..  | \$ 26,720.86          |  | 26,720.86       | 26,720.86                                |                                     |                        |                         |                           |                         |                         |   |   |
| Dividends on Stocks of Subsidiary Companies,.....  | 388,048.86            |  | 388,048.86      | 388,048.86                               |                                     |                        |                         |                           |                         |                         |   |   |
| Total,.....  | 251,289.10            | 414,769.72   | 666,058.82      | 634,969.98                               | 18,080.08                           | 9,779.02               | 917.27                  |                           | 1,772.99                |                         |   | 539.48  |
| GROSS INCOME,.....   | 1,074,844.42          | 414,769.72   | 1,489,614.14    | 757,178.18                               | 560,792.97                          | 243,285.51             | 116,795.95              | 1,423.72                  | 3,446.41                | 18,356.89               | 705.42  | 66,238.43                                     |
| INCOME CHARGES:  |                       |  |                 |  |                                     |                        |                         |                           |                         |                         |   |   |
| Interest on Bonds,.....  | 47,066.68             |  | 47,066.68       | 25,000.00                                |                                     |                        |                         |                           |                         |                         |   | 22,066.68                                     |
| Interest on Notes and Accounts Payable, Exchange, etc.,.....   | 30,744.94             |  | 30,744.94       | 30,744.94                                |                                     |                        |                         |                           |                         |                         |   |   |
| Interest on Advance Receipts on Ore Sale Contracts,.....   | 20,554.79             |  | 20,554.79       | 6,903.01                                 | 8,376.16                            | 3,192.80               |                         |                           | 2,082.82                |                         |   |   |
| Discount on Sales,.....  | 4,752.06              |  | 4,752.06        |  |                                     |                        | 4,752.06                |                           |                         |                         |   |   |
| Discount on Repair Charges,.....   | 1.64                  |  | 1.64            |  |                                     |                        |                         |                           |                         |                         |   | 1.64  |
| Accounts Written Off as Uncollectible - Cleveland Office, ..   | 71.99                 |  | 71.99           |  |                                     | 71.98                  |                         |                           |                         |                         |   | .01   |
| Accounts Written Off as Uncollectible - Operating Depart-<br>ments,.....   | 337.84                |  | 337.84          | 326.49                                   | 11.35                               |                        |                         |                           |                         |                         |   |   |
| Depreciation of Property and Plants in Addition to Charges<br>Included in Operating Expenses,.....                             | 3,510.76              |  | 3,510.76        | 3,510.76                                 |                                     |                        |                         |                           |                         |                         |   |   |
| Depreciation of Vessels,.....  | 110,000.00            |  | 110,000.00      |  |                                     |                        |                         |                           |                         |                         |   | 110,000.00                                    |
| Investment Stocks Written Down,.....   | 8,031.87              |  | 8,031.87        | 8,031.87                                 |                                     |                        |                         |                           |                         |                         |   |   |
| Subsidiary Company Stocks Written Down,.....   | 158,018.80            |  | 158,018.80      | 158,018.80                               |                                     |                        |                         |                           |                         |                         |   |   |
| Unsuccessful Explorations,.....  | 49,311.82             |  | 49,311.82       | 49,311.82                                |                                     |                        |                         |                           |                         |                         |   |   |
| Paper Mill Refuse Liquor Experiment,.....  | 894.45                |  | 894.45          |  |                                     |                        | 894.45                  |                           |                         |                         |   | 26,720.86                                     |
| Interest on Accounts with Related Companies,.....  |                       | 26,720.86  | 26,720.86       |  |                                     |                        |                         |                           |                         |                         |   |   |
| Total,.....  | 433,297.64            | 26,720.86  | 460,018.50      | 281,847.69                               | 8,387.51                            | 3,264.78               | 5,646.51                |                           | 2,082.82                |                         |   | 158,789.19                                    |
| NET INCOME,.....   | 641,546.78            | 388,048.86   | 1,029,595.64    | 475,330.49                               | 552,405.46                          | 240,020.73             | 122,442.46              | 1,423.72                  | 5,529.23                | 18,356.89               | 705.42  | 92,550.76                                     |
| PROFIT & LOSS SURPLUS AT BEGINNING OF THE YEAR,.....   | 18,272,014.54         |  | 18,272,014.54   | 16,067,962.31                            | 1,623,358.65                        | 185,420.99             | 282,443.13              | 11,899.72                 | 304,406.60              | 232,285.77              | 8,222.43  | 37,031.34                                     |
| PROFIT & LOSS GROSS SURPLUS,.....  | 18,913,561.32         | 388,048.86   | 19,301,610.18   | 16,543,292.80                            | 2,175,764.11                        | 425,441.72             | 160,000.67              | 13,323.44                 | 298,877.37              | 250,642.66              | 8,927.85  | 55,519.42                                     |
| PROFIT & LOSS CHARGES:   |                       |  |                 |  |                                     |                        |                         |                           |                         |                         |   |   |
| Accrued Interest on Bonds of the Munising Paper Company,<br>Limited, Written Off,.....   | 16,243.50             |  | 16,243.50       | 16,243.50                                |                                     |                        |                         |                           |                         |                         |   |   |
| Dividends (17-1/2%),.....  | 859,250.00            | 388,048.86   | 1,247,298.86    | 859,250.00                               | 370,505.86                          | 17,543.00              |                         |                           |                         |                         |   |   |
| Total,.....  | 875,493.50            | 388,048.86   | 1,263,542.36    | 875,493.50                               | 370,505.86                          | 17,543.00              |                         |                           |                         |                         |   |   |
| PROFIT & LOSS SURPLUS AT END OF THE YEAR,.....   | \$18,038,067.82       |  | \$18,038,067.82 | \$15,667,799.30                          | \$1,805,258.25                      | \$407,898.72           | \$160,000.67            | \$ 13,323.44              | \$298,877.37            | \$250,642.66            | \$ 8,927.85   | \$ 55,519.42                                  |

THE CLEVELAND-CLIFFS IRON COMPANY

NET PROFIT FROM OPERATIONS FOR THE YEAR ENDED  
DECEMBER 31, 1911, NOT INCLUDING APPORTIONMENT  
OF GENERAL EXPENSES OF CLEVELAND OFFICE

---

|  |                     |
|--|---------------------|
| MINE DEPARTMENT - schedule #1,.....          | \$455,935.25        |
| MISCELLANEOUS OPERATIONS - schedule #2,..... | 40,250.21           |
| CHEMICAL DEPARTMENT - schedule #3,.....      | 16,784.56           |
| FURNACE DEPARTMENT - schedule #4,.....       | 133,327.04          |
| LUMBERING DEPARTMENT - schedule #5,.....     | 35,114.88           |
| LAND DEPARTMENT - schedule #6,.....          | <u>143,098.52</u>   |
| TOTAL,.....                                  | <u>\$201,429.58</u> |

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Ex. D

THE CLEVELAND-CLIFFS IRON COMPANY

MINE DEPARTMENT OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1911

PROFIT FROM SALES OF ORE:

|  |                   |                     |
|--|-------------------|---------------------|
| Tons of Ore Sold,.....                                 | 650,860           |                     |
| Sales of Ore,.....                                     |                   | \$2,171,414.69      |
| Less Penalties and Bonuses - Net,.....                 |                   | <u>63,354.19</u>    |
| Net Sales of Ore,.....                                 |                   | 2,108,060.50        |
| Cost of Sales:   |                   |                     |
| Operating Mines,.....                                  | \$1,587,817.13    |                     |
| Rail Freight,.....                                     | 99,477.52         |                     |
| Lake Freight,.....                                     | 89,975.40         |                     |
| Cargo Insurance,.....                                  | 472.51            |                     |
| Analyses,.....   | 990.97            |                     |
| Royalties,.....  | 209,211.66        |                     |
| Ore Purchased,.....                                    | 54,409.21         |                     |
| Trackage,.....   | 66.64             |                     |
| Idle Expenses,.....                                    | 10,357.39         |                     |
| Property Accounts Written Off -<br>Negaunee Mine,..... | <u>73,273.05</u>  |                     |
| Total,.....  | 2,126,051.48      |                     |
| Less Increase in Inventory,.....                       | <u>468,756.03</u> |                     |
| Remainder - Cost of Sales,.....                        |                   | <u>1,657,295.45</u> |
| Profit from Sales of Ore,.....                         |                   | 450,765.05          |

EARNINGS - RENTED BUILDINGS:

|                |                  |        |
|----------------|------------------|--------|
| Earnings,..... | \$ 30,697.03     |        |
| Expenses,..... | <u>30,081.92</u> | 615.11 |

ELECTRIC SERVICE EARNINGS - AU TRAIN:

|                |                  |          |
|----------------|------------------|----------|
| Earnings,..... | \$ 17,644.78     |          |
| Expenses,..... | <u>11,438.33</u> | 6,206.45 |

ELECTRIC SERVICE EARNINGS - STEAM PLANT,..... 3,255.61

LOT AND LAND RENTS,..... 1,307.95

SHOP EARNINGS,..... 79.87

LABORATORY EARNINGS,..... 42.19

COLLECTION FEES,..... 94.20

MISCELLANEOUS,..... 562.00

Total,..... 462,928.43

LESS:

Loss on Gwinn Townsite Sales:

|                                    |                 |  |
|------------------------------------|-----------------|--|
| Cost of Lots Sold and Expenses, .. | \$ 4,471.71     |  |
| Sales,.....                        | <u>3,842.15</u> |  |

FORWARD,..... 629.56 462,928.43

THE CLEVELAND-CLIFFS IRON COMPANY.  
MINE DEPARTMENT OPERATIONS, ETC.

---

|  |    |                          |
|--|----|--------------------------|
| FORWARD,.....  | \$ | 462,928.43               |
| LESS - (Forward),.....                                 | \$ | 629.56                   |
| Geological Survey,.....                                |    | 4,337.91                 |
| Ground Rents - Minnesota Lands,...                     |    | 26.95                    |
| Taxes - Non-operating Properties,.                     |    | 1,679.38                 |
| Special Expense - New York Mine,..                     |    | 98.74                    |
| Miscellaneous Expense - Deer Lake<br>Lands,.....       |    | 2.66                     |
| Webster Mine - Taxes and Expenses,<br>Less Rents,..... |    | <u>217.98</u>            |
| Total,.....  |    | <u>6,993.18</u>          |
| NET PROFIT FROM MINE DEPARTMENT OPERATIONS,.....       | \$ | <u><u>455,935.25</u></u> |

Ex. D.  
Sch. #1

(Cont.)-2.

THE CLEVELAND-CLIFFS IRON COMPANY

MISCELLANEOUS OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1911

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PROFIT ON LAKE SUPERIOR IRON COMPANY'S ORES:

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| Tons Sold,.....                       | <u>20,103</u>    |                  |
| Sales of Ore,.....                    |                  | \$90,449.28      |
| Add Bonuses and Penalties - Net,..... |                  | <u>1.27</u>      |
| Gross Sales,.....                     |                  | 90,450.55        |
| Cost of Sales:                        |                  |                  |
| Purchases,.....                       | \$23,916.24      |                  |
| Analysis,.....                        | <u>1.11</u>      |                  |
| Decrease in Inventory,.....           | <u>25,120.00</u> | <u>49,035.13</u> |
| Profit,.....                          |                  | 41,415.42        |

PROFIT ON REGENT IRON COMPANY'S ORES:

|                                 |                 |          |
|---------------------------------|-----------------|----------|
| Tons Sold,.....                 | <u>1,713</u>    |          |
| Sales of Ore,.....              | \$ 5,585.22     |          |
| Deduct Penalties,.....          | <u>1,564.38</u> |          |
| Net Sales,.....                 | 4,020.84        |          |
| Cost of Sales - Purchases,..... | <u>2,664.50</u> |          |
| Profit,.....                    |                 | 1,356.34 |

|                                     |               |
|-------------------------------------|---------------|
| RENTAL FROM QUEEN MINE TRACKS,..... | <u>351.88</u> |
| Total,.....                         | 43,123.64     |

LESS:

Loss from Operations - Dunbar Pig Iron:

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Tons Sold,.....                | <u>1,773</u>     |                  |
| Sales of Pig Iron,.....        | \$28,648.07      |                  |
| Cost of Sales:                 |                  |                  |
| Freight,.....                  | \$ 1,015.13      |                  |
| Decrease in Inventory,..       | <u>29,560.25</u> | <u>30,575.38</u> |
| Loss,.....                     |                  | <u>1,927.31</u>  |
| Toledo Property Expenses,..... | <u>946.12</u>    |                  |
| Total Losses,.....             |                  | <u>2,873.43</u>  |

|  |                    |
|--|--------------------|
| NET PROFIT FROM MISCELLANEOUS OPERATIONS,..... | <u>\$40,250.21</u> |
|--|--------------------|

