Annual Report
and
Consolidated Balance Sheet
of
MACK TRUCKS, INC.
and Subsidiary Companies
December 31, 1936
The Oldest and Most Complete line of Highway Transport Vehicles in the World!
A Few of the Many

Out of the veritable galaxy of motor vehicles produced for the many specialized requirements and passengers and for public service are illustrated on.

Door-to-door delivery at retail calls for compact, low-step construction, such as the Mack Jr 10MF Route Delivery truck.

Tractor-semi-trailer transport represents a field of great importance which Mack leads with a line of tractors and semi-trailers of all sizes.

Shown above is a Mack Model E tractor and trailer.

In the revival of the cab-over-engine type, Mack has won much favor. To the left is a Mack Model EB with a streamlined tank.

Six-wheel models have solved the problem of heavier loads with less effort. The right, Model BX.

Buses for city transit have been a field of Mack leadership for 37 years. The Model CW, rear-engined Transit Type above accommodates 25 seated passengers.
Increased building activity brings the Mack dump truck into renewed prominence. Illustrated is a Super-duty Mack Model AC with a special quarry-type body.
MACK Matches the Completeness of its Line with the Completeness of its Service

Over 200 Mack Service Stations are at the call of Mack owners. 76 are company owned direct factory branches and 125 are leading dealers.
Annual Report
and
Consolidated Balance Sheet
of
MACK TRUCKS, Inc.
and Subsidiary Companies
December 31, 1936
BOARD OF DIRECTORS

E. C. Fink, Chairman

L. G. Bissell
'I'. L. Chadbourne
H. W. Croft

TRANSFER AGENT OF STOCK

Guaranty Trust Company of New York, New York City

REGISTRAR OF STOCK

Bankers Trust Company, New York City

OFFICERS

E. C. Fink, . . . . . . . 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
F. W. Sommer, . . . . . . Asst. Treasurer
H. S. Conklin, . . . . . . Auditor
A. W. Rice, . . . . . . . Branch Auditor

Clarkson Potter
W. E. Reid
W. Hinckle Smith
TO THE STOCKHOLDERS OF  
MACK TRUCKS, INC. 

There is submitted herewith Consolidated Balance Sheet and Profit and Loss Statement of Mack Trucks, Inc., and subsidiary companies, certified to by Arthur Young & Company, showing the condition of your Company as of December 31st, 1936.

Net Sales, as shown on the attached statement of operations, amounted to $30,795,294.37 as compared with $20,210,885.04 for the year 1935.

Net Operating Profit for the year is $3,223,188.11, before providing for depreciation, maintenance and repairs, in amount of $2,099,640.70. Other Net Income for the year amounted to $704,803.04.

After providing for Estimated Federal Income Taxes in the amount of $291,700.00 and Federal Surtax on Undistributed Profits in the amount of $95,800.00, the Net Profit for the year is $1,440,850.45. This compares with a net loss for the year 1935 of $395,616.20.

Net Current Assets and Sundry Investments at December 31st, 1936 amounted to $22,629,701.07 as compared with $21,177,987.41 at December 31st, 1935.

During the year dividends were paid on common stock at the rate of 25 cents per share per quarter and also a year end dividend of 50 cents per share, the total for the year amounting to $896,002.26.

Inventories are priced at cost or market whichever is lower, and proper provision has been made for obsolescence.

There was little increase in business during the early months of this year, but since the end of May the improvement has been at a faster rate than during the same months of 1935.

The Company lost, through death, two of its Officers and Directors, Mr. A. J. Brosseau and Mr. Charles Hayden. Mr. Brosseau died on September 24th, 1936 and Mr. Hayden on January 8th, 1937.

They both served your Company as Director, Chairman and President and rendered outstanding service over many years.

They were always mindful of your Company’s welfare and at all times active in advancing its interests and their contributions to the Company’s upbuilding have been immeasurable.

Their loss will be greatly felt and we record their passing with deep sorrow.

Your Directors take this opportunity to express their appreciation for the loyalty, cooperation and ability that has been shown by the officers and employees in the performance of their duties.

