Annual Report
and
Consolidated Balance Sheet
of
MACK TRUCKS, INC.
and Subsidiary Companies

December 31, 1931
Annual Report
and
Consolidated Balance Sheet
of
MACIC TRUCKS, INC.
and Subsidiary Companies

December 31, 1931
TO THE STOCKHOLDERS  
OF MACK TRUCKS, INC.

Your Directors submit herewith Consolidated Balance Sheet and Profit and Loss Statement of Mack Trucks, Inc., and subsidiary companies, certified to by Arthur Young and Company, showing the condition of your Company as of December 31st, 1931, compared with December 31st, 1930.

Sales for the year 1931 were $27,621,047.32, as compared with $43,644,096.91 for the year 1930.

The combined operations for the year resulted in a net profit of $515,914.95 before providing for depreciation and extraordinary charges totalling $3,548,325.25. This compares with a profit of $4,063,817.03 for 1930 before providing depreciation which totalled $2,056,210.56.

During the year quarterly dividends were paid on the common stock-first quarter 75 cents; second quarter 75 cents; third quarter 50 cents; fourth quarter 25 cents—amounting to $1,680,330.16.

During the year $1,494,177.15 was charged against the ordinary operations of the Company and credited to Reserve for Depreciation, and a further amount of $882,841.86 was included in extraordinary deductions with respect to the amount of reserve necessary to write down the value of tools used in the manufacture of various models to a net value of $1.00.

Cash and U. S. Government securities totalled $7,041,222.41, as compared with $3,115,793.26 in 1930.

Net Current Assets—after deducting Reserve for Contingencies—amounted to $29,464,752.71, equivalent to $40.03 per share on 736,079 shares outstanding in the hands of the public. The book value of all assets, excluding Good Will, is $63.34 per share.

Inventories have been priced at cost or market, whichever was lower, and provision considered sufficient has been made for slow-moving items in these inventories. Such provision has included the marking down of trucks and buses, both new and used. Inventories of $10,369,199.97 compare with inventories of $15,966,879.27 in 1930—a decrease of 35%—and further may be compared with inventories of $20,306,231.50 in 1929, or a decrease of 50%.

Notes and Accounts Receivable of $14,814,561.33 may be compared with $18,112,948.69 in 1930—a decrease of 18%—and further may be compared with Notes and Accounts Receivable in 1929 of $22,087,391.41, or a decrease of 33%.

The balance of $1,128,069.92 remaining in the Reserve for Contingencies, after charges thereto at December 31st, 1931, is considered to be adequate for any further losses which at this time are not ascertainable.

Because of prevalent economic conditions the Directors have permitted the postponement of the payments which have become due under obligations incurred to the Company by its employees under subscription to stock made in 1930.

During the year further drastic reductions were made in expenses, including wages and salaries, in order to bring cost of operation in line with present-day conditions.

The volume of business during the first half of the year, considering present conditions, was fairly satisfactory, but during the last half of the year volume, as well as earnings, continued to decline. Because of the general depression it is difficult to forecast future operations. The exceptionally strong financial position of your Company, its excellent product, and the fact that its business is with the highest type concerns, are reasons, in the opinion of your officers, for justifying the belief that when general business conditions improve the volume of business will increase rapidly and past earning power be restored.

The President again takes this opportunity to express his deep appreciation of the loyal efforts of the employees and the splendid spirit of cooperation which is being manifested.

FOR THE DIRECTORS

New York City  
February 23, 1932.  

A. J. BROSEAU,  
President.
### MACK TRUCKS, INC.  
CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 1931

#### ASSETS

**CURRENT ASSETS :**

<table>
<thead>
<tr>
<th>Description</th>
<th>1931</th>
<th>1930</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$4,041,222.41</td>
<td>$3,115,793.26</td>
</tr>
<tr>
<td>United States Government Securities-Certificates of Indebtedness, 2% and 3%, due 1932.</td>
<td>$1,000,000.00</td>
<td></td>
</tr>
<tr>
<td>Treasury Notes, 3%%, due 1932</td>
<td>$2,000,000.00</td>
<td></td>
</tr>
<tr>
<td>Accounts and Notes Receivable</td>
<td>$14,814,561.33</td>
<td>$18,112,948.69</td>
</tr>
<tr>
<td>Inventories</td>
<td>$10,369,199.97</td>
<td>$15,966,879.27</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$32,224,983.71</strong></td>
<td><strong>$37,195,621.22</strong></td>
</tr>
</tbody>
</table>