Ex. D  
Sch. #2



THE CLEVELAND-CLIFFS IRON COMPANY

CHEMICAL DEPARTMENT OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1911

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WOOD ALCOHOL - PLANTS #1 AND #2:

|                             |                 |                  |
|-----------------------------|-----------------|------------------|
| Sales,.....                 |                 | \$80,060.66      |
| Cost of Sales:              |                 |                  |
| Cost of Production,.....    | \$66,350.32     |                  |
| Rail Freight,.....          | 694.21          |                  |
| Commissions,.....           | 419.53          |                  |
| Decrease in Inventory,..... | <u>1,747.40</u> | <u>65,716.66</u> |
| Gross Profit,.....          |                 | 14,344.00        |

ACETATE OF LIME - PLANTS #1 AND #2:

|                             |                 |                  |
|-----------------------------|-----------------|------------------|
| Sales,.....                 |                 | \$68,015.46      |
| Cost of Sales:              |                 |                  |
| Cost of Production,.....    | \$47,481.90     |                  |
| Rail Freight,.....          | 160.84          |                  |
| Decrease in Inventory,..... | <u>8,153.94</u> | <u>55,475.00</u> |
| Gross Profit,.....          |                 | 12,540.46        |

SPECIAL CHEMICAL PRODUCTS:

|                          |               |                  |
|--------------------------|---------------|------------------|
| Sales,.....              |               | \$27,850.12      |
| Cost of Sales:           |               |                  |
| Cost of Production,..... | \$24,536.25   |                  |
| Rail Freight,.....       | 619.59        |                  |
| Commissions,.....        | <u>656.26</u> | <u>25,812.10</u> |
| Gross Profit,.....       |               | 2,038.02         |

RENTAL FROM GLADSTONE LOT #3,..... 33.00

Total Gross Profit,..... 28,955.48

|   |                  |                  |
|---|------------------|------------------|
| SELLING EXPENSES,.....  | \$27,182.84      |                  |
| Less Proportion Charged against Pioneer Iron<br>Company as Commission on Sales of its<br>Products,..... | <u>15,011.92</u> | <u>12,170.92</u> |

NET PROFIT FROM CHEMICAL DEPARTMENT OPERATIONS,..... \$16,784.56

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THE CLEVELAND-CLIFFS IRON COMPANY

FURNACE DEPARTMENT OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1911

---

PIG IRON:

|                             |                  |                   |
|-----------------------------|------------------|-------------------|
| Tons Sold,.....             | 12,921           |                   |
| Sales of Pig Iron,.....     |                  | \$207,620.87      |
| Cost of Sales:              |                  |                   |
| Cost of Production,.....    | \$315,679.98     |                   |
| Selling Expense,.....       | 6,364.68         |                   |
| Decrease in Inventory,..... | <u>18,206.00</u> |                   |
| Total,.....                 |                  | <u>340,250.66</u> |
| Loss,.....                  |                  | 132,629.79        |

OPERATING RENTAL BUILDINGS:

|                |                 |        |
|----------------|-----------------|--------|
| Expenses,..... | \$ 4,287.76     |        |
| Rentals,.....  | <u>3,913.30</u> |        |
| Loss,.....     |                 | 374.46 |

TAXES - GLADSTONE CITY LOTS,..... 322.79

LOSS FROM FURNACE DEPARTMENT OPERATIONS,..... \$133,327.04

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Ex. D  
Sch. #4

THE CLEVELAND-CLIFFS IRON COMPANY

LUMBERING DEPARTMENT OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1911

---

LOSS FROM SOFTWOOD OPERATIONS:

|                             |                  |                   |
|-----------------------------|------------------|-------------------|
| Sales,.....                 |                  | \$ 89,938.85      |
| Cost of Sales:              |                  |                   |
| Cost of Operations,.....    | \$ 75,487.34     |                   |
| Decrease in Inventory,..... | <u>53,526.75</u> | <u>129,014.09</u> |
| Loss,.....                  |                  | 39,075.24         |

LESS PROFITS:

Hardwood Operations:

|                             |                 |                 |
|-----------------------------|-----------------|-----------------|
| Sales,.....                 | \$ 10,463.64    |                 |
| Cost of Sales:              |                 |                 |
| Cost of Operations,.....    | \$17,536.85     |                 |
| Decrease in Inventory,..... | <u>8,355.24</u> | <u>9,181.61</u> |
| Profit,.....                |                 | 1,282.03        |

Mining Timber:

|                              |                  |          |
|------------------------------|------------------|----------|
| Sales,.....                  | \$17,302.09      |          |
| Cost of Sales - Purchases,.. | <u>15,882.67</u> |          |
| Profit,.....                 |                  | 1,419.42 |

|                                  |  |               |
|----------------------------------|--|---------------|
| Rentals - Wood Jobs,.....        |  | 850.10        |
| Clearing Carp Dam Site,.....     |  | 207.80        |
| Operating Weston Cook Camp,..... |  | <u>201.01</u> |

Total Profits,..... 3,960.36

NET LOSS FROM LUMBERING DEPARTMENT OPERATIONS,..... \$ 35,114.88

---

LAND DEPARTMENT OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1911

|   |                   |                  |
|---|-------------------|------------------|
| Grand Island:                                     |                   |                  |
| Expenses,.....                                    | \$ 20,709.56      |                  |
| Earnings,.....                                    | <u>6,066.20</u>   | \$ 14,643.36     |
| Hotel Williams:                                   |                   |                  |
| Expenses,.....                                    | 16,168.41         |                  |
| Earnings,.....                                    | <u>11,180.68</u>  | 4,987.73         |
| Limestone Job:                                    |                   |                  |
| Expenses,.....                                    | 1,208.38          |                  |
| Earnings,.....                                    | <u>927.17</u>     | 281.21           |
| Alger County Farm:                                |                   |                  |
| Expenses,.....                                    | 10,272.03         |                  |
| Earnings,.....                                    | <u>3,916.29</u>   | 6,355.74         |
| Greenhouses:                                      |                   |                  |
| Expenses,.....                                    | 9,373.91          |                  |
| Earnings,.....                                    | <u>7,460.84</u>   | 1,913.07         |
| Nurseries:  |                   |                  |
| Expenses,.....                                    | 469.75            |                  |
| Earnings,.....                                    | <u>190.82</u>     | 278.93           |
| Munising Saw Mill:                                |                   |                  |
| Cost of Sales,.....                               | 146,491.46        |                  |
| Sales,.....                                       | <u>130,078.10</u> | 16,413.36        |
| Taxes,.....                                       |                   | 88,963.88        |
| General Expenses,.....                            |                   | 28,002.51        |
| Back Taxes on Canceled Contracts and Leases,..... |                   | <u>142.14</u>    |
| Total Losses,.....                                |                   | 161,981.93       |
| Less Profits:                                     |                   |                  |
| Farm Lands:                                       |                   |                  |
| Sales,.....                                       | \$ 11,095.00      |                  |
| Cost of Sales,.....                               | <u>1,008.28</u>   | \$ 10,086.72     |
| Stumpage:   |                   |                  |
| Sales,.....                                       | 20,693.96         |                  |
| Cost of Sales,.....                               | <u>14,145.51</u>  | 6,548.45         |
| Lands and Timber:                                 |                   |                  |
| Sales,.....                                       | 1,246.28          |                  |
| Cost of Sales,.....                               | <u>952.67</u>     | 293.61           |
| Operating Fish Hatchery:                          |                   |                  |
| Earnings,.....                                    | 2,272.66          |                  |
| Expenses,.....                                    | <u>1,937.77</u>   | 334.89           |
| Profit on Sales of Timber,.....                   |                   | 25.00            |
| Lot Rentals,.....                                 |                   | 893.58           |
| Farm Rentals,.....                                |                   | 240.00           |
| Miscellaneous Rentals,.....                       |                   | 60.00            |
| Profit on Sales of Tax Titles,.....               |                   | 111.99           |
| Unclaimed Wages,.....                             |                   | 19.00            |
| Miscellaneous Earnings,.....                      | <u>270.17</u>     |                  |
| Total Profits,.....                               |                   | <u>18,883.41</u> |

NET LOSS FROM LAND DEPARTMENT OPERATIONS,..... \$143,098.52

*Exhibit D'*  
*Schedule #6*

CLEVELAND IRON MINING COMPANY

OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1911

MINE DEPARTMENT:

Profit From Sales of Ore:

|  |                   |                     |
|--|-------------------|---------------------|
| Tons of Ore Sold,.....                           | <u>636,753</u>    |                     |
| Sales of Ore,.....                               |                   | \$2,487,337.86      |
| Deduct Penalties,.....                           |                   | <u>116,942.22</u>   |
| Net Sales,.....                                  |                   | 2,370,395.64        |
| Cost of Sales:                                   |                   |                     |
| Operating Mine,.....                             | \$346,444.24      |                     |
| Rail Freight,.....                               | 101,442.61        |                     |
| Lake Freight,.....                               | 168,683.15        |                     |
| Cargo Insurance,.....                            | 981.63            |                     |
| Analyses,.....                                   | 1,639.64          |                     |
| Ore Purchased,.....                              | 978,850.46        |                     |
| Decrease in Inventory,.....                      | <u>158,905.25</u> |                     |
| Total Cost of Sales,.....                        |                   | <u>1,756,946.98</u> |
| Profit from Sales of Ore,.....                   |                   | 613,448.66 ✓        |
| Shop Earnings - Moro Mine,.....                  |                   | 1,444.24 ✓          |
| Laboratory Earnings - Moro Mine,.....            |                   | 2.79 ✓              |
| Miscellaneous Earnings - Moro Mine,.....         |                   | 266.51 ✓            |
| Operating Rented Houses - Hematite:              |                   |                     |
| Earnings,.....                                   | \$ 272.30         |                     |
| Expenses,.....                                   | <u>83.17</u>      | 189.13 ✓            |
| Collection Fees,.....                            |                   | <u>42.00</u> ✓      |
| Total,.....                                      |                   | 615,393.33          |
| Less:  |                   |                     |
| Operating Hard Ore Location,.....                | \$ 23,646.52 ✓    |                     |
| Expenses of Hematite Mine not in Operation, ..   | 285.82 ✓          |                     |
| Operating Rented Houses - Moro Mine:             |                   |                     |
| Expenses,.....                                   | \$4,617.84        |                     |
| Earnings,.....                                   | <u>2,712.50</u>   | 1,905.34 ✓          |
| Land Improvement - Hard Ore,.....                | 4,533.93 ✓        |                     |
| Taxes - Lot #49 - Second Addition ,.....         | <u>3.76</u> ✓     |                     |
| Total,.....                                      |                   | <u>30,375.37</u>    |
| NET PROFIT FOR MINE DEPARTMENT - (Forward),..... |                   | \$ 585,017.96       |

Ex E

(Continued) - 6

**CLEVELAND IRON MINING COMPANY.**  
**OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1911**

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|  |                   |                      |
|--|-------------------|----------------------|
| NET PROFIT FOR MINE DEPARTMENT - (Forward),..... |                   | \$ 585,017.96        |
| LAND DEPARTMENT:                                 |                   |                      |
| Farm Rentals,.....                               |                   | 541.50 ✓             |
| Lot Rentals:                                     |                   |                      |
| North Location,.....                             | \$ 2,008.70       |                      |
| First Cleveland Location,.....                   | 1,876.02          |                      |
| Second Cleveland Location,.....                  | 416.00            |                      |
| Bancroft Location,.....                          | 153.00            |                      |
| Hard Ore Location,.....                          | 819.66            |                      |
| Marquette Location,.....                         | 921.00            |                      |
| Nebraska Location,.....                          | 1,179.50          |                      |
| Hematite Location,.....                          | 28.00             |                      |
| Third Addition Location,.....                    | 799.50            |                      |
| Miscellaneous,.....                              | <u>863.40</u>     |                      |
| Total,.....                                      |                   | 9,064.78 ✓           |
| Sales of Land,.....                              |                   | 50.00 ✓              |
| Sales of Lots,.....                              |                   | <u>500.00</u> ✓      |
| Total,.....                                      |                   | 10,156.28            |
| Less:  |                   |                      |
| Land Department General Expenses,.....           | \$ 2,586.01 ✓     |                      |
| Taxes,.....                                      | <u>1,959.06</u> ✓ |                      |
| Total,.....                                      |                   | <u>4,545.07</u>      |
| NET PROFIT FOR LAND DEPARTMENT,.....             |                   | <u>5,611.21</u>      |
| TOTAL NET PROFIT,.....                           |                   | <u>\$ 590,629.17</u> |

Ex. 'E'

(Concluded) - 2.

