

# Saskatchewan Co-operative Annual

Report and Balance Sheet of Saskatchewan Co-operative Elevator Co. show

Year of wonderful prosperity. Profit of \$167,000

The following is the report of the Directors of the Saskatchewan Co-operative Elevator Company, presented to the annual meeting of shareholders, held at Regina, on Nov. 19:

I have pleasure in submitting for your consideration the report of your board of directors in connection with the second year's business of the company.

It will be remembered that at the last annual general meeting, held on August 21, 1912, it was decided to hold future annual general meetings in November, in order that delegates might more conveniently attend. This report, therefore, deals with the business of the company for a period of fifteen months, although the balance sheet covers the financial year only, which ended on July 31.

Since the last general meeting many developments have taken place in the various departments of the company's business. At that time our commission department at Winnipeg had not commenced operations. That department is now one of the most important, and handled on consignment 8,515,037 bushels of grain for our patrons during its first year's operations, in addition to selling the company's own grain. For the season 1913, which is now well under way, careful preparations were made to handle an increasing volume of consigned grain, and our preparations along this line have been justified by the large increase in our commission business this season. In order to facilitate the business it was early found necessary to connect the Winnipeg office with the head office by direct private telegraph wire, which rendered possible the handling of an enormous business with care and despatch.

At the time of our last general meeting the operating department had only experienced the handling of 46 elevators, and the organization provided for the handling of 137 elevators had not yet been tried. Now we have had that experience, and have this year increased the number to 192. The greatest handicap this department has to labor under is the great difficulty of securing a sufficient number of efficient and trustworthy operators. It must be remembered that there are a large number of capable men who will not work for a farmers' company. Rightly or wrongly, they object to the interference and complaining which they expect to have to submit to on the part of shareholders. This feature and the attitude of our competitors, who frequently make attempts to secure our best operators by offering higher salaries, has made the business of securing an efficient operator

for each point on the system a most difficult one. The problem must be solved, and can only be solved by the careful training of operators who are in sympathy with the ideals of the company. This is the goal toward which the company is working. For a certain period in each year an assistant is required in most of our elevators, and it is the practice of the operating department, as far as possible, to train assistants to that point of efficiency which will justify placing them in charge of an elevator. This system is gradually evolving a staff of operators who are efficient and loyal to the company to a degree which is seldom attained by operators who have gained their experience elsewhere.

The rapidly increasing number of elevators which the company is operating has rendered re-organization of the operating department necessary from time to time. During the season of 1912-1913 it became apparent to the management that there is a limit to the number of elevators which can be effectively supervised by one general superintendent. This season, therefore, the whole system has been divided, for operating and supervision purposes, into two divisions, northern and southern. Divisional superintendents have been appointed to assist the general superintendent, each having

authority over travelling superintendents and operators on his division, and also conducting correspondence with them. This divisional arrangement has apparently solved one of the most serious expansion problems of the company, without impairing the unity of the company's policy.

The accounting department of the company has been subject to the same expansion difficulties as the operating department and many changes and labor saving arrangements have been necessary to enable this department to efficiently deal with the enormous increase in the company's business. The office space has been gradually increased until now the head office staff occupies two floors in one of the largest buildings in Regina. The head office staff also, which was about 20 in number at the time of the last general meeting, has been increased to over 60.

## Finance

The problem of financing such a rapidly growing concern with such a small paid-up capital has always been the greatest problem confronting the board of directors. A review of the financial history of the company will give our shareholders an idea of the great importance of keeping our financial position and requirements always in mind.

Practically all the money used for purchasing and handling grain must be borrowed from banks, and it must be borne in mind that our credit requirements have increased from half a million dollars in 1911 to two millions in 1912, and in 1913 will probably reach two-and-a-half million dollars. The problem of financing can be readily understood when the foregoing figures are compared with the amount of paid-up capital shown in the balance sheet, which does not exceed two hundred and fifty thousand dollars. Of course, each year of financial success experienced by the company adds to its financial standing and places it in a stronger position to control the grain trade of the province in the interest of the farmers. Bearing this fact in mind, the great necessity of conserving our financial resources is easily understood, and in connection with this matter of finance, we will have recommendations to make during this meeting, upon which we urge the earnest consideration of all shareholders.