**BALANCE RECEIVABLE FROM EMPLOYEES UNDER STOCK ALLOTMENT** (On 13,846 shares*). $662,067.66  $1,089,748.06

**INVESTMENT IN COMPANY'S OWN STOCK PURCHASED FOR ALLOCATION TO EMPLOYEES, ETC.** (22,917 shares*) AND STOCK PURCHASED FROM EMPLOYEES AND UNDER OPTION TO THEM (15,220 shares*), AT COST. $1,613,930.59  $1,021,121.01

**FIXED ASSETS :**

<table>
<thead>
<tr>
<th>Description</th>
<th>1931</th>
<th>1930</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>$1,626,962.94</td>
<td>$1,626,962.94</td>
</tr>
<tr>
<td>Buildings and Building Equipment</td>
<td>13,082,653.22</td>
<td>13,090,826.75</td>
</tr>
<tr>
<td>Machinery and all Other Equipment</td>
<td>19,711,646.30</td>
<td>19,611,093.32</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td><strong>$34,421,262.46</strong></td>
<td><strong>$34,328,883.01</strong></td>
</tr>
<tr>
<td><strong>Less: Reserve for Depreciation</strong></td>
<td><strong>17,237,024.89</strong></td>
<td>14,963,137.08</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td><strong>$17,184,237.57</strong></td>
<td><strong>$19,365,745.93</strong></td>
</tr>
</tbody>
</table>

**SECURED 6% NOTES, SERIES "A," 1932-1940 OF MACK TRUCKS REAL ESTATE, INC., AND SUNDRY INVESTMENTS** $1,350,255.99  $532,448.81

**DEFERRED CHARGES** $428,836.14  $454,611.77

**LICENSES, PATENTS, PATENT RIGHTS AND GOODWILL** $2,438,364.94  $2,438,364.94

**$55,902,676.60**

**$62,097,661.74**

*At December 31, 1931.*

---

**TO THE STOCKHOLDERS OF MACK TRUCKS, INC.:**

We have examined the accounting records of MACK TRUCKS, INC., AND SUBSIDIARIES, preparing Statements of Operations and Surplus prepared therefrom, and we hereby certify that, MACK Trucks, Inc., and Subsidiaries as at December 31, 1931, and the consolidated result of the

New York, February 19, 1932.
LIABILITIES & CAPITAL

CURRENT LIABILITIES :

<table>
<thead>
<tr>
<th></th>
<th>1931</th>
<th>1930</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$784,949.36</td>
<td>$847,916.82</td>
</tr>
<tr>
<td>Accrued Accounts</td>
<td>822,613.09</td>
<td>1,217,781.16</td>
</tr>
<tr>
<td>Customers' Deposits</td>
<td>24,598.63</td>
<td>37,891.78</td>
</tr>
<tr>
<td>Reserve for Federal Income Tax</td>
<td>273,000.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$1,632,161.08</td>
<td>$2,376,589.76</td>
</tr>
</tbody>
</table>

RESERVE FOR CONTINGENCIES :

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 1930</td>
<td>$1,663,615.05</td>
<td></td>
</tr>
<tr>
<td>Deduct: Charges thereto during 1931</td>
<td>535,545.13</td>
<td></td>
</tr>
<tr>
<td><strong>Reserve at December 31</strong></td>
<td>$1,128,069.92</td>
<td>$1,663,615.05</td>
</tr>
</tbody>
</table>

SECURED 6% NOTES, SERIES “A,” 1932-1940:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mack Trucks Real Estate, Inc.</td>
<td>$1,800,000.00</td>
<td>$2,000,000.00</td>
</tr>
</tbody>
</table>

EQUITY OF MINORITY STOCKHOLDERS IN SUBSIDIARIES :

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4,756.13</td>
<td>$7,027.00</td>
</tr>
</tbody>
</table>

