Copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

ANNUAL REPORT
1957

LUFKIN FOUNDRY & MACHINE COMPANY

LUFKIN, TEXAS

DIRECTORS

A. E. CUDLIPP
S. W. HENDERSON, JR.
J. H. KURTH, JR.
E. L. KURTH
L. A. LITTLE
E. P. TROUT
W. W. TROUT
JACQUES WIENER
SAMSON WIENER

OFFICIERS

WALTER W. TROUT	President
J. H. KURTH, JR.	Vice President
A. E. CUDLIPP	Vice President
L. A. LITTLE	Vice President
E. P. TROUT	Vice President
M. L. WILKINSON	Secretary
W. A. KIRKLAND	Treasurer
H. L. DYER	Assistant Secretary

Copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

Lufkin Foundry & Machine Company - Lufkin, Texas

Consolidated Balance Sheet

December 31, 1957

ASSETS		12/31/57	12/31/56
CURRENT			
Cash on Hand & In Banks		$ 1,040,911.86	$ 1,166,617.26
Accounts Receivable		1,975,654.58	2,106,333.97
Notes Receivable	$4,080,647.39		
Less Notes Discounted	830,002.32	3,250,645.07	3,099,891.14
Merchandise Inventory		6,749,395.54	6,370,486.84
Total Current		$13,016,607.05	$12,743,329.21
OTHER			
Corporation Stock		$ 73,439.49	$ 51,719.49
Organization Expense - Net		1,888.46	2,639.63
Total Other		$ 75,327.95	$ 54,359.12
FIXED			
Real Estate		$ 262,502.30	$ 230,073.17
Plant & Equipment - Net		3,887,068.38	3,427,986.80
Total Fixed		$ 4,149,570.68	$ 3,658,059.97
TOTAL ASSETS		$17,241,505.68	$16,455,748.30
LIABILITIES & CAPITAL			
CURRENT			
Notes Payable		$ 1,230,000.00	$ 675,000.00
Accounts Payable		710,093.86	754,997.05
Payroll		12,392.65	54,111.16
Accrued Interest		12,413.46	7,680.12
Accrued Taxes		154,583.46	160,920.23
Income Tax 1957 Net		1,201,883.49	2,269,141.75
Accrued Expense		.00	2,275.36
Total Current		$ 3,321,366.92	$ 3,924,125.67
CAPITAL			
Capital Stock, 85,000 Shares $100 Par		$ 8,500,000.00	$ 8,500,000.00
Retained Earnings		5,420,138.76	$ 4,031,622.63
Total Capital		$13,920,138.76	$12,531,622.63
Total Liabilities & Capital		$17,241,505.68	$16,455,748.30
Ratio Current Assets to Current Liabilities		3.92	3.25

Copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

Lufkin Foundry & Machine Company
Lufkin, Texas

Consolidated Income Statement
For Year Ended December 31, 1957

Net Sales			$26,890,791.04
Inventory at Beginning of Year	$ 6,370,486.84		
Merchandise Bought for Sale	12,864,930.23		
Cost of Manufacturing	7,508,661.25		
Total	$26,744,078.32		
Less Inventory 12/31/1957	6,749,395.54		
Cost of Sales			$19,994,682.78
Gross Profit		25.64%	$ 6,896,108.26
Other Income		1.65%	$ 444,059.46
Total Profit		27.29%	$ 7,340,167.72
Expense Deductions			
Interest	$ 40,422.23		
Discount on Sales	345,426.97		
Pensions	210,640.50		
Bad Accounts	35,965.01		
Depreciation	446,929.57		
Administrative & Sales	2,455,216.34		
Total Deductions		13.14%	$ 3,534,600.62
Net Profit before Taxes		14.15%	$ 3,805,567.10
Less income Taxes			$ 1,907,050.97
Net Profit after Taxes		7.06%	$ 1,898,516.13

Retained Earnings

Balance 12/31/1956		$ 4,031,622.63
Net Profit for Year	$ 1,898,516.13	
Less Cash Dividends	510,000.00	1,388,516.13
Balance December 31,1957		$ 5,420,138.76

Copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

TO THE STOCKHOLDERS

We are submitting herewith our consolidated balance sheet and income statement for the year 1957.

The book value of your stock is $163.76 as compared to $147.43 for the previous year.

Inasmuch as 1956 was the first year in which our subsidiary companies, Lufkin Machine Limited and Lufkin International, were a substantial factor in our over-all financial picture, this was the first time a consolidated statement was presented. Inasmuch as it is always the last week in January before our Lufkin Machine Limited statement is obtained from Canada, our Accounting Department has anly a few days to consolidate our statement. Because of duplication of intercompany sales, our auditors corrected our 1956 earnings to $2,664,792 net after taxes. This is somewhat lower than the figure shown on our un-audited statement sent you a year ago.

Our sales volume was approximately 2% under our previous year. Our Mill Supplies Division sales were approximately the same while our Machinery Division was off about 4%. The bright spot was our Trailer Division which increased their sales 12% over 1956.

Your company continued to modernize and expand during the year and spent $906,000 for machine tools, buildings, and equipment. We believe we are continuing to have the best equipped and most efficient plant in existance for manufacturing most of the products that we manufacture. No major capital expenditures are planned for 1958 other than completing our machinery assembly building which was authorized a year ago.

Our Sales departments are optimistic for the coming year and are expecting close to our 1957 volume. General economic forecasts however are not this good, and it is your President's estimate that our volume will be off about 15% which if correct will make 1958 our third best year.

Respectfully submitted,

W. W. Trout

February 1, 1958

Walter W. Trout
President