

H. TRACY HALL, INCORPORATED

UNAUDITED

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 1976 AND 1975

ELMER FOX, WESTHEIMER & Co.

CERTIFIED PUBLIC ACCOUNTANTS

H. TRACY HALL, INCORPORATED

UNAUDITED

FINANCIAL STATEMENTS

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ELMER FOX, WESTHEIMER & CO.

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
H. Tracy Hall, Incorporated
Provo, Utah

The accompanying balance sheet of H. Tracy Hall, incorporated as of August 31, 1976 and August 31, 1975 and the related statements of earnings and retained earnings for the fiscal years then ended were not audited by us and accordingly we do not express an opinion on them.

These statements are for internal use by management and do not include a statement of changes in financial position or all disclosures that might be required for a fair presentation to third parties.

Elmer Fox, Westheimer & Co.

Provo, Utah
September 16, 1976

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H. TRACY HALL, INCORPORATED

BALANCE SHEET

(Unaudited)

ASSETS

	<u>August 31,</u>	
	<u>1976</u>	<u>1975</u>
Current assets:		
Cash	\$ 6,644	\$24,800
Prepaid expenses	70	135
Total current assets	<u>6,714</u>	<u>24,935</u>
Property and equipment, at cost:		
Machinery and equipment	32,501	30,108
Less accumulated depreciation	<u>10,812</u>	<u>6,727</u>
	21,689	23,381
	<u>\$28,403</u>	<u>\$48,316</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:		
Accounts payable	\$ -	\$ 168
9-1/2% note payable to a bank	5,000	-
Notes payable to stockholders	11,426	11,426
Debentures payable	<u>2,500</u>	<u>2,500</u>
Total liabilities	<u>18,926</u>	<u>14,094</u>
Stockholders' equity:		
Common stock, \$1 par value		
Authorized - 50,000 shares		
Issued and outstanding - 25,000 shares	25,000	25,000
Retained earnings	<u>(15,523)</u>	<u>9,222</u>
	9,477	34,222
	<u>\$28,403</u>	<u>\$48,316</u>

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H. TRACY HALL, INCORPORATED

STATEMENT OF EARNINGS (LOSS) AND
RETAINED EARNINGS (ACCUMULATED DEFICIT)

(Unaudited)

	Year ended	
	August 31,	
	<u>1976</u>	<u>1975</u>
Net sales	\$ 13,342	\$27,095
Cost of sales	<u>6,569</u>	<u>8,252</u>
Gross margin on sales	<u>6,773</u>	<u>18,843</u>
Other earnings:		
Interest income	637	1,441
Gains on sale of equipment	<u>-</u>	<u>36,117</u>
	<u>637</u>	<u>37,558</u>
Gross earnings	<u>7,410</u>	<u>56,401</u>
Operating expenses:		
Salaries and wages	1,100	7,885
Insurance	320	374
Freight and express	138	1,773
Supplies	-	8,516
Interest expense	236	1,555
Travel expense	2,889	3,589
Taxes and licenses	723	2,598
Dues and subscriptions	305	413
Rent	-	2,900
Depreciation and amortization	4,150	4,178
Utilities	719	809
Miscellaneous expense	<u>988</u>	<u>1,472</u>
	<u>11,568</u>	<u>36,062</u>
Net earnings (loss)	(4,158)	20,339
Retained earnings (deficit) at beginning of year	9,222	11,383
Dividends paid	<u>(20,587)</u>	<u>(22,500)</u>
Retained earnings (deficit) at end of year	<u>\$(15,523)</u>	<u>\$ 9,222</u>
Net earnings (loss) per share	<u>\$(.17)</u>	<u>\$.81</u>

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