CAPITAL STOCK :

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized</td>
<td>1,000,000</td>
<td></td>
</tr>
<tr>
<td>Issued</td>
<td>779,362</td>
<td></td>
</tr>
<tr>
<td>Allotted under subscription Contract</td>
<td>8,700</td>
<td></td>
</tr>
<tr>
<td></td>
<td>788,062</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$3,940.3 10.00</td>
</tr>
</tbody>
</table>

SURPLUS :

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Surplus, being excess consideration on Common Stock issued and allotted above value of $5 per share included in Stated Capital.</td>
<td>$29,956,251.81</td>
<td>$29,956,251.81</td>
</tr>
<tr>
<td>Earned Surplus</td>
<td>17,441,127.66</td>
<td>22,153,868.12</td>
</tr>
<tr>
<td><strong>Total Surplus</strong></td>
<td>$47,397,379.47</td>
<td>$52,110,119.93</td>
</tr>
<tr>
<td></td>
<td>$5,590,267.60</td>
<td>$62,097,661.74</td>
</tr>
</tbody>
</table>

We have audited the consolidated balance sheet at December 31, 1931, and the accompanying statements for the year then ended.

ARTHURYOUNG & COMPANY
MACK TRUCKS, INC., AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1931

Net Profit for year before deducting provision for Depreciation and Extraordinary Charges .......................................................... $ 515,914.95

Deduct:

Provision for Depreciation charged against Operations for the year ................ $ 1,494,177.15

Extraordinary Charges:

Additional Provision for Depreciation to reduce tools, etc., for various models to a net valuation of $1.00  882,841.86

Special Adjustment of Inventories .................. 1,171,306.24  3,548,325.25

Net Loss for year ..................................................... $ 3,032,410.30

CONSOLIDATED STATEMENT OF SURPLUS
AT DECEMBER 31, 1931

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Capital</th>
<th>Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus at December 31, 1930, per Published Accounts</td>
<td>$52,110,119.93</td>
<td>$29,956,251.81</td>
<td>$22,153,868.12</td>
</tr>
</tbody>
</table>

Deduct:

Net Loss for 1931, per accompanying Statement of Operations .................. $3,032,410.30

Cash Dividends on Common Stock from January 1, 1931, to December 31, 1931 ........ 1,680,330.16  1,680,330.16

$ 4,712,740.46  $ 4,712,740.46

Surplus at December 31, 1931 ........................................ $47,397,379.47  $29,956,251.81  $17,441,127.66
BOARD OF DIRECTORS

A. J. Brosseau, Chairman

F. B. Adams
W. A. Bradford
T. L. Chadbourne
Wm. E. Corey
H. W. Croft
W. R. Edson
E. C. Fink
R. E. Fulton
Charles Hayden
R. F. Hoyt
W. E. Reid
J. E. Savacool
W. Hinckle Smith
Andrew V. Stout
Albert H. Wiggin

EXECUTIVE COMMITTEE

A. J. Brosseau, Chairman

W. A. Bradford
T. L. Chadbourne
Wm. E. Corey
H. W. Croft
Charles Hayden
W. E. Reid
Albert H. Wiggin

TRANSFER AGENT OF STOCK

Guaranty Trust Company of New York, New York City

REGISTRAR OF STOCK

Bankers Trust Company, New York City

OFFICERS

A. J. Brosseau, President
R. E. Fulton, Vice President
E. C. Fink, Vice President
A. F. Masury, Vice President
W. R. Edson, Vice President
J. E. Savacool, Vice Pres. & Comptroller
C. W. Haseltine, Secretary-Treasurer
T. V. Homan, Asst. Sec. & Asst. Treas.
F. R. Harrison, Asst. Secretary
I. G. Hopkins, Asst. Treasurer
H. S. Conklin, Auditor
BRANCHES

