Annual Report

Riley Stoker Corporation

December 31, 1944

Officers

Fred H. Daniels	*President*
Louis E. Griffith	*Vice-president and General Manager*
David K. Beach	*Vice-president and Treasurer*
Aldus C. Higgins	*Vice-president*
James W. Armour	*Vice-president*
Chapin Riley	*Secretary*

Directors

Aldus C. Higgins, *Chairman*
Fred H. Daniels
David K. Beach
Louis E. Griffith
Chapin Riley
Frank C. Smith, Jr.
George N. Jeppson
Philip R. Mather

TO THE STOCKHOLDERS
OF RILEY STOKER CORPORATION:

There is submitted, herewith, for your consideration the Audited Consolidated Financial Statement of your Company for the year 1944 including the Consolidated Balance Sheet as of the end of the year. The net income was $356,173.93 after provision for Federal taxes but before deducting $150,000.00 for Provision for Contingencies. This is equivalent to $.95 per share on the Common Stock after deduction of the dividend of $6.00 per share on the Preferred Stock. This compares with $1.56 per share of Common Stock for 1943. All of the above figures are before completion of renegotiation.

During the year dividends of $6.00 per share amounting to $21,600.00 were paid on the Preferred Stock and 40 cents per share, $138,171.30, on the Common Stock.

After depreciation and amortization of $219,683.30 the net investment in land, buildings and equipment decreased by $176,703.99.

Due chiefly to lack of manpower and difficulties in getting materials, the volume of business transacted during the year was about two-thirds of that done in 1943. Bank indebtedness was reduced by $230,000.00 and the net current position improved by $359,359.54.

Your Company has entered the year 1945 with a large volume of unfilled orders. The prospects for future business are very favorable.

Yours very truly,

F. H. Daniels,
President

April 30, 1945

Statement of Consolidated Surplus

For the Year Ended December 31, 1944

CAPITAL SURPLUS		
Balance, December 31, 1943		$103,152.89
ADD:		
Excess of proceeds of sales of 6109 shares of Common stock over par		19,842.75
		$122,995.64
DEDUCT:		
Amount Applicable to Preferred Stock of Minority Interest in Subsidiary Company		12,105.08
Balance, December 31, 1944 Per Consolidated Balance Sheet		$110,890.56
EARNED SURPLUS		
Balance, December 31, 1943		$2,459,042.20
DEDUCT:		
Renegotiation Refund to U.S. Government for years 1942 and 1943, adjustment of Taxes and other transactions affecting prior years—net		74,872.47
Adjusted Balance, December 31, 1943		$2,384,169.73
ADD:		
Net Income for the year after providing reserve for contingencies of $150,000.00		206,173.93
		$2,590,343.66
DEDUCT:		
Dividends on		
Preferred Stock	$21,600.00	
Common Stock	138,171.30	159,771.30
Balance December 31, 1944 Per Consolidated Balance Sheet		$2,430,572.36

Consolidated Statement of Profit and Loss

For the Year Ended December 31, 1944

Profit on Operations after Selling and Administrative Expenses and Provision for Doubtful Accounts, but before Depreciation and Amortization	$1,456,536.09
Depreciation and Amortization	219,683.30
Operating Profit	$1,236,852.79
Other Income	33,334.03
Gross Income	$1,270,186.82
Other Deductions	37,762.89
Net Income before Federal Income and Excess Profits Taxes	$1,232,423.93
Provision for Federal Income and Excess Profits Taxes	867,500.00
Balance	$364,923.93
Dividends on Preferred Stock to Minority Interest of Subsidiary Company	8,750.00
Net Income	$356,173.93
Provision for Contingencies	150,000.00
Balance to Surplus	$206,173.93

Note: Operating results for the year are subject to renegotiaion by the United States Government.

RILEY STOKER CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

December 31, 1944

ASSETS

Current Assets		
Cash		$768,828.12
United States Treasury Notes, Tax Series C		178,027.60
Notes and Accounts Receivable (Less Reserves—$84,151.61)		2,889,529.65
Inventories (Priced at Cost or Lower)		1,521,207.96
Advances to Salesmen and Erectors		31,979.11
Total Current Assets		$5,389,572.44
Employees' Cash—War Bond Account (See Contra)		7,896.24
Other Assets		
Excess Profits Post War Refund	$3,606.29	
Securities Acquired	6,222.95	9,829.24
Fixed Assets		
Land	$192,606.75	
Buildings	1,165,470.65	
Machinery and Equipment	1,368,996.50	
Machinery Under Construction	5,519.94	
	$2,732,593.84	
Less: Reserve for Depreciation	1,465,157.03	1,267,436.81
Patents—At cost less reserve		21,235.60
Deferred Charges		
Prepaid Insurance, Interest and Taxes	$82,478.09	
Supplies and Miscellaneous	2,687.09	85,165.18
		$6,781,135.51

LIABILITIES

Current Liabilities		
Bank Loans		$1,470,000.00
Accounts Payable—Trade, Etc.		456,191.33
Advance Billing on Contracts		337,016.72
Provision for Federal Income and Excess Profits Taxes	$867,500.00	
Less: United States Treasury Tax Notes	867,500.00	
Provision for Other Federal and State Taxes		44,051.93
Accrued Liabilities		
Wages	$23,744.09	
Commission and Fees	75,516.88	
Social Security and Withholding Taxes	57,855.40	157,116.37
Total Current Liabilities		$2,464,376.35
Employees' War Bond Collections (See Contra)		7,896.24
Minority Interest in Subsidiary Companies		
Preferred Stock		207,400.00
Reserve for Contingencies		150,000.00

CAPITAL AND SURPLUS

Capital Stock		
Preferred, 6% Cumulative, Par Value—$100.00 per share		
Redemption Value—$156.00 per share		
Authorized and Outstanding—3,600 shares	$360,000.00	
Common, Par Value—$3.00 per share		
Authorized and Outstanding—350,000 shares	1,050,000.00	1,410,000.00
Surplus		
Capital Surplus—per attached statement		110,890.56
Earned Surplus—per attached statement		2,430,572.36
		$6,781,135.51

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For the Year Ended December 31, 1944

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