Rainbow Ranche,
Okanagan Centre, B.C.
March 21st.1931.

Dear Sirs :-

Our books have been audited, but as yet the Balance sheet and Report have not been received.

Our own statements are finished,and you will find enclosed statements of Production Costs,Administration account,Inventory, Crop Yield, Cash Statement and a Production Cost on the Box Basis. Also Box Cost for the 1929 Crop year.

The figures in these statements should agree with the Auditors Balance Sheet.

Production Cost.

This is made out as nearly as possible to the one for the 1929 crop year also 1928. It is difficult to set up comparitive figures for the different years on account of the change in yield, conditions and methods. The Box cost comes as near to this as we can work it out. The totals of the 1929 are inserted,the details of which will be found in last years statements. After extracting the extraordinary expenditure from both years,1930 is lower than 1929 by $2426.20 .

Orchard material

Under Tools & Repairs etc. is expenditure for a Killifer sub-soiler, a cover crop disc, a disk furrow maker and some ladders amounting to $ 726.20. In 1929 under this class, and under the name of sundry repairs etc. was $ 1661.26 In 1928 Tractor and Disk were included $ 2030.40

	1930.	1929.	1928.
Orchard material	5326.86	6858.75	7187.26
less equipment	726.20	1661.26	2030.40
COMPARITIVE FIGURE	4600.66	5197.49	5156.86
Orchard labor.	9569.21	7865.95	9205.03

We have fairly accurate figures on labor cost for the different orchard operations if you wish them. The lack of water in 1930 accounts largely for the increase in labor. More time was spent on thining, irrigation and cultivation, There was also much more spraying done.

	1930	1929.	1928.
Picking and hauling	4181.08	4843.29	4995.32

The total stable cost has been shown under this head but should have been divided 50-50 with the orchard account. Another correction which should be made is that Picking should be charged with about $130.00 for supervision, this coming of Packing House supervision.

Packing. Included in Packing Material sundries are items for electric wireing and orchard boxes amounting to $366.95. The labor is higher and the material lower than last year. Small size fruit affect these figures.

Shipping. The old contract could not be renewed at the old price. A Ford Truck was purchased to do our own trucking. This resulted in giving us better service. Taken on an average box basis it cost as much as 1929 without allowing for deprecation on the Truck. To clean out the fruit that was to held loose,we had to hire outside trucks to haul to Winfield. This cost three cents for loose orchard boxes and two cents for the loose apple box. If the difference between loose and packed boxes,and also culls,were figured out it would be found that this trucking brought up the average cost materially. There is another feature to be taken into consideration, our truckers did considerable car loading and odd jobs which we did not get out of the old contract.

Car loading. The regulation charge for this operation by the packing houses is three cents. The fruit we ship offthe Wharf is loaded by the C.P.R. for half a cent a box, which only about covers the cost of lumber used. All cars we receive or load on the Slip at the Centre cost $2.50 per car for switching. We load considerable fruit for shippment to Vernon for storage and reshipment. The freight on this is paid for by the Associated and charged to the Pool.

OVERHEAD.

Administration. The detail is shown on the statemnt under this head.

Interest. The Interest charge is $ 579.35 from this is deducted Dividends from the Vernon Fruit Union stock $ 232.16.

Insurance. Included in this is Employer's Liabilities .

Additional Income Tax. We have been checked up on our charging to operating expense the amount of Tractor and Disk also addition to Packing House. They have added this to our Profits.

Depreciation. The Auditors statement will show this in detail.

RECEIPTS. Our Inventory Statement shows an estimate net return for fruit of $ 30405.78. On this basis our books show a loss of $ 13429.53. From this should be deducted the $4000.00 Directors expense, which would leave $ 9429.53 loss for the years operation.

1930 CROP YEAR COSTS PER BOX .

You have statements covering the 1928 Crop year, and we are inclosing one for the 1929 Crop year.
As far as possible items of extraordinary expenditure have been excluded from the unit figure, and shown at the foot to make up the Total Cost.
In this way a fairly good comparitive figure is arrived at.
It will be seen that the small crop and extra administration cost make up a large part of the difference, between 1929 and 1930.
All our operations interlock so much that it is difficult to classify the charges exactly, but this statement does show the total cost regardless of how the items are classified.
According to this, Bulk apples delivered to the Winfield Packing House cost us 58.70 cents for 40 pounds of fruit and it is estimated that we will receive about 35 cents.

INVENTORY .

In arriving at values we have tried to estimate as neer as possible what we should receive. It may be early to guess, but we do not think our values much too low. The Jonathan pool has been closed and our figure is within a few dollars of being correct. The Box material is also valued at a fair price. The Paper may be a bit too low.

