United States
Pipe and Foundry Company

Thirty-fourth Report
Fiscal Year 1932
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  Colgate Hoyt
W. T. C. Carpenter  H. Vinton Overholt
George W. Cobb  Chas. R. Rauth
Richard H. Deming  N. F. S. Russell
F. S. Gordon  Ralph M. Shaw
Chas. C. Harrison, Jr.  D. B. Stokes
D. P. Hopkins  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
 Report of

United States
Pipe and Foundry Company
For Year Ended December 31, 1932.

TO THE STOCKHOLDERS:

The following is respectfully submitted as the thirty-fourth Annual Report of your Company covering the year ending December 31, 1932, including the Balance Sheet, Income and Surplus Accounts certified by the Company's Accountants.

In the report for 1931 your management referred to the then low volume of business as being well under the normal average of the country. Reference was also made to the difficulties experienced by municipalities in financing their needs and, while we expressed our belief that this deferred tonnage would eventually become a real necessity, that very little improvement could be expected until the deranged economic conditions were further adjusted.

The conditions as they developed during 1932 still further augmented the unfavorable conditions prevailing in 1931 with the effect of curtailing output to the lowest volume in the history of the Company since its organization in 1899. While 1931 sales were 30% less than 1930, the net sales in 1932 were approximately 57% less than in 1931.

The financial result was a loss for the year of $1,273,054.34 against a profit of $1,012,215.51 in 1931. The decreased tonnage sold at a decreased selling price largely
United States Pipe and Foundry Company

accounts for the operating loss, and a reduced production, against which overhead (including such fixed charges as depreciation, property taxes, etc.) is absorbed, tended to increase the average cost per ton of product sold.

The attached Balance Sheet shows the financial condition of the Company on December 31, 1932, and the results of its operations for the year then ended.

Working Capital as of December 31, 1932, shows the following:

CURRENT ASSETS:
- Cash on deposit, on call, time loans, investments at cost, Accounts Receivable and Inventories. $14,441,043.44

CURRENT LIABILITIES:
- Accounts Payable, Accrued Items and Dividends payable January 20, 1933. 913,214.25
- Net Working Capital. $13,527,829.19

At the end of 1932 your State and Municipal Bonds had a cost of $4,075,505.94 and a market value, at bid prices, of $3,683,315.00. There was in default in principal $81,000.00 and in interest $3,176.84, and there was in process of refunding bonds to the par value of $85,000.00. During the year there were sold, in view of market conditions, certain securities resulting in a loss of $177,126.15.

Reserves have been maintained in accordance with the usual practice of the Company. Depreciation of active and inactive plants and the amortization of deLavaud patents required the sum of $847,562.29. There has been expended for upkeep of tools, machinery, buildings and
United States Pipe and Foundry Company

equipment the sum of $319,872.52, all of which was charged against the operating account of the year.

In addition, due to conditions, it was thought wise to charge surplus with the sum of $125,000.00, transferring this as an additional reserve for doubtful accounts in addition to the $24,000.00 accruing during the year against operations. This additional reserve covers the amount which your management estimates may be uncollectible on slow accounts standing on the Company's books, though it is hoped that with any revival of business a large part of this charge will be recovered.

The results for the year just passed, while unsatisfactory, represent your management's best efforts to meet the existing difficult conditions with the inauguration of all possible economies. During the year salary and wage reductions were instituted, employment was staggered and certain shops were closed in the endeavor to minimize the effects of low tonnage output. It has been impossible to operate any of your plants on full time, and during the year Addyston, Anniston, Cleveland, Chattanooga and Scottsdale have been closed either all or a greater part of the time. Very light operations have been conducted at Bessemer. The Burlington and Birmingham plants have been operated on an average of about three days per week at a small percentage of their capacity. Of the reduction of $2,654,878.06, shown in your Company's net working capital for the year, approximately $2,000,000.00 is accounted for by the payments during the year of dividends on the Preferred and Common stocks of your Company.

Because of the fact that the tonnage for 1932 of your Company was the lowest in its history; that pig iron pro-
United States Pipe and Foundry Company

duction in the United States the lowest since 1896, and that many other commodities in the heavy engineering lines established new low records of sales and production, your management is hopeful that the low point of industrial operations has been reached, and that when financial confidence returns the release of much dammed up tonnage will reestablish your Company’s operations on a profitable basis.

The close of the year still found the Company in strong financial position and your Directors felt that, under the circumstances, such position justified them in declaring the full dividend of $1.20 per share on the cumulative Preferred Stock and a dividend of 50c, per share on the Common Stock, both dividends payable in quarterly installments on April 20, July 20, October 20, 1933, and January 20, 1934.