AKRON, O. Mack-International Motor Truck Corp. 655 John Street
ALBANY, N. Y. Mack-International Motor Truck Corp. 1062 Broadway
ALLENTOWN, PA. Mack-International Motor Truck Corp. 2322 Union Avenue
ATLANTA, GA. Mack-International Motor Truck Corp. 464 Spring Street, N. W.
ATLANTIC CITY, N. J. Mack-International Motor Truck Corp. New York & Reading Avenues
BALTIMORE, MD. Mack-International Motor Truck Corp. 1210 E. 20th Street
BIRMINGHAM, ALA. Mack-International Motor Truck Corp. 2501 Avenue "T"
BOSTON (Allston) MASS. Mack Motor Truck Co. 75 No. Beacon Street
BRIDGEPORT, Conn. Mack-International Motor Truck Corp. 3249 Fairfield Avenue
BRIDGEPORT, PA. Mack-International Motor Truck Corp. 25 West Fourth Street
BRONX, N. Y. Mack-International Motor Truck Corp. Leggett Avenue & Barry Street
BROOKLYN, N. Y. Mack-International Motor Truck Corp. 73 Empire Boulevard
BUFFALO, N. Y. Mack-International Motor Truck Corp. 1734 Jefferson Avenue
BUTTE, MONT. Mack-International Motor Truck Corp. 836 West Galena Street
CAMDEN, N. J. Mack-International Motor Truck Corp. Jefferson Avenue & Sixth Street
CHARLOTTE, N. C. Mack-International Motor Truck Corp. 1400 South Mint Street
CHATTANOOGA, TENN. Mack-International Motor Truck Corp. 1129 Fort Street
CHICAGO, ILL. Mack-International Motor Truck Corp. 33rd Street & Wentworth Avenue
CINCINNATI, O. Mack-International Motor Truck Corp. 1223 West 8th Street
CLEVELAND, O. Mack-International Motor Truck Corp. 7001 Carnegie Avenue
COLUMBUS, O. Mack-International Motor Truck Corp. 517 N. Park Street
DALLAS, TEX. Mack-International Motor Truck Corp. 1900 S. Ervay Street
DAVENPORT, IOWA Mack-International Motor Truck Corp. Front & Brown Streets
DENVER, COLO. Mack-International Motor Truck Corp. 500 Grant Street
DELTA, MICH. Mack-International Motor Truck Corp. 5133 Grand River Avenue
ERIE, PA. Mack-International Motor Truck Corp. 1921 State Street
FORT WORTH, TEX. Mack-International Motor Truck Corp. 205 W. Weatherford Street
FRESNO, CALIF. Mack-International Motor Truck Corp. 1115 Chenevert Street
INDIANAPOLIS, IND. Mack-International Motor Truck Corp. 730 East Washington Street
JACKSONVILLE, FLA. Mack-International Motor Truck Corp. 114 Park Street
JERSEY CITY, N. J. Mack-International Motor Truck Corp. West Side Avenue at Newark Ave.
KANSAS CITY, KO. Mack-International Motor Truck Corp. 2605 Warwick Boulevard
KNOXVILLE, TENN. Mack-International Motor Truck Corp. 211 North Harris Street
KNOXVILLE, TENN. Mack-International Motor Truck Corp. 45 Mechanic Street
LOS ANGELES, CAL. Mack-International Motor Truck Corp. 2001 South Alameda Street
LOUISVILLE, KY. Mack-International Motor Truck Corp. 2311 S. Brook Street
LOWELL, MASS. Mack Motor Truck Co. 39 First Street
MANCHESTER, N. H. Mack Motor Truck Co. 664 Chestnut Street
MEMPHIS, TENN. Mack-International Motor Truck Corp. 980 Jefferson Street
MIAMI, FLA. Mack-International Motor Truck Corp. 2101 N. Miami Avenue
MILWAUKEE, WIS. Mack-International Motor Truck Corp. 4423 West Wisconsin Avenue
MINNEAPOLIS, MINN. Mack-International Motor Truck Corp. 2500 University Avenue Midway (St. Paul)
MONTREAL, QUEBEC Mack Trucks of Canada, Ltd. 1941 Yonge Street
MUNICH, GERMANY. Mack-International Motor Truck Corp. 470 North 16th Street