IRON CLIFFS COMPANY

OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1911

MINE DEPARTMENT PROFIT:

Profit from Sales of Ore:

|                          |         |                 |
|--------------------------|---------|-----------------|
| Tons Sold,.....          | 187,739 |                 |
| Sales of Ore,.....       |         | \$604,478.69    |
| Add Bonuses,.....        |         | <u>6,789.86</u> |
| Total Sales of Ore,..... |         | 611,268.55      |

Cost of Sales:

|                                |                   |                   |
|--------------------------------|-------------------|-------------------|
| Operating Mine,.....           | \$533,893.71      |                   |
| Rail Freight,.....             | 32,216.53         |                   |
| Lake Freight,.....             | 58,691.05         |                   |
| Cargo Insurance,.....          | 306.64            |                   |
| Analyses,.....                 | 886.71            |                   |
| Ore Purchased,.....            | 1,687.65          |                   |
| Commissions,.....              | 697.83            |                   |
| Decrease in Inventory,.....    | <u>276,145.38</u> | <u>352,234.74</u> |
| Profit from Sales of Ore,..... |                   | 259,033.81        |

Operating Rental Buildings:

|  |                 |              |
|--|-----------------|--------------|
| Earnings,.....                           | \$ 3,576.33     |              |
| Expenses,.....                           | <u>2,241.37</u> | 1,334.96     |
| Laboratory Earnings - Cliffs Shaft,..... |                 | .60          |
| Collection Fees,.....                    |                 | <u>49.30</u> |
| Total,.....                              |                 | 260,418.67   |

Less:

Expenses Non-operating Mines:

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Foster Mine,.....                     | \$ 142.35     |               |
| Tilden Mine,.....                     | <u>49.26</u>  |               |
|                                       | 191.61        |               |
| Land Improvement - Cliffs Shaft,..... | <u>187.02</u> | <u>378.63</u> |
| Total,.....                           |               | 260,040.04    |

LESS LOSS FROM LAND DEPARTMENT:

Losses and Expenses:

Operating Rental Buildings:

|                |                 |  |
|----------------|-----------------|--|
| Expenses,..... | \$ 1,801.27     |  |
| Earnings,..... | <u>1,239.50</u> |  |
| Loss,.....     | 561.77          |  |

|                        |                 |  |
|------------------------|-----------------|--|
| General Expenses,..... | 3,436.06        |  |
| Taxes,.....            | <u>6,122.69</u> |  |

|                                 |           |  |
|---------------------------------|-----------|--|
| Total Losses and Expenses,..... | 10,120.52 |  |
|---------------------------------|-----------|--|

Less Profits:

|                    |          |  |
|--------------------|----------|--|
| Farm Rentals,..... | \$862.94 |  |
|--------------------|----------|--|

Lot Rentals:

|                                   |              |                 |
|-----------------------------------|--------------|-----------------|
| Junction,.....                    | \$359.00     |                 |
| Salisbury,.....                   | 60.00        |                 |
| Winthrop,.....                    | 164.25       |                 |
| Miscellaneous,.....               | <u>68.32</u> | 651.57          |
| Profit on Sales of Tax Titles, .. | 19.66        |                 |
| Miscellaneous Earnings,.....      | <u>30.50</u> |                 |
| Total Profits,.....               |              | <u>1,564.67</u> |

Net Loss from Land

|                  |  |                 |
|------------------|--|-----------------|
| Department,..... |  | <u>8,555.85</u> |
|------------------|--|-----------------|

|                                  |  |                     |
|----------------------------------|--|---------------------|
| NET PROFIT FROM OPERATIONS,..... |  | <u>\$251,484.19</u> |
|----------------------------------|--|---------------------|

EXHIBIT "E"

EXHIBIT "F"

PIONEER IRON COMPANY

OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1911

LOSS FROM FURNACE DEPARTMENT OPERATIONS:

|   |                   |                 |
|---|-------------------|-----------------|
| Pig Iron:   |                   |                 |
| Tons Sold,.....   | 10,606            |                 |
| Sales,.....   |                   | \$178,401.12    |
| Cost of Sales:  |                   |                 |
| Cost of Production,.....  | \$589,291.89      |                 |
| Selling Expense - Proportion of Losses of<br>Superior Charcoal Iron Company,..... | 5,670.56          |                 |
| Decrease in Inventory,.....   | <u>273,802.26</u> | 321,160.19      |
| Loss on Pig Iron Sales,.....  |                   | 142,759.07      |
| Operating Rental Buildings:   |                   |                 |
| Expenses,.....  | \$ 3,237.25       |                 |
| Earnings,.....  | <u>3,210.00</u>   |                 |
| Loss from Operating Rental Buildings,.....  |                   | 27.25           |
| Operating Carp River Furnace,.....  |                   | <u>1,096.66</u> |
| Loss from Operations - Furnace Department,.....                                   |                   | 143,882.98      |

LOSS FROM LAND DEPARTMENT OPERATIONS:

|                        |           |               |
|------------------------|-----------|---------------|
| General Expenses,..... | \$ 213.32 |               |
| Taxes,.....            | 671.87    |               |
| Total Loss,.....       |           | <u>885.19</u> |

Less:

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| Lot Rentals:                      |               |               |
| Second Addition,.....             | \$ 20.00      |               |
| Miscellaneous,.....               | <u>653.58</u> | \$ 673.58     |
| Farm Rentals,.....                | 45.00         |               |
| Profit on Sales of Tax Titles,... | 16.50         |               |
| Miscellaneous Earnings,.....      | <u>73.32</u>  |               |
| Total Profits,.....               |               | <u>808.40</u> |

Net Loss from Operations - Land Department,..... 76.79

LOSSES FROM OPERATIONS OF FURNACE AND LAND DEPARTMENTS,..... 143,959.77

LESS PROFIT FROM CHEMICAL DEPARTMENT OPERATIONS:

|   |               |                   |
|---|---------------|-------------------|
| Chemicals:                                |               |                   |
| Sales,.....                               |               | \$848,912.93      |
| Cost of Sales:                            |               |                   |
| Cost of Production,.....                  | \$636,044.96  |                   |
| Rail Freight,.....                        | 26,781.78     |                   |
| Marine Freight,.....                      | 491.15        |                   |
| Marine Insurance,.....                    | 74.05         |                   |
| Warehouse Distributing Expense,           | 1,427.36      |                   |
| Commissions,.....                         | 13,936.13     |                   |
| Purchases,.....                           | 117,090.90    |                   |
| Decrease in Inventory,.....               | <u>993.13</u> |                   |
| Total Cost of Sales,.....                 |               | <u>794,853.20</u> |
| Profit on Sales of Chemicals,.            |               | 54,059.73         |
| Less Loss from Sodium Acetate Plant,..... |               | <u>2,198.33</u>   |

Net Profit from Operations - Chemical Department 51,861.40

NET LOSS FROM OPERATIONS,..... \$ 92,098.37



EXCELSIOR IRON COMPANY

OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1911

---

EARNINGS:

Rentals:

|                              |              |
|------------------------------|--------------|
| Farms,.....                  | \$1,726.11   |
| Lot - Barnum,.....           | 605.50       |
| Other Lots,.....             | 652.50       |
| Miscellaneous Earnings,..... | <u>46.50</u> |
| Total,.....                  | 3,030.61     |

EXPENSES:

|                                 |                 |
|---------------------------------|-----------------|
| Taxes - Land Department,.....   | \$ 560.12       |
| Operating Land Department,..... | 1,019.00        |
| Interest,.....                  | 2.27            |
| General Expenses,.....          | <u>25.50</u>    |
| Total,.....                     | <u>1,606.89</u> |

NET PROFIT FROM OPERATIONS,..... \$1,423.72

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E. H.

JACKSON IRON COMPANY

OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1911

MINE DEPARTMENT:

Loss on Ore Sales:

Sales of Ore:

|                          |        |                 |
|--------------------------|--------|-----------------|
| Tons Sold,.....          | 35,265 |                 |
| Sales,.....              |        | \$58,913.80     |
| Add Bonus,.....          |        | <u>1,613.57</u> |
| Total Sales of Ore,..... |        | 60,527.37       |

Cost of Sales:

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| operating Mines,.....       | \$35,404.03      |                  |
| Rail Freight,.....          | 17,251.64        |                  |
| Lake Freight,.....          | 34,266.05        |                  |
| Cargo Insurance,.....       | 63.42            |                  |
| Analyses,.....              | 388.84           |                  |
| Ore Purchased,.....         | 15,436.19        |                  |
| Decrease in Inventory,..... | <u>41,978.32</u> | <u>60,831.85</u> |

Loss on Ore Sales,..... 304.48

Operating Jackson Location,..... 935.97

Expenses at North Jackson Mine, not in operation,..... 1,660.52

Gross Loss - Mine Department,..... 2,900.97

Less:

|                              |             |               |
|------------------------------|-------------|---------------|
| Miscellaneous Earnings,..... | \$ 195.00   |               |
| Collection Fees,.....        | <u>2.90</u> | <u>197.90</u> |

Net Loss - Mine Department,.... 2,703.07

LAND DEPARTMENT:

Expenses:

|                        |                 |             |
|------------------------|-----------------|-------------|
| General Expenses,..... | \$2,781.06      |             |
| Taxes,.....            | <u>2,328.98</u> | \$ 5,110.04 |

Less:

|                              |               |                 |
|------------------------------|---------------|-----------------|
| Profit from Operating Rental |               |                 |
| Buildings,.....              | 812.31        |                 |
| Profit from Lot Rentals -    |               |                 |
| Jackson Location,.....       | 1,486.32      |                 |
| Profit from Lot Rentals -    |               |                 |
| Miscellaneous,.....          | 1,450.62      |                 |
| Miscellaneous Earnings,..... | <u>161.19</u> |                 |
| Gross Profits,.....          |               | <u>3,910.44</u> |

Net Loss - Land Department,.... 1,199.60

NET LOSS FROM OPERATIONS,..... \$ 3,902.67

THE MUNISING COMPANY

OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1911

---

EARNINGS:

|                                |    |             |          |
|--------------------------------|----|-------------|----------|
| Rentals,.....                  | \$ | 39.00       |          |
| Interest,.....                 |    | 251.19      |          |
| Sales of Lots,.....            |    | 1,312.50    |          |
| Sales of Farm Lands,.....      |    | 2,455.00    |          |
| Sales of Stumpage,.....        |    | 3,949.90    |          |
| Sales of Bark,.....            |    | 1,455.68    |          |
| Sales - Coalwood Nursery,..... |    | 312.95      |          |
| Miscellaneous,.....            |    | <u>6.00</u> |          |
| Total,.....                    | \$ |             | 9,782.22 |

EXPENSES:

|                                 |               |                  |
|---------------------------------|---------------|------------------|
| Taxes,.....                     | \$13,331.48   |                  |
| Operating Land Department,..... | 5,609.55      |                  |
| General,.....                   | 25.00         |                  |
| Cost of Lots Sold,.....         | 1,312.50      |                  |
| Cost of Farm Lands Sold,.....   | 2,455.00      |                  |
| Cost of Stumpage Sold,.....     | 3,949.90      |                  |
| Cost of Bark Sold,.....         | 1,330.57      |                  |
| Commissions on Bark Sales,..... | <u>125.11</u> |                  |
| Total,.....                     |               | <u>28,139.11</u> |

NET LOSS FROM OPERATIONS,..... \$18,356.89

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*Ex. J*

THE CENTRAL LAND AND TIMBER COMPANY, LTD.

OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1911

|                                 |                 |
|---------------------------------|-----------------|
| PROFIT ON TAX TITLES SOLD,..... | \$108.45        |
| EXPENSES:                       |                 |
| Taxes:                          |                 |
| Michigan Lands,.....            | \$114.61        |
| Minnesota Lands,.....           | 166.01          |
| General Expenses,.....          | <u>533.25</u>   |
| Total,.....                     | <u>813.87</u>   |
| NET LOSS FROM OPERATIONS,.....  | <u>\$705.42</u> |

GRAND ISLAND STEAMSHIP COMPANY

OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1911

PROFIT FROM VESSELS IN OPERATION:

|  |                  |              |
|--|------------------|--------------|
| Steamer "Wm. G. Mather":                       |                  |              |
| Receipts,.....                                 | \$110,112.89     |              |
| Less Operating Expenses, Taxes, and Insurance, | <u>76,339.74</u> | \$ 33,773.15 |
| Steamer "Michigan":                            |                  |              |
| Receipts,.....                                 | \$ 97,760.76     |              |
| Less Operating Expenses, Taxes, and Insurance, | <u>66,454.73</u> | 31,306.03    |
| Steamer "Pontiac":                             |                  |              |
| Receipts,.....                                 | \$ 37,799.07     |              |
| Less Operating Expenses, Taxes, and Insurance, | <u>33,752.16</u> | 4,046.91     |
| Steamer "Frontenac":                           |                  |              |
| Receipts,.....                                 | \$ 22,148.33     |              |
| Less Operating Expenses, Taxes, and Insurance, | <u>21,875.29</u> | 273.04       |
| Steamer "Cadillac":                            |                  |              |
| Receipts,.....                                 | \$ 29,348.21     |              |
| Less Operating Expenses, Taxes, and Insurance, | <u>21,916.03</u> | 7,432.18     |
| Steamer "Choctaw":                             |                  |              |
| Receipts,.....                                 | \$ 42,330.99     |              |
| Less Operating Expenses, Taxes, and Insurance, | <u>33,046.49</u> | 9,284.50     |
| Steamer "Andaste":                             |                  |              |
| Receipts,.....                                 | \$ 40,445.19     |              |
| Less Operating Expenses, Taxes, and Insurance, | <u>33,136.66</u> | 7,308.53     |
| Steamer "Pioneer":                             |                  |              |
| Receipts,.....                                 | \$ 24,639.24     |              |
| Less Operating Expenses, Taxes, and Insurance, | <u>21,789.07</u> | 2,850.17     |
| Total,.....                                    |                  | 96,274.51    |