FOR THE DIRECTORS

E. C. Fink
President.

New York City, N. Y.
February 18th, 1937.
## ASSETS

### CURRENT ASSETS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$2,257,228.81</td>
</tr>
<tr>
<td>Accounts Receivable (less Reserve $139,508.36)</td>
<td>2,727,160.83</td>
</tr>
<tr>
<td>Installments Receivable (a) (less Reserve $664,493.59)</td>
<td>13,556,348.69</td>
</tr>
<tr>
<td>Inventories (less Reserve $13,199.99) valued at the lower of cost or market</td>
<td>9,441,115.73</td>
</tr>
</tbody>
</table>

Total Current Assets: $27,981,854.06

### SUNDARY INVESTMENTS-At Cost or Nominal Value

- Sundry Investments: $213,531.80

Total Current Assets and Sundry Investments: $28,195,385.86

### FIXED ASSETS — At Cost:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>$1,738,224.80</td>
</tr>
<tr>
<td>Buildings and Building Equipment</td>
<td>$13,945,934.69</td>
</tr>
<tr>
<td>Machinery and all Other Equipment</td>
<td>19,647,776.95</td>
</tr>
</tbody>
</table>

Less: Reserve for Depreciation: $20,370,057.53

Depreciation Reserve: 13,223,654.11

Total Fixed Assets: $14,961,878.91

### DEPOSITS IN CLOSED BANKS (less Reserve $59,731.18)

- Deposits in Closed Banks: $22,742.01

### DEFERRED CHARGES (Prepaid Taxes, Insurance Premiums, etc.)

- Deferred Charges: $287,901.48

### LICENSES, PATENTS, PATENT RIGHTS AND GOODWILL

- Licenses and Goodwill: 2,438,364.94

Total Assets: $45,906,273.20

(a) Installments Receivable are secured by chattel mortgage.

installments due beyond December 31, 1937 aggregating
LIABILITIES & CAPITAL

CURRENT LIABILITIES:

Note Payable to Bank ......................................................... $ 1,000,000.00
Drafts Payable ................................................................. 262,600.77
Accounts Payable ................................................................. 2,183,512.39
Accrued Accounts (Taxes, except Federal Income and Surtax on Undistributed Profits, Commissions, Insurance Premiums, etc.) ................................................................. 1,662,053.57
Customers’ Deposits .............................................................. 69,862.41
Estimated Federal Income Tax and Surtax on Undistributed Profits for 1936 .................. 387,655.65
Total Current Liabilities .................................................. $ 5,565,684.79

EQUITY OF MINORITY STOCKHOLDERS IN SUBSIDIARIES ....................... 2,017.83

CAPITAL STOCK:

Common, No Par Value— Shares
Authorized.................................................. 839,673
Less : Cancelled during year ....................... 21,700
817,973

Issued.................................................. 619,035
Less : Cancelled during year ....................... 21,700
597,335 Stated at $5 per share ..................... 2,986,675.00

SURPLUS (per accompanying statement):

Capital Surplus Paid-In.................................................. $25,874,547.26
Earned Surplus.................................................. 11,477,348.32 37,351,895.58

$45,906,273.20

CONTINGENT LIABILITY AS GUARANTOR OF DEALERS’ NOTES ..................... $86,331.67

 Conditional sales agreements or leases and include $7,005,989.17.
MACK TRUCKS, INC., AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1936

SALES — NET .................................................. $30,795,294.37

NET OPERATING PROFIT FOR YEAR BEFORE DEDUCTING MAIN-
TENANCE AND REPAIRS AND PROVISION FOR
DEPRECIATION ........................................... $ 3,223,188.11

Deduct :

Maintenance and Repairs ...................... $ 1,038,478.63
Provision for Depreciation .................. 1,061,162.07 2,099,640.70

NET OPERATING PROFIT FOR YEAR
Add:

Other Income — Net —
Interest on Installments Receivable .......... $ 621,237.28
Interest and Dividends on Marketable Securities and
Investments, etc. ........................................ 84,934.01

Less: Other Deductions .................... 1,368.25 704,803.04

NET PROFIT FOR YEAR BEFORE ESTIMATED FEDERAL
INCOME TAX AND SURTAX ON UNDISTRIBUTED PROFITS ... $ 1,828,350.45

Deduct :

Estimated Federal Income Tax ............... $ 291,700.00
Estimated Surtax on Undistributed Profits .... 95,800.00 387,500.00

NET PROFIT FOR YEAR .................................. $ 1,440,850.45

STATEMENT OF CONSOLIDATED SURPLUS

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Capital Surplus</th>
<th>Earned Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>SURPLUS AT DECEMBER 31, 1935, per Published Accounts.</td>
<td>$36,807,047.39</td>
<td>$25,874,547.26</td>
<td>$10,932,500.13</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Profit for year per accompanying statement of operations</td>
<td>1,440,850.45</td>
<td></td>
<td>1,440,850.45</td>
</tr>
</tbody>
</table>

$38,247,897.84  $25,874,547.26  $12,373,350.58

Deduct:

Cash Dividends on Common Stock. ............ 896,002.26 896,002.26

SURPLUS AT DECEMBER 31, 1936. .............. $37,351,895.58  $25,874,547.26  $11,477,348.32
TO THE BOARD OF DIRECTORS AND STOCKHOLDERS,
MACK TRUCKS, INC.,
New York.