While we are passing through a phase of the situation which has ever accompanied times of prolonged depression in industry; namely, proposals for debasing the currency in order to raise the quoted value of commodities, we have faith that this phase will pass as it has heretofore and that the citizens of the United States will realize that it is only by true economies in government and elsewhere, and not by inflation, that confidence and profitable business will be restored.

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 23, 1933.
Balance Sheet

Income Account

Surplus
## United States Pipe

**Balance Sheet,**

### ASSETS

<table>
<thead>
<tr>
<th>Current Assets:</th>
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<th></th>
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<tbody>
<tr>
<td>Cash on deposit, on call and on hand</td>
<td>$6,875,068.77</td>
<td></td>
</tr>
<tr>
<td>Securities, consisting of State and Municipal Bonds, at cost (market value, bid prices, $3,683,315)</td>
<td>4,075,505.94</td>
<td></td>
</tr>
<tr>
<td>Accounts and Notes Receivable</td>
<td>$1,294,518.00</td>
<td></td>
</tr>
<tr>
<td>Less: Reserve for Doubtful Accounts</td>
<td>236,490.66</td>
<td></td>
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<tr>
<td>Inventories of raw materials, manufactured product, etc., at values not in excess of cost or market</td>
<td>2,432,441.39</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Investments, at cost or less</td>
<td>14,441,043.44</td>
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</tr>
<tr>
<td>Capital Stock of subsidiaries, at cost</td>
<td>25,000.00</td>
<td></td>
</tr>
<tr>
<td>Treasury First Preferred Stock, 36,950 shares, at cost</td>
<td>606,614.61</td>
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<thead>
<tr>
<th>Property and Plant:</th>
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<tbody>
<tr>
<td>To December 31, 1931</td>
<td>$29,033,281.07</td>
<td></td>
</tr>
<tr>
<td>Net deduction during year 1932</td>
<td>94,263.60</td>
<td></td>
</tr>
<tr>
<td>Less: Reserve for Depreciation</td>
<td>8,593,364.60</td>
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<tr>
<td>Fire Insurance Fund:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Sundry Securities, at cost</td>
<td>31,891.10</td>
<td></td>
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<tr>
<td>Company's First Preferred Stock, 20,200 shares, at cost (market value, $277,750)</td>
<td>368,565.50</td>
<td></td>
</tr>
<tr>
<td>Deferred Charges</td>
<td>18,191.43</td>
<td></td>
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<tr>
<td>Cash on deposit for redemption of company's Second Preferred Stock</td>
<td>94.50</td>
<td></td>
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</tbody>
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### INCOME ACCOUNT

**Year Ended December 31, 1932**

Loss, including cost of operation and maintenance of plants ($319,872.52 expended for upkeep of tools, machinery, buildings and equipment) expense of sales and general offices, and regular provision for taxes and doubtful accounts | $674,314.07 |

Deduct:

| Other Income, consisting of interest, discount, etc | $388,287.97 |
| Dividends on Treasury First Preferred Stock | 37,660.20 |
| Loss on Bonds sold | 177,126.15 |

Add:

| Allowance for Depreciation | 847,562.29 |
| Loss for Year 1932 | $1,273,054.34 |
and Foundry Company
December 31, 1932

LIABILITIES

Current Liabilities:
- Accounts Payable: $265,824.69
- Dividends Payable, January 20, 1933: 479,943.00
- Accrued Taxes, etc.: 167,446.56

Reserves:
- For Improvements, Additions and New Construction: 3,228,585.31
- For Fire Insurance: 400,456.60

Total Reserves: $913,214.25

CAPITAL

Capital Stock:
- First Preferred Stock: 9,297,055.00
- Authorized 600,000 shares, outstanding 599,810 shares, without par value (annual dividend $1.20 cumulative, $21 per share payable in dissolution or redemption)
- Common Stock: 12,000,000.00
- 600,000 shares, par value $20 per share

Surplus, earned:
- Balance, December 31, 1931: 10,000,000.00
- Deduct: Dividends on Preferred Stock: 87,197,72.00
- Dividends on Common Stock: 1,200,000.00
- Additional Provision for Doubtful Accounts: 125,000.00
- Loss for year ended December 31, 1932: 1,273,054.34
- Balance, December 31, 1932:
  - Working Capital Reserve: 10,000,000.00
  - Balance of Profit and Loss Account: 425,722.05

Total Surplus: $36,265,033.21

TO THE BOARD OF DIRECTORS,

United States Pipe and Foundry Company:

We have audited the accounts of the UNITED STATES PIPE and FOUNDRY COMPANY for the year ended December 31, 1932, 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, 1932, and the results of its operations for the year ended that date.

LYBRAND, ROSS BROS. & MONTGOMERY.

New York, January 19, 1933.