EXPENSES OF VESSELS NOT IN OPERATION AND OTHER EXPENSES:

|  |               |           |
|--|---------------|-----------|
| Steamer "J. H. Sheadle",.....  | \$ 8,282.33   |           |
| "    "Ishpeming",.....   | 6,794.87      |           |
| Schooner "Chattanooga",.....   | 6,651.81      |           |
| Steamer "Falcon" - Accident Expenses,.....                                 | <u>186.00</u> |           |
|  | \$ 21,915.01  |           |
| Less Excess of Insurance Recoveries over Personal Injury Settlements,..... | <u>505.27</u> | 21,409.74 |

NET PROFIT FROM OPERATIONS,..... \$ 74,864.77

*Exhibit L*

THE CLEVELAND-CLIFFS IRON COMPANY

REPORT  
ON AUDIT OF BOOKS AND ACCOUNTS  
FOR THE YEAR 1911

\*\*\*\*\*

HASKINS & SELLS  
CERTIFIED PUBLIC ACCOUNTANTS  
30 BROAD STREET  
NEW YORK  
—  
LONDON, E. C.  
30 COLEMAN STREET  
—  
CHICAGO      ST. LOUIS      CLEVELAND  
PITTSBURGH      BALTIMORE  
SAN FRANCISCO

At the present time you have four corporations engaged in mining operations. One of these is engaged in furnace and chemical operations and a fifth corporation. These five corporations are covered by a land department. Records and accounts are kept separate as to each of these corporate entities were merged into one, the conditions so created should make possible a consolidation and concentration of offices at one location and solidification of administration and supervision would reduce the number of records required and the volume of separate reporting to the Cleveland office, and this would include some re-organization of the work which now has to be done in the Cleveland general office by reason of keeping sets of accounts for each of the five present corporations. These benefits would be increased if it could be found practicable to include The Munising Company and The Central Land & Timber Company in such a consolidation, by absorption of their realty holdings.

**HASKINS & SELLS**

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET  
NEW YORK

CHICAGO  
HARRIS TRUST BUILDING

ST. LOUIS  
THIRD NATIONAL BANK BUILDING

CLEVELAND  
WILLIAMSON BUILDING

PITTSBURGH  
FARMERS BANK BUILDING

BALTIMORE  
EQUITABLE BUILDING

SAN FRANCISCO  
CROCKER BUILDING

LONDON, E.C.  
30 COLEMAN STREET

CABLE ADDRESS "HASKSELLS"

RECEIVED

JUN 3 - 1912

Ack. \_\_\_\_\_ Ans. \_\_\_\_\_

CLEVELAND, May 29, 1912.

Mr. Wm. G. Mather,

President, The Cleveland-Cliffs Iron Company,  
Cleveland, Ohio.

Dear Sir:

As a part of our report on our audit of the books and accounts of

- The Cleveland-Cliffs Iron Company
- Cleveland Iron Mining Company
- Iron Cliffs Company
- Pioneer Iron Company
- Excelsior Iron Company
- Jackson Iron Company
- The Munising Company
- The Central Land & Timber Company, Limited
- Grand Island Steamship Company

for the year ended December 31, 1911, we submit our comments as follows:

GENERAL

In the main, the recommendations and suggestions which we have made heretofore have had attention and most of them have been adopted.

During the course of the several years of our services as independent auditors of your companies great improvement has been made in the methods and efficiency of your accounting department.

The conditions of corporate organization do not lend themselves to the same degree of simplification and economical methods that would be possible under consolidation of corporate organizations and concentration of jurisdictions and offices.

At the present time you have four corporations engaged in mining operations. One of these is engaged in furnace and chemical operations and a fifth corporation is likewise engaged. These five corporations are covered by a land department whose records and accounts are kept separately as to each. If all of these corporate entities were merged into one, the conditions so created should make possible some consolidation and concentration of offices at one location, and solidification of administration and supervision would reduce the number of records required and the volume of separate reporting to the Cleveland office, and thereby make for economy and efficiency. This would include some reduction in the work which now has to be done in the Cleveland general office by reason of keeping sets of accounts for each of the five present corporations. These benefits would be increased if it could be found practicable to include The Munising Company and The Central Land & Timber Company, Limited, in such a consolidation, by absorption of their realty holdings.

Something in this direction was accomplished during the year 1911 by the merging of the Munising Railway Company and the Marquette & Southeastern Railway Company into the Munising, Marquette & Southeastern Railway Company. If it were possible to accomplish an absorption of the Lake Shore & Ishpeming Railway Company, through acquisition of property or otherwise, by the Munising, Marquette & Southeastern Railway Company, the effect would be to strengthen the position of the proprietor company and to concentrate the railroad operations, thereby avoiding need for division of joint revenue and making possible the exercise of further economies.

The greatest need seems to be concentration and specializing of effort and energy to reduce, so far as possible, the combined operating loss of the Furnace, Chemical, and Lumbering departments which for the year 1911 amounted to \$243,678.94, and the expense of the Land Department which for the year 1911 amounted to \$145,895.83, making a total loss and expense for the year from these sources of \$389,574.77. The Net Income for the year was \$641,546.78. But for this loss and expense it would have been \$1,031,121.55, or \$171,871.55 more than the dividends of \$859,250.00, whereas those dividends exceeded the Net Income \$217,703.22. We use these amounts by way of illustration, not



meaning to suggest, in view of the large holdings, the possibility of saving all the expense of the Land Department.

In a discussion with your Auditor we laid before him fully the advantages to be derived from the use of what is known as a voucher-check and have submitted to him a design which, with only slight modifications to suit peculiar conditions, has been and is meeting with great success in the saving of time, correspondence, and postage.

In this same connection it might be well to consider the advisability of establishing two series of voucher numbers at the Northern offices authorized to pay vouchers, one of the series to apply to the vouchers paid at the Northern offices and the other to apply to vouchers sent to the Cleveland office for payment, and instead of renumbering the vouchers in the Cleveland office continue their identification by the Northern office numbers and enter them in the Cleveland office in the order of such numbers - separate records being made in the Cleveland office in respect of the vouchers paid at the Northern offices and those to be paid at the Cleveland office.

We suggest that great care be taken to preserve the integrity of the voucher files at all of the offices in which such files are kept. When any papers are removed from a file a record should be made of the fact, not only in the file but in a tickler to be followed up for the return of the papers in due time.

We suggest that there should be no relaxation of care and caution in the examination respecting endorsement and cancellation of checks returned by banks and in their preservation.

In respect of funds transferred to trustees for the payment of interest on bonds, the accounts should be kept so as to show the balance of such funds undisbursed and the matured interest unclaimed and therefore unpaid, and like methods should obtain in the case of funds transferred for redemption purposes. The trustee should, of course, account to the Company for which it is acting for all disbursements which it makes for the Company's account and for any interest which may be earned by the funds while in its custody. Heretofore it has been the custom to treat the transfer of funds to trustees as in liquidation of the debt.

As the number of accounts receivable further increase at the Cleveland office, it will become more desirable to relieve the general ledgers of individual accounts and carry them in a separate ledger under control of accounts in the general ledgers. In case of a consolidation such as has been mentioned herein, all accounts receivable could be concentrated in one subsidiary ledger under one controlling account. This is mentioned as illustrating only one of the incidental advantages to be derived from a consolidation.

It was again noted that, in some instances, the minutes of subsidiary companies are not signed by the presiding officers.

There do not appear of record resolutions authorizing the dividends paid during the year 1911 by the Cleveland Iron Mining Company and the Iron Cliffs Company. It is suggested that this omission may be rectified by the Boards of Directors passing a resolution at their next meeting ratifying and approving these dividends in specific terms.

#### OPERATING RESULTS

In Exhibits "D" to "L" will be found the particulars of the operating results of the controlling company and its subsidiaries, not including the apportionment of general expenses incurred in connection with the Cleveland office. These results are carried over to Exhibit "C", a combined summary of the Income and Profit & Loss accounts where such general expenses as apportioned are shown.

Considering only those companies which are co-related by the nature of their operations, the following is a departmental summary of their Net Operating Profits for the year ended December 31, 1911, arranged by departments, with the Furnace, Lumbering, and Chemical departments combined, viz.:

DEPARTMENTS PRODUCING NET PROFITS FROM OPERATIONS:

Mine Department:

|   |                 |
|---|-----------------|
| The Cleveland-Cliffs Iron Company,..... | \$ 455,935.25   |
| Cleveland Iron Mining Company,.....     | 585,017.96      |
| Iron Cliffs Company,.....               | 260,040.04      |
| Jackson Iron Company,.....              | <u>2,703.07</u> |
| Total Net Profits of Mine Department,.  | 1,298,290.18    |

Miscellaneous Operations - The Cleveland-Cliffs Iron Company,.....

40,250.21

Total Net Profits of Departments Producing  
Net Profits - (Forward),.....

1,338,540.39

Total Net Profits of Departments Producing  
 Net Profits - (Forward),..... \$1,338,540.39

DEPARTMENTS SUSTAINING LOSSES FROM OPERATIONS:

Furnace Department:

The Cleveland-Cliffs Iron Company,.... \$133,327.04  
 Pioneer Iron Company,..... 143,882.98  
 Total,..... 277,210.02

Lumbering Department - The Cleveland-  
 Cliffs Iron Company,..... 35,114.88  
 Total Loss of Furnace and  
 Lumbering Departments,. 312,324.90

Less Profits of Chemical Department:

The Cleveland-Cliffs Iron  
 Company,..... \$ 16,784.56  
 Pioneer Iron Company,.... 51,861.40 68,645.96  
 Combined Loss of Furnace,  
 Lumbering, and Chemical  
 Departments,..... 243,678.94

Land Department:

The Cleveland-Cliffs Iron  
 Company,..... \$143,098.52  
 Cleveland Iron Mining  
 Company,..... 5,611.21  
 Iron Cliffs Company, in-  
 cluding Excelsior Iron  
 Company,..... 7,132.13  
 Pioneer Iron Company,.... 76.79  
 Jackson Iron Company,.... 1,199.60  
 Total Loss from Land De-  
 partment Operations,... 145,895.83

Total Losses of Departments Sustaining  
 Losses from Operations,..... 389,574.77

NET OPERATING PROFITS OF COMPANIES CO-RELATED BY THE  
 NATURE OF THEIR OPERATIONS,..... 948,965.62

The Net Profits of the three other companies not so  
 co-related were,..... 55,802.46

The Total Net Profits from Operations were, as shown  
 by Exhibit "C",..... \$1,004,768.08

PROPERTY ACCOUNTS

On the whole a conservative policy obtains in respect of charging  
 expenditures against the Property accounts and in respect of writing off  
 Depreciation.

5 There appear on the books accounts entitled "Tax Titles" which  
 we have classified as property, but in the main these accounts represent

tax certificates purchased, and the title therefore is a misnomer. Trial balances of the record of tax certificates as at the close of December, 1911, were found to be in agreement with the controlling accounts. Since 1904 gradual improvement has been made in the condition of this record, but it still contains items of tax certificates on property for which tax titles have been obtained and which should be cleared by proper transfers to the real estate records and corresponding transfers on the general books from the "Tax Titles" accounts to the real estate accounts.

In many cases disbursements made by The Cleveland-Cliffs Iron Company and the Cleveland Iron Mining Company in the purchase of tax certificates have been charged to the "Tax Titles" account on their books notwithstanding the certificates have been taken in the name of the Iron Cliffs Company or in the name of the Excelsior Iron Company, and like conditions exist in respect of disbursements made by the Iron Cliffs Company and the Excelsior Iron Company. In these cases the amounts disbursed should be transferred to the books of the Company in whose name the tax certificates were taken.

#### INVESTMENTS IN STOCKS, BONDS, NOTES, ETC.

The Investments in Stocks, Bonds, Notes, Etc., December 31, 1911, are shown in detail in Schedule #3, Exhibit "B", and were verified by count or certifications received from the custodians thereof, with the exception of \$1,500 of Bonds of the Lake Superior & Ishpeming Railway Company owned by The Cleveland-Cliffs Iron Company. These bonds are carried on the books of The Cleveland-Cliffs Iron Company in the account "Bond Subscriptions, L. S. & I. Ry. Co.". We are advised by the Auditor that these bonds are in the hands of The Citizens Savings & Trust Company, Trustee, under the Mortgage. We suggest that these bonds be withdrawn and deposited with other securities owned by the Cleveland-Cliffs Iron Company; also that an entry be made on the books to transfer the amount carried in "Bond Subscriptions, L. S. & I. Ry. Co." to "Securities Owned".