CROP YIELD .

The yield was seriously affected by the lack of size of the fruit. The Wagner and Salome were particularly hard hit in this way. Even when shipped in bulk cars apples smaller than 163 size were culled. It was the off year for both Crabs and Wealthy. These two were ~~responsible~~ 5000 boxes less than 1929.
Owing to drought Spot there was considerable Newtown left on the Trees.

CASH STATEMENTY.

The Inventory is such a large factor in this that it has little real value today. When full returns have been received a new statemment will be drafted.

Administration. The Bonus of $862.50 should be extracted from the Box production cost and placed with the extraordinary expense.

PRODUCTION COST.

1930 CROP YEAR.

				1929 costs
ORCHARD. 45.682 box crop.				
Material.				
Spray	1277.16			
Fertilizer & cover crop seed	694.95			
Water	1278.60			
Tools, Repairs etc.	1367.85			
Stable (chgd.direct to Fruit C.				
Tractor (supplies & repairs)	708.30	5326.86		6858.75
Labor.				
Thining	3257.70		2328.40	
General labor.	6311.51	9569.21	5537.55	7865.95
Picking & Hauling to Pck. House.				
Picking	3080.05			
Orchard Teaming	828.32			
Stable Cost (entire cost)	272.71	4181.08		4843.29
Packing.				
Boxes	4795.88			
Paper	1630.14			
Nails	157.15			
Labels	120.00			
Liners	177.76			
Sundries (include Wiring 79.55, 20% Pack boxes 287.40, 367.95)	517.15	7398.08		10522.72
Labor packing				
Packing	1454.49			
Sorting	930.16			
Pressing	194.75			
Checker	173.92			
Dumper	171.60			
Truckers	322.15			
Labeler,Liners,crates	296.27			
General	69.70			
Supervision	402.16			
Box making	448.67	4463.87		5367.95
Shipping.				
Trucking	889.01			
Car loading	35.00			
CP.R. loading,Spotting,Bracing	232.10	1156.11		1323.98
Storage.				
Storage of Mac. crates	14.88	14.88		
Overhead.				
Administration ($4000.)	8676.77			
Interest ($79.35 - 232.16	347.19			
Prov.Land &School Tax	329.18			
Insurance	310.59			
Additional Income tax1926 1929.	493.71			
Depreciation written off	1583.58			
	11741.02			
Less acct.payable written off	15.80	11725.22		6715.02
Total production cost		$ 43835.31		$43497.66
Receipts				
Sales to date	2405.78			
Inventory 1930 crop	28000.00			
		$ 30405.78		64517.23
Loss on 1930 Crop operations		$ 13429.53		(1929Prof$21019.57
Less increase in value of 1929 crop inventory		11311.41		
Loss shown on Balance sheet Feb.1931		$ 2118.12		

The expenditure for Ford truck and a heater ~~was~~ is not included in the above, but was made a capital charge. $1125.15

1930 CROP YEAR COST PER BOX .

Feb.28th. 1931.

Total Crop 45,682 Boxes.

	Total Cost	28331 Wraps		1892 H.H.		3219 Bulk		10341 Winfd. (498 boxes Packer)		1070 Crabs		331 Cherries	
PACKING													
Material.													
Boxes	4795.88	15.16		15.16						15.16		15.16	
Paper	1630.14	5.75											
Nails	157.15	.50		.50						.50		.50	
Labels	120.00	.41											
Liners	177.75	.62											
Sundries	150.20	~~6648~~	22.92	.48	16.14	—		—		.48	16.14	.48	16.14
	$7031.13												
Labor.													
Packing	1454.49	5.13											
House labor	3009.38	9.12	14.25	9.12	9.12	—		—		7.92	7.92	7.92	7.92
	$4463.87												
SHIPPING													
Trucking	889.01	1.94		1.94		1.94		1.94		1.94		1.94	
Loading	267.10	.76	2.70	.76	2.70	.76	2.70	—	1.94	.76	2.70	.76	2.70
	$1156.11												
PICKING.													
Picking	3080.05	6.74		6.74		6.74		6.74		6.74		6.74	
Teaming	1101.03	2.41	9.15	2.41	9.15	2.41	9.15	2.41	9.15	2.41	9.15	2.41	9.15
	$4181.08												
Overhead.													
Administeration	4676.77	1023		10.23		10.23		10.23		10.23		10.23	
Interest (Bal.)	347.19	.76		.76		.76		.76		.76		.76	
Land Tax	329.18	.75		.75		.75		.75		.75		.75	
Insurance	10.59	.75		.75		.75		.75		.75		.75	
Depreciation	1583.58	3.46	15.95	3.46	15.95	3.46	15.95	3.46	15.95	3.46	15.95	3.46	15.95
	$7247.31												
ORCHARD COSTS.	14169.87		31.66		31.66		31.66		31.66		31.66		31.66
TOTAL COST.	$ 8249.37		96.63		84.72		59.46		58.70		83.52		83.52
Orchard box&wireing	366.95												
Dominion Tax	493.71												
Director expense	4000.00												
Equipment	725.28												
Total EXPENDITURE	$ 43835.31												

$862.50 of administration should come down to Extraordinary expense

1930 CROP YEAR

ADMINISTRATION ACCOUNT

Feb.28th. 1931.

