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American Motivating Company; Statement of financial condition, June 30, 1921 showing comparisons with June 30, 1920

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HASKINS & SELLS BUILDING
37 WEST 39TH ST., NEW YORK

LONDON
PARIS
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American Motivating Company

Statement of Financial Condition, June 30, 1921,
Showing Comparisons with June 30, 1920

BULLETIN SUPPLEMENT

July 15, 1921

to the borrower. "Cards face up on the table" was voiced by another banker as the condition essential to complete confidence on the part of the lender and the assurance that the borrower would receive the last cent to which he might be entitled in the way of credit. Another banker put it concisely in this way: "Show us the worst, then we'll do our best."

The statement which follows has as its object the establishment or maintenance of satisfactory relations between borrower and lender. It attempts, as far as possible, to anticipate the questions which the banker may ask and to furnish the answers.

It aims to set out the whole truth and arrange it in the order of interest to the banker.

On account of the increasing number and variation of laws enacted by different states and bearing on stock without par value, and the effect which such laws may have on the proprietary accounts, it has seemed desirable to note the state in which the corporation was organized.

Acknowledgment is made to the Clearing House Section of the American Bankers Association for certain refinements of classification used in the statement.

American Motivating Company

STATEMENT OF FINANCIAL CONDITION, JUNE 30, 1921, SHOWING COMPARISONS WITH JUNE 30, 1920

LIQUID ASSETS:	June 30, 1921	Increase Decrease*
Cash.....	\$100,933.62	\$58,321.98
Notes receivable and acceptances of customers (undiscounted):		
Current.....	\$78,844.69	\$61,622.41
Past due, estimated cash value.....	2,394.75	2,394.75
Total.....	<u>\$81,239.44</u>	<u>\$64,017.16</u>
Accounts receivable of customers (less reserve for discounts, returns, and uncollectibles):		
Current.....	\$409,006.20	\$102,072.20
Past due, less than six months.....	8,324.42	2,093.79
Past due, over six months.....	2,436.20	523.44
Total.....	<u>\$419,766.82</u>	<u>\$104,689.43</u>
Other liquid assets:		
Listed corporation bonds and stocks, at market....	\$18,321.00	\$5,245.00
United States Liberty Bonds and War Savings Certificates, at market.....	98,841.00	52,897.00
Notes and accounts receivable from officers, directors, stockholders, and employes secured by collateral other than stocks of the company.....	2,330.00	1,000.00
Notes and accounts receivable from sundry persons secured by collateral.....	2,000.00	2,000.00
Unsecured notes and accounts receivable from sundry persons other than officers, directors, stockholders, and employes (less reserve for uncollectibles)....	650.00	3,418.00
Sundry accrued accounts receivable, unmatrued....	10,812.53	2,385.88
Total.....	<u>\$132,954.53</u>	<u>\$55,338.12</u>
Collateral pledged to secure notes and accounts payable:		
Notes receivable.....	\$7,322.60	\$2,700.00
Accounts receivable.....	5,420.10	3,922.80
Trade acceptances.....	10,398.25	6,096.00
Merchandise.....	3,500.00	2,780.10
Securities (at market).....	30,780.60	2,001.10
Total.....	<u>\$57,421.55</u>	<u>\$17,500.00</u>
Due from controlled or allied concerns (under current liquidation):		
For merchandise.....	\$2,500.00	\$500.00
For advances.....	25,000.00	5,000.00
Total.....	<u>\$27,500.00</u>	<u>\$5,500.00</u>
FORWARD.....	<u>\$819,815.96</u>	<u>\$95,987.83</u>

*Decreases in black face.

	June 30, 1921	Increase Decrease
CONTINGENT LIABILITY FOR NOTES RECEIVABLE AND TRADE ACCEPTANCES DISCOUNTED.....	\$25,000.00	\$5,000.00

CONDENSED STATEMENT OF INCOME FOR THE YEAR ENDED JUNE 30, 1921

INCOME CREDITS:

Net sales for the year ended June 30, 1921 (after provision for returns, allowances, and discounts).....	\$2,731,790.46	\$527,042.17
From investments.....	6,000.00	3,801.00
From discount on purchases.....	4,862.34	572.34
From other sources, including interest on deposit balances	1,340.10	124.13
Total.....	<u>\$2,743,992.90</u>	<u>\$531,539.64</u>

EXPENSES AND CHARGES:

Cost of goods sold.....	\$963,621.05	\$149,245.44
Selling, administration, and general expenses excepting salaries of officers.....	1,445,431.57	223,868.18
Salaries of officers.....	50,000.00	5,000.00
Interest incurred on borrowed money and other indebted- ness.....	15,000.00	7,500.00
Provision for uncollectible accounts.....	523.44	218.34
Provision for depreciation.....	53,450.00	270.99
Total.....	<u>\$2,528,026.06</u>	<u>\$385,666.27</u>
NET INCOME.....	<u>\$215,966.84</u>	<u>\$145,873.37</u>

CERTIFICATE OF AUDIT

We have audited the books and accounts of American Motivating Company for the year ended June 30, 1921, and for five years prior thereto, and

WE CERTIFY that, in our opinion, the above and foregoing statements of financial condition and income are correct.

(Signed) HASKINS & SELLS.

New York, July 30, 1921.