All securities owned at December 31, 1911, were free and unpledged with the exception of the following owned by The Cleveland-Cliffs Iron

Company and deposited with The Citizens Savings & Trust Company, Trustee, under the indenture to secure the First Collateral Trust, 6%, Gold Bonds of The Cleveland-Cliffs Iron Company.

| <u>Capital Stock</u>                | <u>Number of<br/>Shares</u> | <u>Par Value</u>      |
|-------------------------------------|-----------------------------|-----------------------|
| Cleveland Iron Mining Company,..... | 100,000                     | \$2,500,000.00        |
| Iron Cliffs Company,.....           | <u>20,000</u>               | <u>1,000,000.00</u>   |
| Total,.....                         | <u>120,000</u>              | <u>\$3,500,000.00</u> |

EQUITY IN COAL LANDS IN PENNSYLVANIA

There appears on the books of The Cleveland-Cliffs Iron Company at December 31, 1911, an account entitled "The Mather Coal & Coke Company", to which there have been charged expenditures amounting to \$468,449.09, made in connection with an agreement entered into jointly with Pickands, Mather & Company to purchase approximately 311 acres in fee and 2,815 acres of coal rights situated in Greene County, Pennsylvania, at a price of \$1,727,964. The transactions in connection with this agreement are carried on in the name of Henry G. Dalton. The payments made by the joint parties to the agreement leave, at December 31, 1911, a balance of \$940,000, secured by a bond executed by Henry G. Dalton, which is to be paid in four annual instalments of \$235,000 each, with interest at the rate of 5% per annum, the next one of which is due on October 1, 1912. The Cleveland-Cliffs Iron Company's proportion of the liability of \$940,000 outstanding at December 31, 1911, is \$470,000. Neither this nor the accrued interest thereon to said date, amounting to \$2,021.50, appears on the Company's books or in the accompanying exhibits. We are informed that certain plans are under consideration for the formation of a company to take over this property but that nothing definite in that regard has yet been decided upon.

CASH ACCOUNTS

THE CLEVELAND-CLIFFS IRON COMPANY,  
AND SUBSIDIARY COMPANIES

Cash in Banks was verified by certifications obtained from the various depositaries, and, with the exception of the amount on deposit

with the Kent State Bank, Grand Rapids, Michigan, to the credit of The Central Land & Timber Company, Limited, was reconciled with the records of each company.

The amount on deposit, December 31, 1911, with the Kent State Bank, Grand Rapids, Michigan, as evidenced by their certification obtained by us, was \$1,140.65, as compared with \$826.70, shown by the general books of the Company in Cleveland. The difference is not accounted for by outstanding checks.

We counted the petty cash funds in the hands of the various cashiers other than the funds of \$500 each in the hands of the Cashiers located at Ashland Mine, Crosby Mine, and Carp River Water Power Plant, and funds aggregating \$75.00 in the hands of employes attached to the Land Department in charge of the Hotel Williams, Grand Island Launch, and Negaunee Greenhouse. The composition of the various funds counted is shown hereunder.

THE CLEVELAND-CLIFFS IRON COMPANY

R. H. McCARTNEY, CASHIER, MINE DEPARTMENT, ISHPEMING -  
COUNTED MARCH 11, 1912:

|   |        |          |
|---|--------|----------|
| Cash in Hand,.....  | \$     | 88.93    |
| Brass Checks Redeemed,.....                                       |        | 20.00    |
| Check - C. W. Lincoln, in favor of R. H. McCartney, Cashier,..... |        | 3.50     |
| Advances on account of Salary:                                    |        |          |
| S. J. Krogdahl,.....  | \$     | 15.00    |
| J. M. Hayden,.....  |        | 90.00    |
| C. T. Brahaney,.....  |        | 35.00    |
| R. J. Chenneour,.....   |        | 25.00    |
| C. J. Shaddick,.....  |        | 160.00   |
| Geo. Barnford,.....   |        | 20.00    |
| C. J. Berg,.....  |        | 20.00    |
| A. W. Kangas,.....  |        | 1.00     |
| H. H. Ramsdell,.....  |        | 40.00    |
| C. W. Lincoln,.....   |        | 65.00    |
| Advances to Employes on Mine Pay Rolls,.....                      |        | 510.70   |
| Sundry Expenses Paid, as per Receipts on File, ..                 |        | 34.79    |
| Total,.....   |        | 1,128.92 |
| Overdraft at the Miners National Bank, \$                         | 7.26   |          |
| Add Outstanding Checks,.....                                      | 121.76 | 129.02   |
| Total,.....   |        | 999.90   |
| Amount of Fund,.....  |        | 1,000.00 |
| Deficit,.....   | \$     | .10      |

E. A. DOTY, CLERK, MAAS MINE, NEGAUNEE - COUNTED

MARCH 25, 1912:

|  |    |        |               |
|--|----|--------|---------------|
| Expenditures per Cash Statement for week ended<br>March 21, 1912 - Receipts sent to Ishpeming<br>(Verified at Ishpeming),..... | \$ | 391.51 |               |
| Advance to E. A. Doty,.....  |    | 1.95   |               |
| Cash in The First National Bank of<br>Negaunee,.....   | \$ | 273.49 |               |
| Less Outstanding Checks,.....  |    | 166.95 | 106.54        |
| Amount of Fund,.....   | \$ |        | <u>500.00</u> |

P. W. HIRWAS, CASHIER, PRINCETON MINE - COUNTED

APRIL 5, 1912:

|  |    |        |                 |
|--|----|--------|-----------------|
| Cash in Hand,.....   | \$ | 5.55   |                 |
| Brass Checks Redeemed,.....  |    | 9.00   |                 |
| Checks:  |    |        |                 |
| C. G. White,.....  | \$ | 21.00  |                 |
| The Cleveland-Cliffs Iron Company,<br>favor P. W. Hirwas, Cashier,.....  |    | 405.74 |                 |
| Att Tellsoup,.....   |    | 2.00   |                 |
| B. J. Goodman,.....  |    | 3.00   |                 |
| Geo. Barry,.....   |    | 5.00   |                 |
| C. M. Leonard,.....  |    | 12.70  |                 |
| J. S. Keeton,.....   |    | 7.80   |                 |
| A. H. Tillson, Jr.,.....   |    | 12.60  |                 |
| A. J. Brandt,.....   |    | 20.00  |                 |
| Geo. Barry,.....   |    | 1.40   | 491.24          |
| Advances to Employes on Mine Pay Rolls:  |    |        |                 |
| Stephenson Mine,.....  | \$ | 223.40 |                 |
| Austin Mine,.....  |    | 258.42 | 481.82          |
| Expenditures per Cash Statement for week ended<br>March 28, 1912 - Not reimbursed by Ishpeming<br>at April 5, 1912,.....   |    |        | 192.42          |
| Note of G. R. Jackson, dated March 21, 1910, due<br>March 20, 1912, favor of The Cleveland-Cliffs<br>Iron Company, account of House and Lot Sales -<br>Amount remitted to Ishpeming, per request of<br>G. R. Jackson,..... |    |        | 70.00           |
| Total,.....  |    |        | <u>1,250.03</u> |
| Cash in Gwinn State Bank,.....   | \$ | 365.73 |                 |
| Less Outstanding Checks,.....  |    | 448.20 |                 |
| Overdraft,.....  |    |        | <u>82.47</u>    |
| Remainder,.....  |    |        | 1,167.56        |
| Collections account Rents, etc., deposited in<br>Petty Cash account and not remitted to Ish-<br>peming at April 5, 1912,.....  |    |        | <u>167.56</u>   |
| Amount of Fund,.....   | \$ |        | <u>1,000.00</u> |

CHAS. STEELE, CASHIER, LAND DEPARTMENT, NEGAUNEE -  
COUNTED MARCH 11, 1912:

|   |    |        |                      |
|---|----|--------|----------------------|
| Cash in Hand,.....  |    | \$     | 72.94                |
| Checks:   |    |        |                      |
| Charles Steele, Cashier, favor Iron<br>Cliffs Company,.....                                 | \$ | 2.31   |                      |
| Austin Farrel, favor The Cleveland-<br>Cliffs Iron Company,.....                            |    | 1.20   |                      |
| H. S. Nightingale, favor Chas. Steele,<br>Cashier,.....                                     |    | 2.00   |                      |
| The Cleveland-Cliffs Iron Company,<br>favor W. A. Sterling (Pay Roll<br>Check),.....        |    | 48.00  |                      |
| A. J. Erickson, favor Bearer,.....  |    | 2.00   | 55.51                |
| Advances to R. A. Brotherton, Account of Ex-<br>penses,.....                                |    |        | 50.00                |
| Advances on Account of Salary:  |    |        |                      |
| H. Gilbert,.....  | \$ | 2.00   |                      |
| F. Haines,.....   |    | 1.45   |                      |
| A. Carlson,.....  |    | 4.50   | 7.95                 |
| Sundry Expenses paid per Receipts on File,.....   |    |        | 156.16               |
| Cash on Deposit with The First National Bank,<br>Negaunee,.....                             | \$ | 246.02 |                      |
| Less Outstanding Checks,.....   |    | 26.88  | 219.14               |
| Total,.....   |    |        | 561.70               |
| Sundry Cash Receipts, Account of Rents and<br>Greenhouse Sales, not entered in Cash Book,.. |    |        | 61.80                |
| Total,.....   |    |        | 499.90               |
| Amount of Fund,.....  |    |        | 500.00               |
| Deficit,.....   |    |        | <u><u>\$ .10</u></u> |

G. W. ACKERMAN, ASSISTANT AUDITOR AND CASHIER,  
LUMBER DEPARTMENT, MARQUETTE - COUNTED MARCH 27,  
1912:

|   |    |        |                         |
|---|----|--------|-------------------------|
| Cash in Hand,.....                                    | \$ | .49    |                         |
| Advance account of Expenses,.....                     |    |        | 10.00                   |
| Sundry Expenses Paid, per Receipts on File,.....      |    |        | 81.00                   |
| Cash on Deposit with Marquette National<br>Bank,..... | \$ | 369.58 |                         |
| Less Outstanding Checks,.....                         |    | 161.07 | 208.51                  |
| Amount of Fund,.....                                  |    |        | <u><u>\$ 300.00</u></u> |

F. W. ASLETT, CASHIER, FURNACE DEPARTMENT, GLAD-  
STONE - COUNTED APRIL 5, 1912:

|   |    |        |                         |
|---|----|--------|-------------------------|
| Sundry Expenses Paid, per Receipts on File,.....      | \$ | 392.60 |                         |
| Cash on Deposit with Bank of D. Hammel<br>& Son,..... | \$ | 365.42 |                         |
| Less Outstanding Checks,.....                         |    | 258.02 | 107.40                  |
| Amount of Fund,.....                                  |    |        | <u><u>\$ 500.00</u></u> |



CLEVELAND IRON MINING COMPANY

F. A. MORSE, CASHIER, CLEVELAND OFFICE - COUNTED

APRIL 8, 1912:

|  |    |              |                  |
|--|----|--------------|------------------|
| Cash,.....   |    | \$           | 447.12           |
| Checks:  |    |              |                  |
| W. M. L. Green, dated March 29, 1912,                        | \$ | 10.00        |                  |
| A. E. R. Schneider, dated March 30, 1912,.....               |    | 20.00        |                  |
| The Cleveland-Cliffs Iron Company, dated April 8, 1912,..... |    | <u>19.95</u> | 49.95            |
| Sundry Expenses Paid, per Receipts on File,....              |    |              | <u>2.93</u>      |
| Amount of Fund,.....   |    |              | <u>\$ 500.00</u> |

PIONEER IRON COMPANY

A. J. PEARCE, CASHIER, MARQUETTE - COUNTED

MARCH 30, 1912:

|  |    |                  |
|--|----|------------------|
| Cash in Hand,.....                                 | \$ | 23.18            |
| Advance on Account of Pay Roll - W. T. Hurley, ..  |    | 30.00            |
| Sundry Expenses Paid, per Receipts on File,....    |    | 4.73             |
| Cash on Deposit with Marquette National Bank,..... | \$ | 453.85           |
| Less Outstanding Checks,.....                      |    | <u>11.76</u>     |
| Amount of Fund,.....                               |    | <u>\$ 500.00</u> |

A practice prevails with the Furnace Department of The Cleveland-Cliffs Iron Company and the Furnace Department of the Pioneer Iron Company that should be corrected. This practice consists of drawing a check by one which includes a disbursement made for account of the other, entering in the cash book only the amount of the disbursement made for account of the drawing Company, and carrying as a cash item until reimbursed the amount of the disbursement made for account of the other. The result is disagreement between the amounts of the checks and the amounts of the entries in the cash book. The entire amount for which the check is drawn should be entered in the cash book and the amount included for account of the other Company should be charged to such Company through the cash account. When the remittance in reimbursement is received it should be entered in the cash book as a cash receipt and credited to the remittor.

When remittances from the other Company are received and deposited in the bank account, they are not entered in the cash book, so there is also disagreement between the aggregate receipts as shown by the cash book and the aggregate deposits in the bank.

