SEARS, ROEBUCK AND CO.

Consolidated Balance Sheet and Income Account for Year Ending December 31, 1926
**SEARS, ROEBUCK AND CO.**

**CONSOLIDATED BALANCE SHEET**

**December 31, 1926**

---

### ASSETS

**FIXED ASSETS:**
- Real Estate, Buildings, Fixtures and Machinery: $44,505,734.27
- Good Will, Patents, etc: $25,000,000.00
- Total: $69,505,734.27

**INVESTMENTS:**
- Capital Stock of other Companies: $5,203,297.96

**CURRENT ASSETS:**
- Inventories: Raw Material, Goods in Process, Supplies and Merchandise: $42,556,299.90
- Accounts Receivable: $10,076,721.06
- Marketable Securities, Mortgages, Bonds, Collateral Notes, Liberty Bonds: $13,648,066.03
- Purchase Money Mortgage Notes: $12,000,000.00
- Cash in Bank and on Hand: $17,437,712.58
- Total: $95,718,799.57

**DEFERRED ASSETS:**
- Insurance, Interest, Advertising Paid in Advance and Other Deferred Charges: $3,338,424.82

**TOTAL ASSETS:**
- $173,766,256.62

---

### LIABILITIES AND CAPITAL

**CURRENT LIABILITIES:**
- Accounts Payable: $13,717,007.79
- Accrued Taxes, Not Yet Due, including Reserve for Federal Taxes: $4,461,864.52
- Preferred Capital Stock not presented for redemption: $38,140.07
- Total: $18,217,012.38

**Reserves:**
- $4,682,053.99

**Common Capital Stock:**
- $103,000,000.00
- Represented by 4,200,000 Shares of No Par Value

**Surplus:**
- $45,867,190.26

**TOTAL CAPITAL AND LIABILITIES:**
- $173,766,256.62

---

### SURPLUS ACCOUNT

- **Balance December 31, 1925:** $41,408,666.60
- **Profit for the Year 1926:** $21,908,120.50

**DEDUCT:**
- Common Stock Dividend: $9,449,596.84
- To Reserves: $3,000,000.00
- Reduction of Good Will: $5,000,000.00

**Balance December 31, 1926:** $45,867,190.26
# SEARS, ROEBUCK AND CO.
## CONSOLIDATED INCOME ACCOUNT
### Year Ending December 31, 1926

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Sales</td>
<td>$272,699,313.65</td>
</tr>
<tr>
<td>Less Returns, Allowances, Discounts, etc.</td>
<td>24,148,972.17</td>
</tr>
<tr>
<td>Net Sales</td>
<td>$248,550,341.48</td>
</tr>
<tr>
<td>Sales by Factories and other Income</td>
<td>9,662,409.12</td>
</tr>
<tr>
<td></td>
<td><strong>$258,212,750.60</strong></td>
</tr>
<tr>
<td>LESS:</td>
<td></td>
</tr>
<tr>
<td>Purchases, including difference in Inventories, Wages, General and</td>
<td>$226,268,066.48</td>
</tr>
<tr>
<td>Selling Expense, Advertising and all Administrative Charges</td>
<td></td>
</tr>
<tr>
<td>Repairs on Plant and Equipment</td>
<td>1,178,859.45</td>
</tr>
<tr>
<td>Depreciation on Plant</td>
<td>2,214,946.92</td>
</tr>
<tr>
<td>Net Profit from Operations</td>
<td>3,308,105.67</td>
</tr>
<tr>
<td></td>
<td><strong>229,681,172.15</strong></td>
</tr>
<tr>
<td>DEDUCT:</td>
<td></td>
</tr>
<tr>
<td>Reserve for Taxes</td>
<td>$ 4,461,864.52</td>
</tr>
<tr>
<td>Payment of Company's Contribution to Trustees of Employees' Savings and</td>
<td>2,181,593.43</td>
</tr>
<tr>
<td>Profit Sharing Pension Fund for year ending December 31, 1926</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>6,643,457.95</strong></td>
</tr>
<tr>
<td>Net Income for Year</td>
<td><strong>$21,908,120.50</strong></td>
</tr>
</tbody>
</table>

To the President:

We have made an audit of the books and accounts of Sears, Roebuck and Co. for the year ending December 31, 1926, and in accordance therewith certify that, in our opinion, the foregoing Consolidated Balance Sheet and Income Account are true exhibits of the condition of the Company as of December 31, 1926, and the results of its operations for the period.

A. W. DUNNING, President,  
THE AUDIT COMPANY OF NEW YORK,  
New York.

E. C. GOODMAN, Western Manager,  
Chicago.

Chicago, January 24, 1927.