United States
Pipe and Foundry Company

Thirty-third Report
Fiscal Year 1993
United States
Pipe and Foundry Company

General Offices, Burlington, N. J.

Registrar
Central Hanover Bank and Trust Company
New York

Transfer Agent
Bankers Trust Company
New York
United States
Pipe and Foundry Company

DIRECTORS
J. C. Brady        D. P. Hopkins
W. T. C. Carpenter  Colgate Hoyt
George W. Cobb      H. Vinton Overholt
Richard H. Deming   Chas. R. Rauth
*E. C. Fuller       N. F. S. Russell
F. S. Gordon        Ralph M. Shaw
Chas. C. Harrison, Jr. D. B. Stokes
Frank M. Tait

EXECUTIVE COMMITTEE
W. T. C. Carpenter
F. S. Gordon
Frank M. Tait
President Ex-Officio

OFFICERS
N. F. S. Russell, President
W. T. C. Carpenter, First Vice-President
D. P. Hopkins, Vice-President
D. B. Stokes, Vice-President
Chas. R. Rauth, Secretary and Treasurer

*Deceased October 4, 1931
Excerpt from Minutes of a Meeting of the Board of Directors Held October 22nd, 1931

It is with deep sorrow that we record the death, on October 4th, 1931, of our honored friend and fellow director, Mr. E. C. Fuller.

Mr. Fuller was for many years the dominant spirit in the affairs of The Ohio Pipe Company of Columbus, Ohio, one of the properties required for the formation of this Company. He was thereupon elected a director of this Company thirty-two years ago and was the last survivor of a group who had served continuously as a member of the Board of Directors from the original date of incorporation of this Company. From the beginning to the end this Company was his central concern and interest. He naturally became a leading spirit in its early history and with the manner and mind of a resolute personality his judgment was invariably firm and clear, his contribution toward the administration of the Company’s affairs always a conspicuous one, eagerly sought and generously rendered.

As a friend and associate he was loyal and sympathetic. His prodigious memory covering a long lifetime of wide and varied business experience made him not only a shrewd and potent counselor, but a most interesting and delightful companion which endeared him to all who had the privilege of his friendship.

NOW, THEREFORE, BE IT RESOLVED: That the Board of Directors of United States Pipe and Foundry Company desire to record upon its minutes their deep sense of loss in the death of Mr. Fuller and to tender to his bereaved family their sincerest sympathy in their sorrow.
Report of

United States
Pipe and Foundry Company
For Year Ended December 31, 1931

TO THE STOCKHOLDERS:

The following is respectfully submitted as the thirty-third Annual Report of your Company covering the year ending December 31, 1931, including the Balance Sheet, Income and Surplus Accounts certified by the Company’s Accountants.

At the time of the last Annual Report the hope was expressed that, while the volume booked in the last quarter of 1930 was low, the increase in volume experienced in the first two months of 1931 was indicative that there would be sufficient tonnage distributed through the year to compare favorably with the volume of 1930. Unfortunately this hope was not realized, and each quarterly period of 1931 showed a decrease in tonnage sold compared with the corresponding quarter of 1930, with the result that total sales were over 30% less than in 1930, and during the latter part of the year were so reduced in volume that operations represented a very small percentage of capacity. This severe decline in tonnage was accompanied by a drastic decline in prices. These two factors coming simultaneously had a very adverse affect upon earnings.

Your Company’s business reflected these changes—a reasonably satisfactory volume for the first five months; a
steadily diminishing volume for the last seven months. The net earnings for the year were $1,012,215.51, as compared with $2,881,046.22 in 1930.

The attached Balance Sheet shows the financial position of the Company on December 31, 1931, and the results of its operations for the year then ended.

The Working Capital Account shows a balance as of December 31, 1931, as follows:

**CURRENT ASSETS:**
Cash on deposit, on call, on hand, United States Treasury Notes, United States Liberty and Municipal Bonds at cost, Accounts Receivable and Inventories. . . $17,286,545.58

**CURRENT LIABILITIES:**
Accounts Payable, Accrued Items and Dividends payable January 20, 1932. . . 1,103,838.33
Net Working Capital. . . . . . . . . . . . . . . . . . . . . . . . . . $16,182,707.25

It may be of interest to note that, at the bid prices of December 31, 1931, the decline in the market value of securities carried in current assets amounted to about 9% of their cost and only 2% were in default.

Reserves have been maintained in accordance with the usual practice of the Company. Provision for the depreciation of active and inactive plants and the amortization of deLavaud patents required the sum of $847,120.22 to be set aside from earnings. There has been expended for upkeep of tools, machinery, buildings and equipment the sum of $884,071.15. As pointed out in previous reports, this item
fluctuates with the character and volume of the business. All producing plants of the Company are in good condition.

During the year the sum of $265,441.71 has been charged against the Reserve for Improvements, Additions and New Construction, this being in a large part for the facilities at the Burlington plant to manufacture deLavaud pipe in 18' lengths.

The Scottdale plant, which was closed in the latter part of 1930, has remained closed during 1931.

While the net income for the year was disappointing, your Directors felt that the financial position of the Company, as well as the prospects, justified them in setting aside from surplus sufficient moneys to declare the following dividends on the stock of the Company; namely, $1.20 per share on the first preferred stock, payable quarterly at the rate of 30c per share—April 20, July 20, October 20, 1932, and January 20, 1933, and $2.00 per share on the common stock, payable quarterly, 50c per share on the same dates.