In the case of the Pioneer Iron Company, by reason of this practice, the total amount of checks issued in the year 1911 exceeded the aggregate check disbursements entered in the cash book by \$929.90.

#### NOTES RECEIVABLE

The Notes Receivable were examined by us on April 8, 1912. Those out for collection at December 31, 1911, have since been collected, receipt of cash therefore having been checked against the cash records subsequent to December 31, 1911, and prior to April 8, 1912. All notes appear to be good and collectible with the exception of those of the Dunbar Furnace Company aggregating \$375,555.74, which are past due. This concern, we are advised, is in the hands of a Receiver.

#### PAYMASTERS' ACCOUNTS

Paymasters' Accounts at the various operating points in Northern Michigan were examined and found to be correct. The cash disbursed on account of Pay Rolls was in agreement with the amounts called for by the Pay Rolls with the exception of the Mine Department at Ishpeming.

During the year ended December 31, 1911, an amount of \$134.70 in excess of Pay Roll requirements was deposited in bank to the credit of the Paymaster's account. This amount was charged to General Expenses, and we were advised was to reimburse the Paymaster's account for checks abstracted from his desk and cashed by person or persons not entitled thereto.

All Pay Rolls are well kept and were approved by the various clerks and superintendents in charge of operations, and certified by the Paymasters.

#### GWINN LOT AND HOUSE SALES ACCOUNTS RECEIVABLE -- MINE DEPARTMENT

The controlling account in the General ledger as of December 31, 1911, is at variance with the subsidiary records reflecting the details of Gwinn Lot and House Sales Receivable accounts by an amount of \$1,913.33. This difference is due to various credits taken up on the

general ledger and not posted to the subsidiary ledger. The items composing this difference are as follows:

|   |                   |
|---|-------------------|
| April 19, 1909 - Cash Received from Forsyth Township for Land Sold,.....                  | \$1,601.75        |
| November 30, 1909 - Journal Entry #3026, adjusting interest on Sales Contract #22,.....   | 3.24              |
| December 31, 1910 - Journal Entry #3917, adjusting Sales Price on Lot #16, Block 13,..... | 250.00            |
| October, 1910 - Cash Received on Contract #91,...   | 58.34             |
| Total,.....   | <u>\$1,913.33</u> |

#### RENT AND LOT SALES - ACCOUNTS RECEIVABLE

The various departments are maintaining individual ledgers reflecting the details of Accounts Receivable of the above nature. During the past few years decided improvement in the method of conducting and keeping these accounts is noticeable.

#### BRASS IDENTIFICATION CHECKS

The amount of this account in the Combined and Consolidated General Balance Sheets is the result of collections made from employes for brass identification checks at rates varying from time to time from 25¢ to \$1.00. Upon leaving the service of the Company the employe is entitled to have his check redeemed at the amount of the original deposit. No record of these brass checks is kept that will show the detail of the balance in the ledger account. It is probable that employes who have left the service of the Company have failed to get their brass checks redeemed, have subsequently lost them, and that the balance as shown by each general ledger is greater than the amount that ultimately will be claimed.

We did not undertake to verify the balances in the general ledgers because of the labor that would be involved in so doing in the absence of detail records. At a suitable time an inventory should be prepared of the brass checks held by employes still in the service of the Company, adjustment with the employes should be made to a uniform redemption value, and it is suggested that a corresponding adjustment should be made in the ledger accounts.

CAPITAL STOCKS

We checked the Capital Stock accounts of the respective companies against the records and found them to be in agreement. The condition of these records has been much improved over their condition a few years ago. It was noted that the canceled certificates were not attached to some old stubs having cancellation endorsements. The records indicate, however, that the certificates were canceled and others issued in their place. At this late day probably these defects cannot be healed and they need not now be considered serious.

PAR VALUE OF CAPITAL STOCK OF SUBSIDIARY COMPANIES  
IN EXCESS OF THE VALUE AT WHICH CARRIED ON THE BOOKS OF  
THE CLEVELAND-CLIFFS IRON COMPANY

At December 31, 1911, as shown by Exhibit "B", this par value in excess of book value amounts to \$616,939.03. At December 31, 1910, this excess of par value over book value amounted to \$458,920.23. During the year 1911, the excess of par value over book value was increased \$158,018.80 by writing down on the books of The Cleveland-Cliffs Iron Company the book value of the stocks of subsidiary companies, as follows:

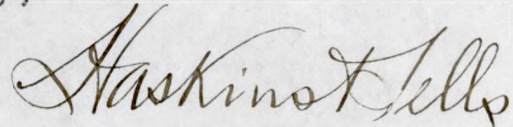
|                                     |                     |
|-------------------------------------|---------------------|
| Cleveland Iron Mining Company,..... | \$ 78,729.20        |
| Iron Cliffs Company,.....           | 68,766.40           |
| Jackson Iron Company,.....          | <u>10,523.20</u>    |
| Total,.....                         | <u>\$158,018.80</u> |

In considering the controlling and subsidiary companies as a single unit, it seems to us desirable that the book value of the stocks of the subsidiary companies should be maintained on the books of the controlling company at par value, so long as no actual impairment in such value exists. It is suggested that if such an impairment should occur, the best means for the disposition thereof would be to surrender and cancel an equal amount of stock.

It seems to us that a further reason why the stocks of the Cleveland Iron Mining Company and Iron Cliffs Company should be maintained on the books of the controlling company at their par value lies in the fact that they are pledged under an Indenture of Trust as security for the controlling Company's Collateral Trust Bonds.

It is suggested that in the consolidation of the income and the position of the controlling company and its subsidiaries, approximately the same results might be obtained and conditions created by writing off accumulated surplus, where such exists, to the credit of property and outside investment accounts of more or less doubtful value. As illustration we cite such cases as Munising Paper Company, Limited, bonds and stock, Bay Mills Land & Lumber Company stock, Michigan Mineral Land Company stock, Munising, Marquette & Southeastern Railway Company bonds, Grand Island Steamship Company investment in construction contract for Steamer Wm. G. Mather.

Yours truly,



Certified Public Accountants.

THE CLEVELAND-CLIFFS IRON COMPANY

COMMENTS  
ON AUDIT OF BOOKS AND ACCOUNTS  
FOR THE YEAR 1911

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HASKINS & SELLS  
CERTIFIED PUBLIC ACCOUNTANTS  
30 BROAD STREET  
NEW YORK  
LONDON, E. C.  
30 COLEMAN STREET  
CHICAGO      ST. LOUIS      CLEVELAND  
PITTSBURGH      BALTIMORE  
SAN FRANCISCO

# HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET

NEW YORK

CHICAGO  
HARRIS TRUST BUILDING

ST. LOUIS  
THIRD NATIONAL BANK BUILDING

CLEVELAND  
WILLIAMSON BUILDING

PITTSBURGH  
FARMERS BANK BUILDING

BALTIMORE  
EQUITABLE BUILDING

SAN FRANCISCO  
CROCKER BUILDING

LONDON, E.C.  
30 COLEMAN STREET

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 29, 1912.

RECEIVED

JUN 3 1912

Ask. .... Ans. ....

Mr. Wm. G. Mather,  
President, Negaunee Mine,  
Cleveland, Ohio.

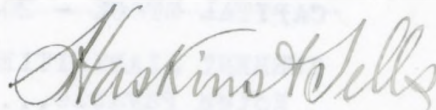
Dear Sir:

Pursuant to engagement, we have made an audit of the books and accounts of the Negaunee Mine for the year ended December 31, 1911, and submit herewith the following described exhibit, viz.:

EXHIBIT

"A" - GENERAL BALANCE SHEET - DECEMBER 31, 1911  
AND 1910 - AND COMPARISON.

Yours truly,



Certified Public Accountants.

NEGAUNEE MINE

GENERAL BALANCE SHEET - DECEMBER 31, 1911 AND 1910 - AND COMPARISON

|  | .....DECEMBER 31..... |              |              |              |
|--|-----------------------|--------------|--------------|--------------|
|  | 1911                  | 1910         | INCREASE     | DECREASE     |
| <u>A S S E T S</u>                                     |                       |              |              |              |
| PROPERTY:  |                       |              |              |              |
| Real Estate - Maas, Lonstorf and Mitchell Addition,... | \$ 62,090.79          |              | \$ 62,090.79 |              |
| Equipment,.....  | 3,599.35              | \$ 3,565.32  |              | 34.03        |
| Total Property,.....                                   | 65,690.14             | 3,565.32     | 62,124.82    |              |
| NEGAUNEE MINE LEASE,.....                              | 500,000.00            | 500,000.00   |              |              |
| WORKING AND TRADING ASSETS:                            |                       |              |              |              |
| Materials and Supplies,.....                           | 23,545.99             | 28,696.66    |              | \$ 5,150.67  |
| Ore Inventories,.....                                  | 499,134.45            | 73,636.35    | 425,498.10   |              |
| Royalty - Paid in Advance,.....                        | 156,244.02            | 108,428.81   | 47,815.21    |              |
| Insurance Premiums - Unexpired Portion,.....           | 489.82                | 748.18       |              | 258.36       |
| Total Working and Trading Assets,....                  | 679,414.28            | 211,510.00   | 467,904.28   |              |
| CURRENT ASSETS:  |                       |              |              |              |
| Cash in Banks:   |                       |              |              |              |
| General Office - Cleveland,.....                       | 12,872.64             | 7,859.87     | 5,012.77     |              |
| Mine Department - Ishpeming,.....                      | 2,399.89              | 146.44       | 2,253.45     |              |
| Total,.....  | 15,272.53             | 8,006.31     | 7,266.22     |              |
| Accounts Receivable,.....                              | 9,400.09              | 201,153.65   |              | 191,753.56   |
| Total Current Assets,.....                             | 24,672.62             | 209,159.96   |              | 184,487.34   |
| TOTAL ASSETS,.....                                     | \$1,269,777.04        | \$924,235.28 | \$345,541.76 |              |
| <u>L I A B I L I T I E S</u>                           |                       |              |              |              |
| CAPITAL STOCK - 20,000 SHARES OF \$25 EACH,.....       | \$ 500,000.00         | \$500,000.00 |              |              |
| CURRENT LIABILITIES:                                   |                       |              |              |              |
| Notes Payable,.....                                    | 284,782.40            | 284,782.40   |              |              |
| Accounts Payable,.....                                 | 62,681.41             | 78,208.04    |              | \$ 15,526.63 |
| Pay Rolls,.....  | 18,417.65             | 24,748.60    |              | 6,330.95     |
| Taxes Accrued,.....                                    | 79,504.03             | 32,082.84    | \$ 47,421.19 |              |
| Brass Checks Outstanding,.....                         | 359.75                | 455.75       |              | 96.00        |
| Total Current Liabilities,.....                        | 445,745.24            | 420,277.63   | 25,467.61    |              |
| ADVANCE RECEIPTS ON UNDELIVERED ORE,.....              | 255,635.59            |              | 255,635.59   |              |
| RESERVES:  |                       |              |              |              |
| For Benefit and Suspense Funds,.....                   | 6,305.42              | 3,957.65     | 2,347.77     |              |
| For Depreciation of Property,.....                     | 62,090.79             |              | 62,090.79    |              |
| Total Reserves,.....                                   | 68,396.21             | 3,957.65     | 64,438.56    |              |
| TOTAL,.....  | \$1,269,777.04        | \$924,235.28 | \$345,541.76 |              |



NEGAUNEE MINE

REPORT  
ON AUDIT OF BOOKS AND ACCOUNTS  
FOR THE YEAR 1911

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HASKINS & SELLS  
CERTIFIED PUBLIC ACCOUNTANTS  
30 BROAD STREET  
NEW YORK  
LONDON, E. C.  
30 COLEMAN STREET  
CHICAGO ST. LOUIS CLEVELAND  
PITTSBURGH BALTIMORE  
SAN FRANCISCO

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET  
NEW YORK

CHICAGO                      ST. LOUIS                      CLEVELAND                      PITTSBURGH                      BALTIMORE                      SAN FRANCISCO  
HARRIS TRUST BUILDING    THIRD NATIONAL BANK BUILDING    WILLIAMSON BUILDING    FARMERS BANK BUILDING    EQUITABLE BUILDING    CROCKER BUILDING

LONDON, E.C.  
30 COLEMAN STREET

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 29, 1912.

Mr. Wm. G. Mather,  
Secretary and Treasurer, Arctic  
Iron Company,  
Cleveland, Ohio.

RECEIVED

JUN 3 1912

Ack. .... Ans. ....

Dear Sir:

Pursuant to engagement, we have made an audit of the books and accounts of the Arctic Iron Company for the year ended December 31, 1911, and submit herewith the following described exhibits, viz.:

EXHIBIT

"A" - GENERAL BALANCE SHEET - DECEMBER 31, 1911  
AND 1910 - AND COMPARISON.

"B" - STATEMENT OF INCOME AND PROFIT & LOSS FOR  
THE YEAR ENDED DECEMBER 31, 1911.