NASHVILLE, TENN. Mack-International Motor Truck Corp. 801 Lea Avenue
NEWARK, N. J. Mack-International Motor Truck Corp. 189 Vandalopoe Street
NEWBURGH, N. Y. Mack-International Motor Truck Corp. 231 Bridge Street
NEW HAVEN, CONN. Mack Motor Truck Co. 147 Orange Avenue
NEW ORLEANS, LA. Mack-International Motor Truck Corp. 1100 S. Jefferson Davis Parkway
NEW YORK, N. Y. Mack-International Motor Truck Corp. 64th Street and West End Avenue
NORFOLK, VA. Mack-International Motor Truck Corp. 204 West 24th Street
Norwich, Conn. Mack Motor Truck Co. 175 N. Main Street
OAKLAND, CAL. Mack-International Motor Truck Corp. 1902 12th Street
OKLAHOMA CITY, OKLA. Mack-International Motor Truck Corp. 3 East Tenth Street
OMAHA, NEBR. Mack-International Motor Truck Corp. 2752 Farnam Street
PATRICKSON, N. J. Mack-International Motor Truck Corp. 931 E. 24th Street
PHILADELPHIA, PA. Mack-International Motor Truck Corp. 42nd Street and Woodland Avenue
PITTSBURGH, PA. Mack-International Motor Truck Corp. Liberty Avenue & Grant Street
PORTLAND, ME. Mack Motor Truck Co. 4 York Street
RICHMOND, VA. Mack-International Motor Truck Corp. 263 Oregon Street
ROCHESTER, N. Y. Mack-International Motor Truck Corp. 1124 North Main Street
SALEM, MASS. Mack Motor Truck Co. 51 North Street
SALT LAKE CITY, UTAH Mack-International Motor Truck Corp. 59 South Main Street
SAN FRANCISCO, CAL. Mack-International Motor Truck Corp. 11th & Howard Streets
SCHENECTADY, N. Y. Mack-International Motor Truck Corp. 100 Weaver Street
SCRANTON, PA. Mack-International Motor Truck Corp. Wash. Avenue & Walnut Street
SEATTLE, WASH. Mack-International Motor Truck Corp. 701 Ninth Avenue North
SPRINGFIELD, MASS. Mack Motor Truck Co. 1236 State Street
SYRACUSE, N. Y. Mack-International Motor Truck Corp. 923 West Genesee Street
TACOMA, WASH. Mack-International Motor Truck Corp. 309 Paywall Avenue
TAMPA, FLA. Mack-International Motor Truck Corp. Platt Street & Packwood Avenue
TOLEDO, OHIO Mack-International Motor Truck Corp. 2221 Detroit Avenue
TULSA, OKLA. Mack-International Motor Truck Corp. 105 North Elder Avenue
UTICA, N. Y. Mack-International Motor Truck Corp. 113 North Genesee Street
WASHINGTON, D. C. Mack-International Motor Truck Corp. 57 “L” Street, S.E.
WATERBURY, CONN. Mack Motor Truck Co. 1188 So. Main Street
WHITE PLAINS, N. Y. Mack-International Motor Truck Corp. 113 So. Kensico Avenue
WILKES-BARRE, PA. Mack-International Motor Truck Corp. 255 Carey Avenue
WORCESTER, MASS. Mack Motor Truck Co. 306 Belmont Street
YOUNGSTOWN, 0. Mack-International Motor Truck Corp. 139 Logan Avenue

FPROFESSIONAL DEALERS

ARGENTINE Buenos Aires Tomas y Cia
COLOMBIA Bogota G. Pradilla y Cia Medellin R. E. Restrepo & Company Cali A. Aristisabal

EUROPE (ALL)
- The European Distributors of Mack Trucks 25 Broadway, New York, N. Y.
- HAWAI Honolulu The W. H. Hamm Young Co., Ltd.
- PERU Callao Vulcan Iron Works
- PORTO RICO San Juan Territorial Mack Dealers, Inc.
- W. T. STEVENS, INC. 50 CHURCH STREET NEW YORK CITY, N. Y.
- Handling following countries: Africa Australia Bermuda

CUBA HAVANA Mack Trucks of Cuba, S. A. Avenida de la Republica 190 y 192

BURMA Burma Ceylon Federated Malay States India Java New Zealand Siam Stratt Settlements Sumatra