		1930.	1929.
J. Goldie wages		$ 3000.00	$ 2500.00
Goldie Motor allowance		360.00	360.00
Goldie bonus 5% on $ 17,250.00		862.50	
Travelling expense. Victoria & Vancouver			
Victoria & Vancouver	75.00		
Wenatchee	50.00		
Penticton	8.00	133.00	75.00
Auditor		100.00	105.00
Telephone & Telegraph tolls		29.27	25.51
Telephone Rentals		81.00	78.30
Postage & Revenue stamps		13.10	12.00
Books & Stationary		1591	24.61
B.C.F.G.A. sub.		1.00	
Taking levels from Woods Lake to Okanagan		30.00	
Two copies of Companies Act		2.00	
Legal Expenses		36.49	7.00
Safe deposit box in C.B.of C.		5.00	5.00
Three copies of Vernon News to Dec.1931.		7.50	8.10
		4676.77	
Directors expenses		4000.00	
		$ 8676.77	$ 3200.52

I930 CROP YEAR

INVENTORY — Feb. 28th. I93I.

Fruit on consignment.

Macintosh	3732	XF.&F.	@ 83	3097.		
	2322	Cee.	40	928.		4957.99
	424	H.H.	40	I60.		126.50 Dump
	I259	Bulk(Brown Core)	20	25I.	4436.	269.46
Jonathan	I0549	XF.&F.	83	8755.		
	4776	CEE.	43	2053.		
	I50	H.H.	40	60.		
	I960	Bulk	40	784.	II652.	11014.63
Delicious	I880	XF.F.&CEE	I.00		I880.	2479.05
Wagner	944	F.&CEE.&H.H.	75	708.		719.60
	5932	Bulk	35	2076.	2784.	2089.46
Spitzenberg	833	F.CEE. &H.H.	80		666.	755.00
Newtown	2875	XF.F.CEE.&H.H.	75	2I56.		2871.42
	379	Bulk	40	I5I.	2307.	
Romes	3209	Bulk	35		II23.	1240.42
Sundries	68	XF.F.CEE.&H.H.	75		5I.	
Salome	III3	Bulk	35		400.	313.65
Nonsuch	206	Bulk	35		72.	61.60
	426II	Boxes				
					2537I.	
		Plus estimated rebates &overage			2629.	

Inventory of Fruit on consignment Feb.28th I93I. $ 28000.

(Fruit sold.			207.37	
Cherries	33I	Boxes	~~7871.87~~	
(Crabs	I070	..	737.87	
Wealthy	I670	..	I307.84	
(Local& Culls			I52.70	2405.78
(Inventory	426II			28000.00
(Total Crop	45682	Boxes Estimated		$ 30405.78

INVENTORY OF MATERIAL

Boxes	3650	made up.		
	I0940	made up (at Winfield)		
	3300	K.D.		
	I7890		@ I4¢	2505.00
Nails	I0	kegs	@%5.00	50.00
Paper	5	Bdls 9 by 9 dry plain		
	I3	.. I0 I0		
	7	.. II II		
	I4	.. I0 I0 dry printed		
	39	Bdls.	@ 4.00	I56.00
	3	Bdls. 9 by 9 Oiled printed		
	72	.. I0 I0		
	I	.. II II		
	76	Bdls.	@ $5.00	380.00
Liners	% 5	Bdls.	@ $5.00	27.00
Labels	3	Bdls.		

Inventory of Material Feb. 28th I93I $ 3II8.00

1930 Crop YEAR YIELD .

Feb. 28th. 1931 .