Yours truly,



Certified Public Accountants.

ARCTIC IRON COMPANY

GENERAL BALANCE SHEET -  
DECEMBER 31, 1911 AND 1910 - AND COMPARISON

|                                 | .....DECEMBER 31..... |              |           |           |
|---------------------------------|-----------------------|--------------|-----------|-----------|
|                                 | 1911                  | 1910         | INCREASE  | DECREASE  |
| <u>A S S E T S</u>              |                       |              |           |           |
| REAL ESTATE,.....               | \$500,000.00          | \$500,000.00 |           |           |
| CURRENT ASSETS:                 |                       |              |           |           |
| Cash in Bank,.....              | 567.80                | 54.92        | \$ 512.88 |           |
| Accounts Receivable,.....       |                       | .28          |           | \$ .28    |
| Total Current Assets,.....      | 567.80                | 55.20        | 512.60    |           |
| DUE FROM AFFILIATED COMPANIES,. | 3,742.55              | 4,687.50     |           | 944.95    |
| TOTAL ASSETS,...                | \$504,310.35          | \$504,742.70 |           | \$ 432.35 |

|  |              |              |            |           |
|--|--------------|--------------|------------|-----------|
| <u>L I A B I L I T I E S</u>                           |              |              |            |           |
| CAPITAL STOCK - 20,000 SHARES<br>OF \$25.00 EACH,..... | \$500,000.00 | \$500,000.00 |            |           |
| ACCOUNT PAYABLE,.....                                  | 7,324.14     |              | \$7,324.14 |           |
| DUE TO AFFILIATED COMPANIES,...                        |              | 3.00         |            | \$ 3.00   |
| Total,.....  | 507,324.14   | 500,003.00   | 7,321.14   |           |
| LESS PROFIT & LOSS DEFICIT, PER<br>EXHIBIT "B",.....   | 3,013.79     | 4,739.70     |            | 7,753.49  |
| TOTAL,.....  | \$504,310.35 | \$504,742.70 |            | \$ 432.35 |

*Exh. a*

ARCTIC IRON COMPANY

STATEMENT OF INCOME AND PROFIT & LOSS  
FOR THE YEAR ENDED DECEMBER 31, 1911

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EARNINGS:

Royalties:

|                                      |              |
|--------------------------------------|--------------|
| Prince of Wales Mine,.....           | \$ 7,323.56  |
| Blue Mine,.....                      | 11,426.43    |
| Sales of Real Estate and Rights,.... | 2,196.50     |
| Interest on Bank Balances,.....      | 25.14        |
| Land Rentals,.....                   | <u>10.00</u> |

Total,..... \$20,981.63

EXPENSES:

|               |               |
|---------------|---------------|
| Taxes,.....   | \$ 283.88     |
| General,..... | <u>127.10</u> |

Total,..... 410.98

NET PROFIT,..... 20,570.65

PROFIT & LOSS SURPLUS AT BEGINNING OF THE YEAR,.... 4,739.70

PROFIT & LOSS GROSS SURPLUS,..... 25,310.35

PROFIT & LOSS CHARGES:

|  |                  |
|--|------------------|
| Dividends - January, April, and<br>July,.....    | \$16,000.00      |
| Special Litigation Expense - Decem-<br>ber,..... | <u>12,324.14</u> |

Total,..... 28,324.14

PROFIT & LOSS DEFICIT, DECEMBER 31, 1911,..... \$ 3,013.79

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Exh. "B"

ARCTIC IRON COMPANY

REPORT  
ON AUDIT OF BOOKS AND ACCOUNTS  
FOR THE YEAR 1911

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HASKINS & SELLS  
CERTIFIED PUBLIC ACCOUNTANTS  
30 BROAD STREET  
NEW YORK

LONDON, E. C.  
30 COLEMAN STREET

CHICAGO      ST. LOUIS      CLEVELAND  
PITTSBURGH      BALTIMORE  
SAN FRANCISCO

125

# HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET  
NEW YORK

CHICAGO  
HARRIS TRUST BUILDING

ST. LOUIS  
THIRD NATIONAL BANK BUILDING

CLEVELAND  
WILLIAMSON BUILDING

PITTSBURGH  
FARMERS BANK BUILDING

BALTIMORE  
EQUITABLE BUILDING

SAN FRANCISCO  
CROCKER BUILDING

LONDON, E.C.  
30 COLEMAN STREET

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 29, 1912.

Mr. Wm. G. Mather,  
President, American Iron Mining Company,  
Cleveland, Ohio.

RECEIVED

JUN 3 - 1912

Ack. .... Ans. ....

Dear Sir:

Pursuant to engagement, we have made an audit of the books and accounts of the American Iron Mining Company for the year ended December 31, 1911, and submit herewith the following described exhibits, viz.:

EXHIBIT

"A" - GENERAL BALANCE SHEET - DECEMBER 31, 1911  
AND 1910 - AND COMPARISON.

"B" - STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE  
YEAR ENDED DECEMBER 31, 1911.

Yours truly,



Certified Public Accountants.

AMERICAN IRON MINING COMPANY

GENERAL BALANCE SHEET -  
DECEMBER 31, 1911 AND 1910 - AND COMPARISON

|   | .....DECEMBER 31..... |              |          |          |
|---|-----------------------|--------------|----------|----------|
|   | 1911                  | 1910         | INCREASE | DECREASE |
| <u>A S S E T S</u>  |                       |              |          |          |
| REAL ESTATE,.....   | \$176,555.48          | \$176,555.48 |          |          |
| SUBSCRIBERS TO CAPITAL STOCK,.....                          | 183,925.04            | 183,875.04   | \$ 50.00 |          |
| COMPANY'S CAPITAL STOCK IN TREASURY                         | 183,675.00            | 183,725.00   |          | \$ 50.00 |
| CURRENT ASSETS:   |                       |              |          |          |
| Cash in Banks:  |                       |              |          |          |
| General Office, Cleveland,.....                             | 9.54                  | 23.04        |          | 13.50    |
| Land Department, Negaunee,.....                             |                       | 13.07        |          | 13.07    |
| Total Current Assets,.....                                  | 9.54                  | 36.11        |          | 26.57    |
| TOTAL ASSETS,.....  | \$544,165.06          | \$544,191.63 |          | \$ 26.57 |
| <u>L I A B I L I T I E S</u>                                |                       |              |          |          |
| CAPITAL STOCK - 20,000 SHARES OF<br>\$25.00 EACH,.....      | \$500,000.00          | \$500,000.00 |          |          |
| CURRENT LIABILITIES:  |                       |              |          |          |
| The Cleveland-Cliffs Iron Company<br>Vouchers Payable,..... | 2,397.08              | 1,814.94     | \$582.14 |          |
| Accrued Taxes,.....   | 350.89                | 369.21       |          | \$ .50   |
| Total Current Liabilities,....                              | 2,747.97              | 2,184.65     | 563.32   | 18.32    |
| PROFIT & LOSS SURPLUS, PER EXHIBIT<br>"B",.....             | 41,417.09             | 42,006.98    |          | 589.89   |
| TOTAL,.....   | \$544,165.06          | \$544,191.63 |          | \$ 26.57 |

*Exh. "A"*

AMERICAN IRON MINING COMPANY

STATEMENT OF PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 1911

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|  |              |                    |
|--|--------------|--------------------|
| PROFIT & LOSS SURPLUS AT BEGINNING OF THE YEAR,... |              | \$42,006.98        |
| EXPENSES:  |              |                    |
| Operating Land Department,.....                    | \$117.10     |                    |
| Taxes,.....  | 350.89       |                    |
| Interest,.....                                     | 108.90       |                    |
| General Expenses,.....                             | <u>13.00</u> |                    |
| Total,.....  |              | <u>589.89</u>      |
| PROFIT & LOSS SURPLUS - DECEMBER 31, 1911,.....    |              | <u>\$41,417.09</u> |

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*Exhibit 'B'*



AMERICAN IRON MINING COMPANY

REPORT  
ON AUDIT OF BOOKS AND ACCOUNTS  
FOR THE YEAR 1911

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HASKINS & SELLS  
CERTIFIED PUBLIC ACCOUNTANTS  
30 BROAD STREET  
NEW YORK  
LONDON, E. C.  
30 COLEMAN STREET  
CHICAGO      ST. LOUIS      CLEVELAND  
PITTSBURGH      BALTIMORE  
SAN FRANCISCO

**HASKINS & SELLS**

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET

NEW YORK

|                       |                              |                     |                       |                    |                      |
|-----------------------|------------------------------|---------------------|-----------------------|--------------------|----------------------|
| <b>CHICAGO</b>        | <b>ST. LOUIS</b>             | <b>CLEVELAND</b>    | <b>PITTSBURGH</b>     | <b>BALTIMORE</b>   | <b>SAN FRANCISCO</b> |
| HARRIS TRUST BUILDING | THIRD NATIONAL BANK BUILDING | WILLIAMSON BUILDING | FARMERS BANK BUILDING | EQUITABLE BUILDING | CROCKER BUILDING     |

LONDON, E.C.  
30 COLEMAN STREET

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 29, 1912.

RECEIVED

JUN 3 - 1912

Ack. .... Ans. ....

Mr. Wm. G. Mather,  
 Chairman, Upper Peninsula Land  
 Company, Limited.  
 Cleveland, Ohio.

Dear Sir:

Pursuant to engagement, we have made an audit of the books and accounts of the Upper Peninsula Land Company, Limited, for the year ended December 31, 1911, and submit herewith the following described exhibits, viz.:

EXHIBIT

- "A" - GENERAL BALANCE SHEET - DECEMBER 31, 1911 AND 1910 - AND COMPARISON.
- "B" - STATEMENT OF INCOME AND PROFIT & LOSS FOR THE YEAR ENDED DECEMBER 31, 1911.

Yours truly,

*Haskins & Sells*

Certified Public Accountants.

Ex. A

UPPER PENINSULA LAND COMPANY, LTD.

GENERAL BALANCE SHEET - DECEMBER 31, 1911 AND 1910 - AND COMPARISON

|  | .....DECEMBER 31,..... |                |               |               |
|--|------------------------|----------------|---------------|---------------|
|  | 1911                   | 1910           | INCREASE      | DECREASE      |
| <u>A S S E T S</u>                               |                        |                |               |               |
| PROPERTY:  |                        |                |               |               |
| Real Estate,.....                                | \$ 347,959.79          |                | \$ 347,959.79 |               |
| Timber,.....                                     | 819,369.81             |                | 819,369.81    |               |
| Total Property,.....                             | 1,167,329.60           |                | 1,167,329.60  |               |
| CURRENT ASSETS:                                  |                        |                |               |               |
| Cash in Bank,.....                               | \$ 7,234.68            | 8,132.05       |               | 897.37        |
| Accounts Receivable,.....                        |                        | 109.12         |               | 109.12        |
| Notes Receivable,.....                           | 971,014.93             | 102,554.40     | \$868,460.53  |               |
| Total Current Assets,.....                       | 978,249.61             | 110,795.57     | 867,454.04    |               |
| TOTAL ASSETS,.....                               | \$ 978,249.61          | \$1,278,125.17 |               | \$ 299,875.56 |
| <u>L I A B I L I T I E S</u>                     |                        |                |               |               |
| CAPITAL STOCK - 7,500 SHARES OF \$100 EACH,..... | \$ 750,000.00          | \$ 750,000.00  |               |               |
| SIX PER CENT, GOLD DEBENTURE BONDS,.....         | 210,000.00             | 320,000.00     |               | \$ 110,000.00 |
| ACCOUNTS PAYABLE,.....                           | 315.97                 | 12,203.97      |               | 11,888.00     |
| PROFIT & LOSS SURPLUS, PER EXHIBIT "B",.....     | 17,933.64              | 195,921.20     |               | 177,987.56    |
| TOTAL,.....                                      | \$ 978,249.61          | \$1,278,125.17 |               | \$ 299,875.56 |

UPPER PENINSULA LAND COMPANY, LTD.

