

BUD LILLY'S TROUT SHOP

FINANCIAL STATEMENTS  
(unaudited)

AS OF DECEMBER 31, 1974 AND 1973

**JORDAHL, SLITER & BRAGG**  
*Certified Public Accountants*







JORDAHL, SLITER & BRAGG

*Certified Public Accountants*

215 WEST MENDENHALL - SUITE B

P. O. BOX 788

BOZEMAN, MONTANA 59715

MEMBERS AMERICAN  
INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

OFFICES  
KALISPELL, MONTANA  
MISSOULA, MONTANA  
BOZEMAN, MONTANA

Bud Lilly's Trout Shop  
Bozeman,  
Montana 59715

The following financial statements of Bud Lilly's Trout Shop,  
an Individual Proprietorship, accompany this letter:

Balance Sheets,  
as of December 31, 1974 and 1973

Statements of Owners' Equity,  
for the years ended December 31, 1974 and 1973

Statements of Income,  
for the years ended December 31, 1974 and 1973

Statements of Changes in Financial Position,  
for the years ended December 31, 1974 and 1973

The financial statements provided have not been audited by us  
and accordingly we express no opinion on them.

*Jordahl, Sliter & Bragg*

March 12, 1975



JORDAN, EDITH C. BRADY

1910-1911

1912-1913

1914-1915

1916-1917

1918-1919

1920-1921

1922-1923

1924-1925

1926-1927

1928-1929

1930-1931

1932-1933

1934-1935

1936-1937

1938-1939

1940-1941

1942-1943

1944-1945

1946-1947

1948-1949

1950-1951

1952-1953

1954-1955

1956-1957

1958-1959

1960-1961

1962-1963

1964-1965

1966-1967

1968-1969

1970-1971



I CERTIFY that I, Walen F. Lilly, Bozeman, Montana, am familiar with the books and records of the Individual Proprietorship known as Bud Lilly's Trout Shop and, to the best of my knowledge, the accompanying financial statements are true, correct and complete.

\_\_\_\_\_  
Title

Dated: \_\_\_\_\_



I CERTIFY that I, Walter F. Lilly, Secretary, Kansas, am familiar with the books and records of the Individual Partnership known as Bud Lilly's Trout Shop and, to the best of my knowledge, the accompanying financial statements are true, correct and complete.

Date: \_\_\_\_\_

Date: \_\_\_\_\_



BUD LILLY'S TROUT SHOP  
BALANCE SHEETS  
DECEMBER 31, 1974 AND 1973

(Unaudited)

	<u>1974</u>	<u>1973</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 8,216	\$ 4,948
Accounts receivable	330	-
Inventory, at lower of cost (first-in, first-out) or market	24,622	24,508
Total current assets	<u>33,168</u>	<u>29,456</u>
INVESTMENT, at cost	<u>1,070</u>	<u>700</u>
PROPERTY AND EQUIPMENT, at cost (Note 2):		
Truck and autos	5,700	7,261
Furniture and fixtures	2,142	1,829
Real estate	24,000	24,000
	<u>31,842</u>	<u>33,090</u>
Less - accumulated depreciation	5,827	4,889
	<u>26,015</u>	<u>28,201</u>
TOTAL ASSETS	<u>\$ 60,253</u>	<u>\$ 58,357</u>
<u>LIABILITIES AND OWNERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 830	\$ 46
Payroll taxes payable	3,536	939
Note payable, unsecured, 9% in 1973	-	2,500
Total current liabilities	<u>4,366</u>	<u>3,485</u>
OWNERS' EQUITY:		
Bud Lilly - Capital	<u>55,887</u>	<u>54,872</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	<u>\$ 60,253</u>	<u>\$ 58,357</u>

The accompanying notes are an integral part of these financial statements.



BUD LILLY'S TROUT SHOP  
BALANCE SHEET  
DECEMBER 31, 1964 AND 1963  
(Continued)

	1964	1963
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 4,340	\$ 2,575
Accounts receivable	250	250
Inventory, at lower of cost (first-in, first-out) or market	24,900	24,600
Total current assets	<u>29,490</u>	<u>27,425</u>
INVESTMENT, at cost		
PROPERTY AND EQUIPMENT, at cost (less \$):	1,000	1,000
Truck and autos	7,500	5,700
Furniture and fixtures	1,500	2,700
Real estate	24,000	24,000
Less - accumulated depreciation	(11,000)	(11,000)
	<u>14,000</u>	<u>12,400</u>
<b>TOTAL ASSETS</b>	<u>\$ 43,490</u>	<u>\$ 40,225</u>
<u>LIABILITIES AND OWNERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 45	\$ 45
Payroll taxes payable	8,000	8,000
Notes payable, unsecured, 3% in 1973	2,500	2,500
Total current liabilities	<u>10,945</u>	<u>10,545</u>
OWNERS' EQUITY:		
Bud Lilly - Capital	32,545	29,680
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<u>\$ 43,490</u>	<u>\$ 40,225</u>

The accompanying notes are an integral part of these financial statements.



