

Globe Aircraft Corporation

Fort Worth, Texas

BALANCE SHEET, AUGUST 31, 1944

and

STATEMENT OF INCOME AND SURPLUS

**FOR THE EIGHT MONTHS ENDED
AUGUST 31, 1944**



First in Texas

Globe Aircraft Corporation

FORT WORTH, TEXAS

STATEMENT OF INCOME AND SURPLUS

FOR THE EIGHT MONTHS ENDED AUGUST 31, 1944

September 21, 1944

EXHIBIT "B"

Mr. N. N. Oille
Treasurer
Globe Aircraft Corporation
Fort Worth, Texas

Dear Sir:

I certify that the attached Balance Sheet, Exhibit "A," and Statement of Income and Surplus, Exhibit "B," have been prepared from the books and records of Globe Aircraft Corporation; that proper internal control is maintained to insure the substantial accuracy of the records; that the books are kept in accordance with generally accepted aircraft accounting practice; and that the statements fairly present the position of Globe Aircraft Corporation at August 31, 1944 and the result of its operations for the eight months ended that date.

Very truly yours,

G. A. MANNION
Chief Accountant
Globe Aircraft Corporation.

| | | |
|--|-------------------|----------------------|
| SALES OF AIRPLANES, PARTS, AND ASSEMBLIES | | \$ 14,994,537.47 |
| COST OF SALES | | <u>13,087,628.26</u> |
| GROSS PROFIT ON SALES | | \$ 1,906,909.21 |
| DEDUCT: | | |
| Sales Commissions | \$ 224,550.01 | |
| Administrative Expense | <u>484,541.67</u> | <u>709,091.68</u> |
| PROFIT FROM OPERATIONS | | \$ 1,197,817.53 |
| OTHER INCOME—Purchase Discounts, etc. | | <u>58,589.16</u> |
| GROSS PROFIT | | \$ 1,256,406.69 |
| INCOME CHARGES—Interest Expense, etc. | | <u>640.25</u> |
| NET INCOME (before Federal income and excess profits taxes) | | \$ 1,255,766.44 |
| PROVISION FOR FEDERAL INCOME AND EXCESS PROFITS TAXES (less postwar refund of \$110,000.00) NET | | |
| | | <u>990,000.00</u> |
| NET INCOME FOR THE PERIOD | | \$ 265,766.44 |
| EARNED SURPLUS, JAN. 1, 1944 | | <u>117,766.43</u> |
| TOTAL | | \$ 383,532.87 |
| CASH DIVIDEND (10 cents a share) | | <u>37,532.30</u> |
| EARNED SURPLUS, AUG. 31, 1944 | | <u>\$ 346,000.57</u> |

Globe Aircraft Corporation

BALANCE SHEET

AUGUST 31, 1944

EXHIBIT "A"

ASSETS

LIABILITIES

CURRENT ASSETS

| | | |
|--|-------------------|---------------------|
| Cash | \$ | 875,122.21 |
| Accounts Receivable: | | |
| U. S. Government | \$ | 547,972.46 |
| Prime Contractors of U. S. Government (Costs under CPFF contracts—\$366,479.27 pledged as collateral to SWPC loan) | | |
| Billed | 82,439.51 | |
| Unbilled | 320,018.99 | |
| Employees-Travel Advances, etc. | 7,237.18 | |
| Others | <u>46,644.65</u> | 1,004,312.79 |
| Inventories: | | |
| Materials, Supplies, and Miscellaneous, \$799,737.26, less \$400,000.00, reserve for decline in value | | 399,737.26 |
| Cost of Contracts in Process | 128,454.96 | |
| Deposits on Purchase | | |
| Contracts | <u>113,688.31</u> | |
| Total Current Assets | \$ | 2,521,315.53 |

DUE FROM OFFICERS AND EMPLOYEES ON STOCK

SUBSCRIPTIONS 4,636.30

POSTWAR REFUND RECEIVABLE IN RESPECT OF

FEDERAL EXCESS PROFITS TAXES (estimated) 110,000.00

PROPERTY, PLANT AND EQUIPMENT

(liens thereon pledged as collateral to SWPC loan) \$ 478,521.38
 Less: Reserve for Depreciation 188,444.41
 Net Property 290,076.97

DEFERRED DEBIT ITEMS:

Prepayments \$ 20,082.12
 Sundry 4,131.61 24,213.73

TOTAL **\$** **2,950,242.53**

CURRENT LIABILITIES

Notes Payable:

Banks (unsecured) \$ 100,000.00
 Smaller War Plants Corporation (secured by assignment of \$366,479.27 of accounts receivable and by liens on property, plant, and equipment 238,543.66 \$338,543.66
 Accounts Payable 289,156.04

Accrued Accounts:

Federal Income and Excess Profits Taxes (estimated) \$ 1,100,000.00
 Other Taxes 73,699.40
 Salaries and Wages 19,591.14
 Engineering and Service Charges 59.52
 Insurance 7,102.56
 Commissions 342,136.39 1,542,589.01
 Dividends Declared and Payable 37,532.30
 War Bond Deposits by Employees 15,256.75
Total Current Liabilities **\$** **2,223,077.76**

CAPITAL STOCK AND SURPLUS

Capital Stock (authorized, 450,000 shares without par value; issued, 377,143 shares; in treasury, 1,820 shares; outstanding, 375,323 shares; subscribed, 4,301 shares) \$ 381,164.20
 Earned Surplus (Exhibit B) 346,000.57
Total Capital and Surplus **727,164.77**

TOTAL **\$** **2,950,242.53**

Note:

No effect has been given in the above statement or in the accompanying income statement to any adjustments or profits returnable to the United States Government as a result of possible renegotiation, since it is the Company's opinion that no excessive profits have been realized or are likely to be realized upon the completion of the Government contracts.