	XF.	FANCY	CEE	H.H.	Pounds Bulk	Boxes Bulk	Rainbow Shipments Wrapped	Rainbow Shipments H.H.	Rainbow Shipments Bulk	Windfield Shipments Pounds Bulk	Windfield Shipments Boxes in Bulk	Windfield Shipments Boxes in Packs	Total 1930 1930	Total 1929 1929
Wealthy		30	839	801			869	801					1670	5109
Macintosh	67	3665	2322	424	50367	1259	6054	424	1259				7737	9868
Jonathan	1844	8705	4776	150	78435	1960	15325	150	1960				17435	13112
Delicious	592	988	300				1880						1880	2942
Wagner		362	369	213			731	213		237295	5932		6876	3890
Spitzenberg		666	129	38			795	38					833	1232
Newtown	529	1525	593	228			2647	228				379	3254	4499
Romes										128370	3209		3209	4490
Sundries	5	17	8	38			30	38					68	83
Salome										39773	994	119	1113	3000
Nonsuch										8238	206		206	489
					128802					413676				
	#) 3037	15958	9336	1892		3219	2833	1892	3219		10341	498	44281	48714
Crabapples													1070	3667
Cherries													331	298
Total Crop in Boxes													45682	52679

Macintosh in bulk was orchard run "Brown Core" fruit, not permitted to be packed.
Jonathan Bulk went over grader and held loose in boxes. Mostly large sizes of XF.F. &CEE with some House hold.
All fruit shipped through Winfield was ordered held loose in boxes for later shipment. It was drawn out to roadways and trucked direct to Winfield from orchard. Practically all this fruit was sorted over grader and shipped in Bulk.
All varieties were of smaller size than usual. There was also more Brown Core and Drouth Spot, this along with the small sizes caused the crop to be less than it would have been under ordinary conditions. (Small sizes eliminated)
The Color was poorer than usual, but the fruit was very free from worm injury and defects.
Bulk is reduced to boxes on the basis of 40 pounds to the box.
The fruit held over loose in apple boxes and later shipped in bulk caused a heavy carry over of both boxes and paper.
Our present Packing House equipment could handle very little more fruit than was put through this year.

1930 CROP YEAR .

CASH STATEMENT AS AT FEB. 28th. 1931.

Account Payable		
Wages	652.60	
Income Tax and Land Taxes	1630.10	
Sundry Creditors	154.84	
Box shook unpaid	3359.21	
Bank Loan . 13000	13000.00	
Vernon Union (advances on fruit)	17128.87	
Winfield Growers	2494.72	
		38420.34
Accounts Receivable.		
Sundry Debtors	225.50	
Cash in Bank	605.93	
		831.43
Balance of Accounts Payable or the amount that the Inventory must net to break even		$ 37588.91
Inventory of Fruit on consignment		28000.00
		$ 9588.91
Inventory of Packing Material		3118.00
Liquid Liabilities exceed Liquid Assets by		$ 6470.91

During the year there was added to capital account for purchase of Ford Truck and heater $ 1125.15

1929 CROP YEAR COST PER BOX .

Feb 28th. 1930.

Total Crop 52679 Boxes.

	Total Cost	32461 Wraps		9675 H.H.		692 Tiered		2430 R.Bulk		4437 VFU.&Winfd.		2984 crab&cherry	
PACKING													
Material													
Boxes	7904.46	17.25		17.25		17.25						17.25	
Paper	1818.86	5.60											
Nails	175.65	.50		.50		.50						.50	
Labels	148.00	.45											
Sundries	284.45	.62		.62		.62						.62	
Liners	191.30	.59	25.01		18.37	.59	18.96						18.37
Labor	10522.72												
Packing	1774.45	5.46											
House labor	3593.50	7.96	13.42	7.96	7.96	7.96	7.96	1.28	1.28	1.28	1.28	2.20	2.20
	5367.95												
SHIPPING													
Trucking	1068.22	2.02		2.02		2.02		2.02		2.02		2.02	
Loading	255.76	.52	2.54	.52	2.54	.52	2.54	.52	2.54	.52	2.02	.52	2.54
	1323.98												
PICKING													
Picking	3666.54	6.96		6.96		6.96		6.96		6.96		6.96	
Teaming	1176.75	2.23	9.19	2.23	9.19	2.23	9.19	2.23	9.19	2.23	9.19	2.23	9.19
	4843.29												
OVERHEAD													
Administration	3200.52	6.11		6.11		6.11		6.11		6.11		6.11	
Interest	310.38	.50		.50		.50		.50		.50		.50	
Insurance & Tax	546.73	1.03		1.03		1.03		1.03		1.03		1.03	
Depreciation	1496.56	2.84	10.48	2.84	10.48	2.84	10.48	2.84	10.48	2.84	10.48	2.84	10.48
	5564.19												
Orchard COST	13063.44		24.79		24.79		24.79		24.79		24.79		24.79
	40675.57		85.43		73.33		73.92		48.28		47.76		67.57
Equipment	1661.26												
Dom. Tax	910.83												
Bad Debts	250.00												
TOTAL EXPENDITURE	$ 43497.66												