STATEMENT OF INCOME AND PROFIT & LOSS  
FOR THE YEAR ENDED DECEMBER 31, 1911

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SALES:

|                   |                   |               |
|-------------------|-------------------|---------------|
| Timber,.....      | \$500,000.00      |               |
| Real Estate,..... | <u>499,761.35</u> |               |
| Total,.....       |                   | \$ 999,761.35 |

COST OF SALES:

|                   |                   |                     |
|-------------------|-------------------|---------------------|
| Timber,.....      | \$819,369.81      |                     |
| Real Estate,..... | <u>349,884.61</u> |                     |
| Total,.....       |                   | <u>1,169,254.42</u> |

NET LOSS FROM SALES,..... 169,493.07

ADMINISTRATIVE, SELLING, AND GENERAL EXPENSES:

|  |               |                 |
|--|---------------|-----------------|
| Salaries of Officers and Clerks,.....          | \$ 1,816.48   |                 |
| Rent, Light, and Heat,.....                    | 207.59        |                 |
| Telephone and Telegraph,.....                  | 203.74        |                 |
| Stationery,.....                               | 102.80        |                 |
| Legal, Recording Deeds, and Newspaper Notices, | 4,893.01      |                 |
| General,.....                                  | <u>889.40</u> |                 |
| Total,.....                                    |               | <u>8,113.02</u> |

GROSS LOSS FROM SALES,..... 177,606.09

OTHER INCOME CHARGES:

|  |               |                  |
|--|---------------|------------------|
| Interest on Bonds,.....                      | \$ 13,200.00  |                  |
| Interest on Notes and Accounts Payable,..... | <u>753.34</u> |                  |
| Total,.....                                  |               | <u>13,953.34</u> |

DEFICIT FOR THE YEAR,..... 191,559.43

PROFIT & LOSS CREDITS:

|  |                  |                   |
|--|------------------|-------------------|
| Surplus at Beginning of the Year,..... | \$195,921.20     |                   |
| Adjustment of 1910 Taxes,.....         | <u>13,571.87</u> |                   |
| Total,.....                            |                  | <u>209,493.07</u> |

PROFIT & LOSS SURPLUS, DECEMBER 31, 1911,..... \$ 17,933.64

---

*Ex. B'*

UPPER PENINSULA LAND COMPANY, LTD.

REPORT  
ON AUDIT OF BOOKS AND ACCOUNTS  
FOR THE YEAR 1911

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HASKINS & SELLS  
CERTIFIED PUBLIC ACCOUNTANTS  
30 BROAD STREET  
NEW YORK  
LONDON, E. C.  
30 COLEMAN STREET  
CHICAGO ST. LOUIS CLEVELAND  
PITTSBURGH BALTIMORE  
SAN FRANCISCO

# HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET  
NEW YORK

CHICAGO                      ST. LOUIS                      CLEVELAND                      PITTSBURGH                      BALTIMORE                      SAN FRANCISCO  
HARRIS TRUST BUILDING    THIRD NATIONAL BANK BUILDING    WILLIAMSON BUILDING    FARMERS BANK BUILDING    EQUITABLE BUILDING    CROCKER BUILDING

LONDON, E.C.  
30 COLEMAN STREET

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 29, 1912.

RECEIVED

JUN 3 1912

Ack. .... Ans. ....

Mr. Wm. G. Mather,  
President, Bay Mills Land  
& Lumber Company,  
Cleveland, Ohio.

Dear Sir:

Pursuant to engagement, we have made an audit of the books and accounts of the Bay Mills Land & Lumber Company for the year ended December 31, 1911, and submit herewith the following described exhibits, viz.:

EXHIBIT

- "A" - GENERAL BALANCE SHEET - DECEMBER 31, 1911 AND 1910 - AND COMPARISON.
- "B" - STATEMENT OF INCOME AND PROFIT & LOSS FOR THE YEAR ENDED DECEMBER 31, 1911.

Yours truly,



Certified Public Accountants.

BAY MILLS LAND & LUMBER COMPANY

GENERAL BALANCE SHEET - DECEMBER 31, 1911 AND 1910 - AND COMPARISON

|  | .....DECEMBER 31,..... |              |                        |
|--|------------------------|--------------|------------------------|
|  | 1911                   | 1910         | INCREASE      DECREASE |
| <u>ASSETS</u>  |                        |              |                        |
| REAL ESTATE,.....  | \$219,660.89           | \$246,781.60 | \$ 27,120.71           |
| WORKING ASSET - INSURANCE PREMIUMS - UNEXPIRED PORTION,... |                        | 460.89       | 460.89                 |
| CURRENT ASSETS:  |                        |              |                        |
| Cash in Bank - Negaunee,.....                              | 13,330.65              | 1,025.50     | \$ 12,305.15           |
| Accounts Receivable,.....                                  | 7,560.01               | 984.60       | 6,575.41               |
| Total Current Assets,.....                                 | 20,890.66              | 2,010.10     | 18,880.56              |
| TOTAL ASSETS,.....   | \$240,551.55           | \$249,252.59 | \$ 8,701.04            |
| <u>LIABILITIES</u>   |                        |              |                        |
| CAPITAL STOCK - 2,500 SHARES OF \$100.00 EACH,.....        | \$250,000.00           | \$250,000.00 |                        |
| CURRENT LIABILITIES:                                       |                        |              |                        |
| Accounts Payable,.....                                     | 15.35                  |              | \$ 15.35               |
| Taxes - Accrued,.....                                      | 12,956.95              | 11,491.96    | 1,464.99               |
| Total Current Liabilities,.....                            | 12,972.30              | 11,491.96    | 1,480.34               |
| DUE TO AFFILIATED COMPANIES,.....                          | 78,350.12              | 66,871.98    | 11,478.14              |
| Total,.....  | 341,322.42             | 328,363.94   | 12,958.48              |
| LESS PROFIT & LOSS DEFICIT, PER EXHIBIT "B",.....          | 100,770.87             | 79,111.35    | 21,659.52              |
| TOTAL,.....  | \$240,551.55           | \$249,252.59 | \$ 8,701.04            |

BAY MILLS LAND & LUMBER COMPANY

STATEMENT OF INCOME AND PROFIT & LOSS  
FOR THE YEAR ENDED DECEMBER 31, 1911

---

EARNINGS:

Rentals:

|                                |               |
|--------------------------------|---------------|
| House,.....                    | \$ 437.79     |
| Farm,.....                     | 30.00         |
| Other,.....                    | 46.20         |
| Sales of Land,.....            | 22,000.00     |
| Sales of Timber,.....          | 195.00        |
| Sales of Land and Timber,..... | 2,650.00      |
| Sales of Trespass Cases,.....  | 2,525.25      |
| Interest,.....                 | 180.80        |
| Miscellaneous,.....            | <u>345.40</u> |

Total,..... \$ 28,410.44

EXPENSES:

|                                  |              |
|----------------------------------|--------------|
| Taxes,.....                      | \$13,048.50  |
| Operating Land Department,.....  | 5,200.51     |
| Operating Rental Buildings,..... | 11.68        |
| Land Sold,.....                  | 22,000.00    |
| Timber Sold,.....                | 195.00       |
| Land and Timber Sold,.....       | 2,650.00     |
| Trespass Cases Sold,.....        | 2,525.25     |
| Interest,.....                   | 4,412.02     |
| General,.....                    | <u>27.00</u> |

Total,..... 50,069.96

DEFICIT FOR THE YEAR,..... 21,659.52

DEFICIT AT BEGINNING OF THE YEAR,..... 79,111.35

PROFIT & LOSS DEFICIT - DECEMBER 31, 1911,..... \$100,770.87

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*Exhibit B*



BAY MILLS LAND & LUMBER COMPANY

REPORT  
ON AUDIT OF BOOKS AND ACCOUNTS  
FOR THE YEAR 1911

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HASKINS & SELLS  
CERTIFIED PUBLIC ACCOUNTANTS  
30 BROAD STREET  
NEW YORK  
LONDON, E. C.  
30 COLEMAN STREET  
CHICAGO      ST. LOUIS      CLEVELAND  
PITTSBURGH      BALTIMORE  
SAN FRANCISCO

8

# HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET  
NEW YORK

CHICAGO  
HARRIS TRUST BUILDING

ST. LOUIS  
THIRD NATIONAL BANK BUILDING

CLEVELAND  
WILLIAMSON BUILDING

PITTSBURGH  
FARMERS BANK BUILDING

BALTIMORE  
EQUITABLE BUILDING

SAN FRANCISCO  
CROCKER BUILDING

LONDON, E.C.  
30 COLEMAN STREET

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 29, 1912.

Mr. Wm. G. Mather,  
President, Michigamme Company,  
Cleveland, Ohio.

RECEIVED

JUN 3 - 1912

Ack. .... Ans. ....

Dear Sir:

Pursuant to engagement, we have made an audit of the books and accounts of the Michigamme Company for the year ended December 31, 1911, and submit herewith the following described exhibits, viz.:

EXHIBIT

"A" - GENERAL BALANCE SHEET - DECEMBER 31, 1911  
AND 1910 - AND COMPARISON.

"B" - STATEMENT OF INCOME AND PROFIT & LOSS FOR  
THE YEAR ENDED DECEMBER 31, 1911.

Yours truly,

*Haskins & Sells*

Certified Public Accountants.

MICHIGAMME COMPANY

GENERAL BALANCE SHEET -  
DECEMBER 31, 1911 AND 1910 - AND COMPARISON

|  | .....DECEMBER 31..... |              |          |          |
|--|-----------------------|--------------|----------|----------|
|  | 1911                  | 1910         | INCREASE | DECREASE |
| <u>A S S E T S</u>                                     |                       |              |          |          |
| REAL ESTATE AND OTHER PROPERTY:                        |                       |              |          |          |
| Real Estate,.....                                      | \$500,000.00          | \$500,000.00 |          |          |
| Tax Titles,.....                                       | 159.45                | 178.05       | \$       | 18.60    |
| Improvements - Rental Houses,.                         | 164.69                | 238.96       |          | 74.27    |
| Total Real Estate and<br>Other Property,.....          | 500,324.14            | 500,417.01   |          | 92.87    |
| WORKING ASSETS:  |                       |              |          |          |
| Materials and Supplies,.....                           | 2,274.90              | 2,274.90     |          |          |
| Insurance Premiums - Unexpired<br>Portion,.....        | 374.76                | 120.17       | \$       | 254.59   |
| Total Working Assets,.....                             | 2,649.66              | 2,395.07     | 254.59   |          |
| CURRENT ASSETS:  |                       |              |          |          |
| Cash in Banks:   |                       |              |          |          |
| General Office, Cleveland,.                            | 153.97                | 191.49       |          | 37.52    |
| Land Department, Negaunee,.                            | 758.70                | 881.95       |          | 123.25   |
| Accounts Receivable,.....                              | 44.00                 | 116.00       |          | 72.00    |
| Total Current Assets,.....                             | 956.67                | 1,189.44     |          | 232.77   |
| TOTAL ASSETS,...                                       | \$503,930.47          | \$504,001.52 | \$       | 71.05    |
| <u>L I A B I L I T I E S</u>                           |                       |              |          |          |
| CAPITAL STOCK - 20,000 SHARES<br>OF \$25.00 EACH,..... |                       |              |          |          |
|  | \$500,000.00          | \$500,000.00 |          |          |
| CURRENT LIABILITIES:                                   |                       |              |          |          |
| Accounts Payable,.....                                 |                       | 9.57         | \$       | 9.57     |
| Taxes Accrued,.....                                    | 1,154.44              | 1,067.77     | \$       | 86.67    |
| The Cleveland-Cliffs Iron<br>Company,.....             | 4,152.30              | 3,076.03     | 1,076.27 |          |
| Total Current Liabilities,                             | 5,306.74              | 4,153.37     | 1,153.37 |          |
| Total,.....  | 505,306.74            | 504,153.37   | 1,153.37 |          |
| LESS PROFIT & LOSS DEFICIT, PER<br>EXHIBIT "B",.....   | 1,376.27              | 151.85       | 1,224.42 |          |
| TOTAL,.....  | \$503,930.47          | \$504,001.52 | \$       | 71.05    |

*Exhibit 'A'*

MICHIGAMME COMPANY

STATEMENT OF INCOME AND PROFIT & LOSS  
FOR THE YEAR ENDED DECEMBER 31, 1911

---

INCOME:

Rentals:

|              |           |           |
|--------------|-----------|-----------|
| Houses,..... | \$ 775.00 |           |
| Lots,.....   | 134.75    | \$ 909.75 |

Sales:

|                           |          |        |
|---------------------------|----------|--------|
| Lots,.....                | \$ 50.00 |        |
| Tax Titles,.....          | .75      |        |
| Hay, Stumpage, etc.,..... | 56.00    | 106.75 |
| Interest,.....            |          | 8.17   |

Total,..... 1,024.67

EXPENSES:

|                                  |            |  |
|----------------------------------|------------|--|
| Taxes,.....                      | \$1,154.44 |  |
| Operating Rental Buildings,..... | 184.87     |  |
| Operating Land Department,.....  | 676.02     |  |
| Interest,.....                   | 205.81     |  |
| General Expense,.....            | 27.95      |  |

Total,..... 2,249.09

NET LOSS FOR THE YEAR,..... 1,224.42

PROFIT & LOSS DEFICIT AT BEGINNING OF THE YEAR,.... 151.85

PROFIT & LOSS DEFICIT - DECEMBER 31, 1911,..... \$1,376.27

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*Exhibit B*

MICHIGAMME COMPANY

REPORT  
ON AUDIT OF BOOKS AND ACCOUNTS  
FOR THE YEAR 1911

\*\*\*\*\*

HASKINS & SELLS  
CERTIFIED PUBLIC ACCOUNTANTS  
30 BROAD STREET  
NEW YORK  
LONDON, E. C.  
30 COLEMAN STREET  
CHICAGO      ST. LOUIS      CLEVELAND  
PITTSBURGH      BALTIMORE  
SAN FRANCISCO