BUD LILLY'S TROUT SHOP  
 STATEMENTS OF OWNERS' EQUITY  
 FOR THE YEARS ENDED DECEMBER 31, 1974 AND 1973  
 (Unaudited)

	<u>1974</u>	<u>1973</u>
BALANCE, beginning of year	\$ 54,872	\$ 47,170
ADD:		
Net income	17,862	18,336
DEDUCT:		
Withdrawals	<u>(16,847)</u>	<u>(10,634)</u>
BALANCE, end of year	<u>\$ 55,887</u>	<u>\$ 54,872</u>

The accompanying notes are an integral part of these financial statements.



BUD LILLY'S FRONT SHOP  
 STATEMENTS OF OWNERS' EQUITY  
 FOR THE YEARS ENDED DECEMBER 31, 1974 AND 1973  
 (Amounts in \$)

	1974	1973
BALANCE, beginning of year	1,241,178	1,241,178
ADD: Net income	14,130	14,130
DEDUCT: Withdrawals	(110,830)	(110,830)
BALANCE, end of year	<u>1,144,478</u>	<u>1,144,478</u>

The accompanying notes are an integral part of these financial statements.



BUD LILLY'S TROUT SHOP

STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 1974 AND 1973

(Unaudited)

	<u>1974</u>	<u>1973</u>
SALES	\$ 245,398	\$ 175,768
COST OF SALES	<u>145,519</u>	<u>99,092</u>
GROSS PROFIT (40.70% and 43.62% in 1974 and 1973, respectively)	<u>99,879</u>	<u>76,676</u>
OPERATING EXPENSES:		
Salaries	42,010	27,400
Advertising	10,128	7,512
Rent	5,212	5,200
Freight	3,878	3,101
Payroll taxes	2,402	1,563
Professional services	2,250	705
Supplies	2,209	2,045
Insurance	2,092	2,715
Depreciation (Note 2)	1,933	1,599
Bank-American charges	1,551	604
Repairs	1,390	536
Auto expense	1,207	1,111
Utilities	990	912
Casual labor	965	83
Travel	916	1,747
Telephone	707	450
Interest	689	792
Bad debts	621	222
Business taxes	582	658
Dues and publications	210	70
Other costs	14	756
Miscellaneous	180	200
	<u>82,136</u>	<u>59,981</u>
INCOME FROM OPERATIONS	17,743	16,695
OTHER INCOME:		
Sale of equipment	-	1,641
Miscellaneous income	<u>119</u>	<u>-</u>
NET INCOME	<u>\$ 17,862</u>	<u>\$ 18,336</u>

The accompanying notes are an integral part of these financial statements.



JORDAN BLUER & BRAD, CERTIFIED PUBLIC ACCOUNTANTS

STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 1974 AND 1973

(Continued)

	1974	1973	
	\$ 245,398	\$ 172,780	SALES
	<u>145,519</u>	<u>99,092</u>	COST OF SALES
	99,879	73,688	GROSS PROFIT (40.70% and 43.62% in 1974 and 1973, respectively)
			OPERATING EXPENSES:
	68,010	47,460	Salaries
	10,158	1,915	Advertising
	2,215	6,000	Rent
	3,672	3,007	Freight
	2,482	1,343	Payroll taxes
	2,280	704	Professional services
	2,208	2,045	Supplies
	2,092	2,212	Insurance
	1,822	1,209	Depreciation (Note 2)
	1,581	604	Bank-america charges
	1,390	508	Repairs
	1,207	1,114	Auto expenses
	990	812	Utilities
	952	43	Casualty
	918	1,747	Travel
	787	488	Telephone
	688	782	Interest
	627	329	Bad debts
	602	634	Business taxes
	218	70	News and publications
	14	108	Other costs
	<u>180</u>	<u>280</u>	Miscellaneous
	62,136	67,261	
	17,743	16,427	INCOME FROM OPERATIONS
	119	1,041	OTHER INCOME:
			Sale of equipment
			Miscellaneous income
	<u>\$ 17,862</u>	<u>\$ 18,338</u>	NET INCOME

The accompanying notes are an integral part of these financial statements.