The volume of current business is extremely low, and well below what we would expect as the normal average of the Country. Your management feel that there has been a progressive damming up of tonnage, due to the high rates of money obtaining in 1928 and 1929, making it inadvisable, if not impossible, during that period for municipalities to sell their bonds. This damming up of tonnage also continued during 1930 and 1931, because of the caution of municipalities in presenting security issues and the disinclination of voters to approve the same. Judging from our past experience the pipe requirements of the Country are being postponed and, with a return to more normal conditions, this tonnage will come into the market as the various
municipalities collect their taxes and improve their financial condition. It must be remembered that water bonds are, in the main, self-supporting and the water revenues are sufficient to take care of sinking funds and interest requirements; therefore, the bonds are separated from the municipal debt to be met by taxation, and Water Departments are generally in funds unless in an emergency these funds have been used to meet other municipal expenses. Your management, therefore, look to the future with confidence that eventually these tonnages will be bought, though it is appreciated that little can be expected during the present period of readjustment.

The loyal cooperation of the officers, their staffs and employees, and the efficient service rendered by them during the past year are gratefully acknowledged.

By order of the Executive Committee.

N. F. S. RUSSELL,
President.

Burlington, N. J.
February 19, 1932.
Balance Sheet

Income Account

Surplus
### United States Pipe and Supply Company

**Balance Sheet, December 31, 1931**

<table>
<thead>
<tr>
<th>ASSETS</th>
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<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on deposit, on call and on hand</td>
<td>$7,387,277.32</td>
<td></td>
</tr>
<tr>
<td>Securities, consisting of U. S. Treasury Notes, U. S. Liberty and Municipal Bonds, at cost (market value, bid prices $5,198,307)</td>
<td>5,715,415.01</td>
<td></td>
</tr>
<tr>
<td>Accounts and Notes Receivable</td>
<td>$2,334,510.81</td>
<td></td>
</tr>
<tr>
<td>Less: Reserve for Doubtful Accounts</td>
<td>137,073.69</td>
<td></td>
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<tr>
<td>Inventories of raw materials, manufactured product, etc</td>
<td>1,986,416.13</td>
<td></td>
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<tr>
<td>Miscellaneous Investments, at cost</td>
<td>433,316.00</td>
<td></td>
</tr>
<tr>
<td>Capital Stock of subsidiaries, at cost</td>
<td>25,000.00</td>
<td></td>
</tr>
<tr>
<td>Treasury First Preferred Stock, 25,457 shares at cost</td>
<td>464,032.78</td>
<td>922,348.78</td>
</tr>
<tr>
<td><strong>Property and Plant:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To December 31, 1930</td>
<td>29,127,287.13</td>
<td></td>
</tr>
<tr>
<td>Net deduction during year 1931</td>
<td>94,006.06</td>
<td></td>
</tr>
<tr>
<td>Less: Reserve for Depreciation</td>
<td>7,842,821.58</td>
<td>21,190,459.49</td>
</tr>
<tr>
<td>Fire Insurance Fund:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Sundry Securities, at cost</td>
<td>28,012.91</td>
<td></td>
</tr>
<tr>
<td>Company’s First Preferred Stock, 18,500 shares at cost, (market value $296,000)</td>
<td>344,938.50</td>
<td>372,951.41</td>
</tr>
<tr>
<td>Deferred Charges</td>
<td></td>
<td>17,370.01</td>
</tr>
<tr>
<td>Cash on deposit for redemption of company’s Second Preferred Stock</td>
<td>6,484.50</td>
<td></td>
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<tr>
<td><strong>Total:</strong></td>
<td><strong>17,286,545.58</strong></td>
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**INCOME ACCOUNT**

**Year Ended December 31, 1931**

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<tbody>
<tr>
<td>Total earnings, (including adjustment prior year items $103,324.53) after deducting cost of operating and maintenance of plants ($884,071.15 expended for upkeep of tools, machinery, buildings and equipment), expenses of sales and general offices and provision for taxes and doubtful accounts</td>
<td>$1,310,587.03</td>
<td>475,110.20</td>
</tr>
<tr>
<td>Other Income, consisting of interest, discount, etc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends from wholly owned subsidiary paid from Surplus and on Treasury First Preferred Stock</td>
<td>73,638.50</td>
<td></td>
</tr>
<tr>
<td>Less: Allowance for Depreciation</td>
<td>1,859,335.73</td>
<td></td>
</tr>
<tr>
<td>Net Income for the year 1931</td>
<td>$1,012,215.51</td>
<td></td>
</tr>
</tbody>
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LIABILITIES

Current Liabilities:

- Accounts Payable: $418,630.31
- Dividends Payable January 20, 1932: $479,943.00
- Accrued Taxes, etc.: $205,265.02

Reserves:

- For Improvements, Additions and New Construction: $3,278,766.64
- For Fire Insurance: $372,951.41

CAPITAL

Capital Stock:

- First Preferred Stock: Authorized 600,000 shares, outstanding 599,810 shares without par values (annual dividend $1.20 cumulative, $21 per share payable in dissolution or redemption).
- Common Stock: 600,000 shares, par value $20 per share.

Surplus, earned:

- 13,743,548.39
- 35,040,603.39
- $39,796,159.77

SURPLUS

Balance, December 31, 1930: $14,651,026.46
Deduct:

- Dividends on Preferred Stock: $719,693.58
- Dividends on Common Stock: $1,200,000.00

Net Income for the year ended December 31, 1931: $12,731,332.88

Balance, December 31, 1931:

- Working Capital Reserve: $12,000,000.00
- Balance of Profit and Loss Account: $1,743,548.39

$13,743,548.39

We have audited the accounts of the UNITED STATES PIPE and FOUNDRY COMPANY for the year ended December 31, 1931, and we certify that the above balance sheet and income and surplus accounts, in our opinion, show correctly the company’s financial condition as of December 31, 1931, and the results of its operations for the year ended that date.

LYBRAND, ROSS BROS. & MONTGOMERY, Accountants and Auditors.

New York, January 19, 1932.