We have made an examination of the Consolidated Balance Sheet of MACK TRUCKS, INC., AND SUBSIDIARIES as at December 31, 1936 and of the Statements of Consolidated Operations and Surplus for the year 1936. In connection therewith we examined or tested accounting records of the Companies and other supporting evidence and obtained information and explanations from officers and employees of the Companies. We did not examine the accounting records at branch offices but did inspect reports submitted by them. We also inspected reports of examinations made by the internal audit staff throughout the year. We made a general review of the accounting methods and of the operating and income accounts for the year but we did not make a detailed audit of the transactions.

We have relied on certificates from responsible officials of the Companies as to the quantities and condition of the inventories.

Federal Income Tax returns filed for the years 1934 and 1935 as well as the estimate of income tax and surtax on undistributed profits for 1936 are subject to final determination by the Internal Revenue Department.

The provision for depreciation for the year 1936 was $1,061,162.07 and for the year 1935 $671,868.70. The 1936 provision is based upon substantially the same rates as in previous years adjusted as in previous years for certain classes of manufacturing assets, by the ratio that actual production bears to estimates of normal production. The Company has consistently followed the policy of not amortizing its intangible assets.

In our opinion, based upon such examination, and subject to the foregoing, the accompanying Consolidated Balance Sheet and related Statements of Consolidated Operations and Surplus, including the notations thereon, fairly present, in accordance with accepted principles of accounting consistently maintained by the Companies during the period under review, their consolidated financial position at December 31, 1936 and the results of their operations for the year then ended.

New York, N. Y., February 18, 1937.

(Signed)