BUD LILLY'S TROUT SHOP

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
FOR THE YEARS ENDED DECEMBER 31, 1974 AND 1973

(Unaudited)

	<u>1974</u>	<u>1973</u>
SOURCE OF WORKING CAPITAL:		
Operations -		
Net income	\$ 17,862	\$ 18,336
Add depreciation, an expense not requiring outlay of working capital in the current period	<u>1,933</u>	<u>1,599</u>
Working capital provided from operations	19,795	19,935
Book value of assets disposed of	<u>566</u>	<u>354</u>
	<u>20,361</u>	<u>20,289</u>
APPLICATION OF WORKING CAPITAL:		
Owner withdrawals	16,847	10,634
Purchase of equipment	313	5,700
Investment purchased	<u>370</u>	<u>-</u>
	<u>17,530</u>	<u>16,334</u>
INCREASE IN WORKING CAPITAL	<u>\$ 2,831</u>	<u>\$ 3,955</u>
ANALYSIS OF INCREASE (DECREASE) IN WORKING CAPITAL, by major component:		
Cash	\$ 3,268	\$ (164)
Accounts receivable	330	(70)
Inventory	114	2,029
Accrued expenses	(3,381)	(340)
Current note payable	<u>2,500</u>	<u>2,500</u>
INCREASE IN WORKING CAPITAL	<u>\$ 2,831</u>	<u>\$ 3,955</u>

The accompanying notes are an integral part of these financial statements.



JORDAN, BELTER & BRADY  
 STATEMENTS OF CHANGES IN FINANCIAL POSITION  
 FOR THE YEARS ENDED DECEMBER 31, 1974 AND 1973

(In thousands)

	1974	1973
INCREASE IN WORKING CAPITAL:	\$ 2,821	\$ 2,988
ANALYSIS OF INCREASE (DECREASE) IN WORKING CAPITAL, by major component:		
Current assets receivable	2,517	2,517
Inventory	104	104
Accounts receivable	(8,201)	(8,201)
Current notes payable	(2,517)	(2,517)
INCREASE IN WORKING CAPITAL:	\$ 2,821	\$ 2,988
INVESTMENT PURCHASES:		
Purchase of equipment	213	213
Owner withdrawals	16,047	16,047
INCREASE IN WORKING CAPITAL:	\$ 17,260	\$ 16,260
BOOK VALUE OF ASSETS DISPOSED OF	501	501
WORKING CAPITAL PROVIDED FROM OPERATIONS	18,758	18,758
IN THE CURRENT PERIOD		
Resulting outlay of working capital	(1,932)	(1,932)
ADD DEPRECIATION, AN EXPENSE BUT		
NOT AN INCOME	17,826	17,826
OPERATIONS -		
SOURCE OF WORKING CAPITAL:	\$ 17,826	\$ 17,826

The accompanying notes are an integral part of these financial statements.



BUD LILLY'S TROUT SHOP

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1974 AND 1973

(Unaudited)

(1) ACCOUNTING POLICIES

The Company's major accounting policies are as follows:

- A. Revenues and costs are recorded on the accrual basis for both financial and income tax reporting purposes.
- B. Merchandise inventories are recorded at the lower of cost or market.
- C. Depreciation has been provided as described in Note 2.

(2) DEPRECIATION

Depreciation has been charged to operations as follows:

	<u>DEPRECIATION METHOD</u>	<u>USEFUL LIFE</u>	<u>EXPENSE</u>		<u>ACCUMULATED DEPRECIATION</u>
			<u>1974</u>	<u>1973</u>	
Trucks & autos	Straight-line & dec. balance	5-6 yrs.	\$ 1,249	\$ 977	\$ 1,900
Real est. imp.	Straight-line	20 yrs.	475	475	2,059
Furniture & fix.	Straight-line	3-10 yrs.	209	147	1,868
			<u>\$ 1,933</u>	<u>\$ 1,599</u>	<u>\$ 5,827</u>

Investment credit, if any, is used to offset the income tax liability on the owners' personal return.



BUD LILLY'S TROUT SHOP  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 1974 AND 1973

(Continued)

(1) ACCOUNTING POLICIES

The Company's major accounting policies are as follows:

- A. Revenues and costs are recorded on the accrual basis for both financial and income tax reporting purposes.
- B. Merchandise inventories are recorded at the lower of cost or market.
- C. Depreciation has been provided as described in Note 2.

(2) DEPRECIATION

Depreciation has been charged to operations as follows:

ACUMULATED DEPRECIATION	EXPENSE		USEFUL LIFE	DEPRECIATION METHOD	Trucks & autos rent exp. furn. Furniture & fix.
	1974	1973			
\$ 1,000	\$ 873	\$ 1,248	5-8 yrs.	Straight-line & dec. balance	
2,032	475	475	20 yrs.	Straight-line	
1,888	147	308	3-10 yrs.	Straight-line	
<u>\$ 5,808</u>	<u>\$ 1,595</u>	<u>\$ 1,933</u>			

Investment credits, if any, is used to offset the income tax liability on the owners' personal returns.