A copy of the balance sheet showing the financial results of the year's business has been forwarded to each shareholder of the company. You will note that the profit shown therein amounts to \$167,986.86. The detail in connection with each item is available, and will be dealt with during the course of this

meeting. A few figures in connection with quantities of grain handled, and also figures illustrating the growth of the company, will be interesting to all shareholders. During the year which closed on July 31 last, 12,899,030 bushels of grain were handled by the elevators, 4,384,635 bushels of which were purchased by the company and 8,514,395 bushels special binned for farmers, the number of elevators operated being 137. The commission department of the company at Winnipeg handled 8,515,037 bushels of grain on commission, and also sold for the elevator department 4,246,649 bushels of the company's purchased grain. The construction department this year has erected 50 new elevators and has also undertaken the re-modelling of several of the purchased elevators. In connection with the organization and stock department, it is interesting to note that 192 locals of the company comprise in all 13,156 shareholders, holding a total of 36,362 shares. The growth of the company is also strikingly illustrated in the rapid increase in the number of employees. The company started organization work in 1911 with an office staff of one. The extension of the business and the addition of

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## PROFIT AND LOSS STATEMENT, JULY 31, 1913

Dr.		Cr.
Auditors	\$ 2,045.82	
Advertising	232.00	
Brokerage and Clearing Charges	1,750.69	
Directors' Expenses	1,633.20	
Delegates' Expenses	1,608.15	
Elevator Site Rents and Taxes	9,440.60	
Travelling Expenses	860.55	
General Expenses (Head Office Supplies, etc.)	3,120.04	
Head Office Salaries	47,186.04	
Interest, Discount and Exchange	11,010.17	
Insurance (Grain, Buildings, Bonds, etc.)	31,786.67	
Licenses	276.00	
Legal Expenses	394.25	
Postage	2,465.34	
Printing and Stationery	9,763.50	
Telegrams and Telephones (Private Wire, etc.)	12,172.84	
Rent and Light	4,220.99	
Repairs and Renewals	14,463.07	
Station Expenses and Supervision	175,942.76	
Taxes, Head Office	221.03	
Express Charges	230.18	
Contingent Account, Provision for Imperial Oil Co. Acct.	4,112.52	
Interest on Government Loans (1911-1912)	41,139.50	
Depreciation Elevators, Office Furniture and Fixtures	31,349.88	
Organization Expenses (1911)	5,441.96	
Balance, being Profit carried down	167,926.86	
	\$600,923.61	\$600,923.61

## BALANCE SHEET AS AT 31ST JULY, 1913

Assets		Liabilities	
Cash at Banks, Locals, Paymasters, and Head Office	\$ 213,644.81	Share Capital Authorized, \$2,000,000.00	
Stocks, as per Schedule	103,508.92	Share Capital Subscribed	
Grain	100,794.62	1911 Organization 8208 Shares at \$50	\$ 410,400.00
Stationery	2,714.30	1912 Organization 15685 Shares at \$50	784,250.00
Accounts owing to the Company	5,905.93	1913 Organization 6394 Shares at \$50	319,700.00
Advance on Bills of Lading and accrued interest	52,459.85		30287
Bills Receivable	659.66		1,514,350.00
Investments	7,200.00	Share Capital Paid	227,152.50
Elevators	1,289,928.87	At April 1st, 1913	
1911 Construction	353,699.45	1911 Organization 8208	
1912 Construction	772,962.48	1912 Organization 15550	
1913 Construction	203,266.94		23758
	1,329,928.87	At July 31st, 1913	
Less: Depreciation written off		1911 Organization 8208 at \$7.50	61,560.00
1911 Construction	20,000.00	1912 Organization 15685 at \$7.50	117,637.50
1912 Construction	20,000.00	1913 Organization 6394 at \$7.50	47,955.00
	40,000.00		30287
Lloydminster site	300.00		227,152.50
Office furniture and fixtures	4,706.30	Application monies not allotted at date	21,090.00
Less: Depreciation	1,349.88	Provincial Government of Saskatchewan	1,205,843.44
	3,356.42	Loan	1,154,176.12
Organization Costs	25,488.43	Interest to date	51,667.32
1911	10,883.91	Accounts owing by the Company	11,102.07
Less: Written off	5,441.96	Outstanding Cash Grain Tickets	19,061.48
	5,441.95	Taxes Accrued	5,369.58
1912	11,010.07	Unclaimed Dividends	214.65
1913	8,323.69	Reserve Funds	51,726.99
	24,775.71	Elevator Reserve Fund	25,863.49
Chargeable to 1913-14		Trading Reserve Fund	25,863.50
Operating	712.72	Profit for year ended 31st July, 1913, as per separate statement	167,926.86
Prepaid Insurance and Telegraph	7,034.68		\$1,709,487.57
	\$1,709,487.57		

I have examined the books and accounts of the Saskatchewan Co-operative Elevator Company, Limited, for the period ended 31st July, 1913, and beg to certify that in my opinion the above balance sheet is properly drawn up so as to exhibit a true and correct view of the company's affairs as shown by the books of the company. I have verified the cash at banks and at head office, and have inspected the acknowledgments from locals' paymasters with respect to moneys in their possession belonging to the company at the end of the company's financial year. The grain stocks shown on the balance sheet have been certified as correct by the general superintendent of the operating department and countersigned by the general manager.

Regina, September 11th, 1913.

THOMAS GRANT, C.A., Auditor to the Company.