ARTHUR YOUNG & COMPANY
AKRON, O. Mack-International Motor Truck Corp. 425 East Market Street
ALBANY, N. Y. Mack-International Motor Truck Corpo. 100 Main Street
ALLENWOOD, PA. Mack-International Motor Truck Corp. 100 Main Street
ATLANTA, GA. Mack-International Motor Truck Corp. 372 Peachtree Street, N. E.
BALTIMORE, MD. Mack-International Motor Truck Corp. 1210 E. 20th Street
BOSTON (Allston) MASS. Mack Motor Truck Co. 10 No. Beacon Street
BRIDGEPORT, CONN. Mack Motor Truck Co. 1400 Fairfield Avenue
BRONX, N. Y. Mack-International Motor Truck Corp. 1160 Grand Avenue & Barry Street
BROOKLYN, N. Y. Mack-International Motor Truck Corp. 16 Empire Boulevard
BUFFALO, N. Y. Mack-International Motor Truck Corp. 1100 East Main Street
CAMDEN, N. J. Mack-International Motor Truck Corp. 410 South Sixth Street
CHARLOTTESVILLE, VA. Mack-International Motor Truck Corp. 1400 South Fifth Street
CHICAGO, ILL. Mack-International Motor Truck Corp. 303 West Washington Avenue
CINCINNATI, O. Mack-International Motor Truck Corp. 1223 West Sixth Street
CLEVELAND, O. Mack-International Motor Truck Corp. 7001 Carnegie Avenue
COLUMBUS, O. Mack-International Motor Truck Corp. 617 N. Park Street
DALLAS, TEX. Mack-International Motor Truck Corp. 1001 N. Real Street
DAYTON, OHIO. Mack-International Motor Truck Corp. 532 East First Street
DETROIT, MICH. Mack-International Motor Truck Corp. 1133 Grand River Avenue
ERIE, PA. Mack-International Motor Truck Corp. 1621 State Street
FRESNO, CAL. Mack-International Motor Truck Corp. 6322 2nd Street
HARRISBURG, PA. Mack-International Motor Truck Corp. 734 South Cameron Street
HARTFORD, CONN. Mack Motor Truck Co. 700 Windsor Street
HOUSTON, TEX. Mack-International Motor Truck Corp. 1116 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. 1097 West Side Avenue, Newark Avenue
KANSAS CITY, MO. Mack-International Motor Truck Corp. 2000 South Main Street
LANSING, MICH. Mack-International Motor Truck Corp. 400 South Michigan Avenue
MILWAUKEE, WIS. Mack-International Motor Truck Corp. 1132 West Wisconsin Avenue
MINNEAPOLIS, MINN. Mack-International Motor Truck Corp. 303 Jericho Turnpike
MINNEAPOLIS (Twin City) MINN. Mack-International Motor Truck Corp. 1230 North University Avenue
NEWARK, N. J. Mack-International Motor Truck Corp. 1239 Broad Street
NEW BRUNSWICK, N. J. Mack-International Motor Truck Corp. 200 Jersey Avenue & Sanford Street
NEWBURGH, N. Y. Mack-International Motor Truck Corp. 26 Bridge Street
NEW HAVEN (West Haven) CONN. Mack Motor Truck Co. 171 Orange Avenue
NEW ORLEANS, LA. Mack-International Motor Truck Corp. 720 Carondelet Street
NEW YORK, N. Y. Mack-International Motor Truck Corp. 625 West 42nd Street
NORFOLK, VA. Mack-International Motor Truck Corp. 204 West 24th Street
OKLAHOMA CITY, OKLA. Mack-International Motor Truck Corp. 3 East Ninth Street
OMAHA, NEBR. Mack-International Motor Truck Corp. 2700 Parham Street
PATERSON, N. J. Mack-International Motor Truck Corp. 25 Lakorne Ave.
PHILADELPHIA, PA. Mack-International Motor Truck Corp. 2647 East York Street
PITTSBURGH, PA. Mack-International Motor Truck Corp. Liberty Avenue & Grant Street
PITTSTON (West Pittston) PA. Mack-International Motor Truck Corp. 702 Exeter Avenue
PORTLAND, ME. Mack Motor Truck Co. 1861 Congress Street
PORTLAND, ORE. Mack-International Motor Truck Corp. 7 N. E. Oregon Street
POUGHKEEPSIE, N. Y. Mack-International Motor Truck Corp. 200 East Main Street
 PROVIDENCE, R. I. Mack Motor Truck Co. 600 South Main Street
READING, PA. Mack-International Motor Truck Corp. 1212 South 25th Street
RICHMOND, VA. Mack-International Motor Truck Corp. 1230 North University Avenue
ROCHESTER, N. Y. Mack-International Motor Truck Corp. 1230 North University Avenue
SAN FRANCISCO, CAL. Mack-International Motor Truck Corp. 200 South Main Street
SALT LAKE CITY, UTAH Mack-International Motor Truck Corp. 807 South Main Street
SAN FRANCISCO, CAL. Mack-International Motor Truck Corp. 111 South Main Street
SEATTLE, WASH. Mack-International Motor Truck Corp. 701 Ninth Avenue North
SPRINGFIELD, MA. Mack Motor Truck Co. 1226 Division Street
SYRACUSE, N. Y. Mack-International Motor Truck Corp. 252 West Genessee Street
TAMPA, FLA. Mack-International Motor Truck Corp. 1712 Platt Street
TULSA, OKLA. Mack-International Motor Truck Corp. 200 South Guthrie Avenue
UTICA, N. Y. Mack-International Motor Truck Corp. 310 North Genesee Street
WATERBURY, CONN. Mack-International Motor Truck Corp. 1419 North Canton Street
WHITE PLAINS, N. Y. Mack-International Motor Truck Corp. 111 So. Kensico Avenue
WORCESTER, MASS. Mack-International Motor Truck Co. 306 Belmont Street

FOREIGN DEALERS

ARGENTINE
Buenos Aires
Rayos & Barbatino

BRITISH HONDURAS
Belize
G. Melhuish & Sons

COLOMBIA
Barranquilla
Bogota
Cartagena
Eduardo L. Gerlein & Co.

ECUADOR
Guayaquil
Alfonsin & Paulson

EL SALVADOR
San Salvador
J. A. Mirony Cia

GREECE
Athens
Entreprises Commerciales et Industrielles

HAWAII
Honolulu
The von Hamn Young Co., Ltd.

IRAQ
Teheran
Sherkat Siahani

JAPAN
Tokyo
Yamada Tohshi Kaisha

MEXICO
Yaleco
Jack H. Berra

PALESTINE
Tel Aviv
Elkon Bros.

PERU
Lima
Vulkan Iron Works Co., Ltd.

PUERTO RICO
San Juan
Jose Rafael Roger