

**BOHN**

ALUMINUM & BRASS CORPORATION

*Annual Report*

YEAR ENDED DECEMBER 31,

**1961**

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# BOHN

Of vital importance to corporate growth and customer relations is a sound advertising and sales promotion program. Bohn advertising and product booklets supplement our sales efforts to inform customers and prospects about the company's diversified line of products and services. Examples of sales literature and advertisements used by each Bohn manufacturing division appear on this page.

## EDITORIAL

**ENGINE BEARING DESIGN**

This Article is From a Paper Presented at the 1958 Motor Symposium in the Motor Development Center by Subscribers. Effective for all Editions and Includes of Bearing Material Best Data Tables.

Includes a graph showing bearing performance curves.

**These Bearings Don't Wear Out**

NEW! New bearing type developed by Bohn...  
• Bearings last longer...  
• They are stronger...  
• They are more reliable...

Includes a bar chart comparing Bohn bearings with other materials.

## ADVERTISEMENTS

**BOHNABILITY**

BOHN ALUMINUM & BRASS CORPORATION

**FULL-RATED PRODUCTS by BOHN**

AIR-COOLERS CONDENSERS Both Horizontal and Vertical  
REFRIGERATION EVAPORATORS Both Horizontal and Low Temperature

BOHN ALUMINUM & BRASS CORPORATION

**NO TOOLING COSTS!**

this high-quality extruded aluminum grille available in custom lengths and heights

BOHN ALUMINUM & BRASS CORPORATION

## CATALOGS

**BOHN ALUMINUM & BRASS CORPORATION COPPER-ZINC BASED ALLOYS**  
Chemical and Physical Properties

Alloy	Temp. Range	Strength	Hardness	Corrosion	Weldability	Formability	Other
Al-10Cu	100-500	100,000	100	A	Good	Good	
Al-20Cu	100-500	150,000	150	A	Good	Good	
Al-30Cu	100-500	200,000	200	A	Good	Good	
Al-40Cu	100-500	250,000	250	A	Good	Good	
Al-50Cu	100-500	300,000	300	A	Good	Good	
Al-60Cu	100-500	350,000	350	A	Good	Good	
Al-70Cu	100-500	400,000	400	A	Good	Good	
Al-80Cu	100-500	450,000	450	A	Good	Good	
Al-90Cu	100-500	500,000	500	A	Good	Good	

**BETTER LIGHTING... FOR THE LIGHTING INDUSTRY**

**BOHNALITE ALUMINUM LOUVERS**

The BOHNALITE HALF

NOW produced by BOHN Aluminum & Brass Corporation

**WELCOME**

BOHN ALUMINUM & BRASS CORPORATION

**WHO CATALOG**

Plastroy Quality Line

**BEARINGS AND BUSHINGS**

BY **BOHN**

MATERIALS - DESIGN - AVAILABILITY

**ALUMINUM CONDENSER COILS**

**BOHN BRASS**

DIVISION

BOHN ALUMINUM & BRASS CORPORATION

DETROIT 25, MICHIGAN

**BOHN ALUMINUM**

BOHN ALUMINUM & BRASS CORPORATION

DETROIT 25, MICHIGAN



ALUMINUM & BRASS CORPORATION

Detroit 26, Michigan

## ANNUAL REPORT 1961

### Contents

## people, products & progress

The past two Annual Reports of your corporation have presented in some detail the story of Bohn's product diversification, and its services to a multitude of industries. In last year's report we described our product coverage by industries served, and our sales expansion into various new industrial areas.

Today's competitive business requires the skills of a trained management team, composed of specialists in production, sales, finance, research, engineering and marketing.

In the current Annual Report we want to introduce the Bohn management team—the people in these vital areas who are responsible for your company's products and its progress.

	PAGE
Management's Report to Shareowners	2-3
1961 Financial Highlights	3
Danville Division	4
Foundry Division	5
Extrusion and Fabrication Division	6
Brass Products Division	7
Bearing and Bushing Division	8
Plastray Division	9
Port Everglades Steel Corporation	9
Officers and General Administration	10-11
Consolidated Balance Sheet	12-13
Accountants' Report	12-13
Consolidated Statement of Net Earnings	14
Consolidated Statement of Earnings Retained for Use in the Business	14
Notes to Financial Statements	15
Financial Information	16
Research and Development	17
Map Showing Bohn Sales Offices, Plants and Products	18-19
Directors, Officers, Other Corporate Data	20
Products, Plants and Sales Offices	21

# management's report to shareowners

Your management is pleased to report that 1961 was a year of substantial progress for Bohn Aluminum & Brass Corporation. Despite the continuation during the early part of 1961 of the general business recession, which started in 1960, consolidated net earnings were \$2.17 per share.

With the completion during 1961 of the program to eliminate all our outmoded and obsolete facilities, your management feels Bohn has reached a new milestone and that results for 1962 and subsequent years should prove most satisfactory.

## Sales and Earnings

Consolidated net sales for the year ended December 31, 1961 totaled \$46,564,978, a decrease of \$2,480,976 from 1960 sales of \$49,045,954. This is primarily due to the decreased rate of sales during the early months of 1961.

With the lower sales volume and the keen competitive situation which existed throughout the year, earnings before taxes were \$1,631,861, compared with \$1,867,822 in the previous year. \$862,863 of non-recurring expenses incurred in relocating operations and modernizing manufacturing equipment, including a loss on the sale and writedown of Detroit real estate, were more than offset by an additional gain recognized in connection with the liquidation of Reo Motors, Inc. After provision of \$596,000 for Federal income taxes, 1961 consolidated net earnings amounted to \$1,035,861 or \$2.17 per share. In 1960 consolidated net earnings were \$1,004,822 or \$2.10 per share.

## Dividends

Quarterly dividends of 25 cents per share and a year-end extra of 25 cents per share were paid during 1961, for a total of \$1.25 per share. This represents a pay-out of approximately 55 per cent of net earnings.

At its meeting on February 15, 1962, your Board of Directors declared a quarterly dividend payment of 35 cents per share, an increase of 10 cents over previous declarations. The payment on March 15, 1962 at the newly-increased

rate begins the 38th consecutive year your company has paid a dividend.

## Financial Position

The company continues in a strong financial position. Current assets as of December 31, 1961 totaled \$19,746,877, while current liabilities were \$5,848,846, resulting in net working capital amounting to \$13,898,031. The ratio of current assets to current liabilities at the end of 1961 was 3.38 to 1 as compared with 3.97 to 1 at the end of 1960.

Total shareowners' equity increased again this year from \$19,956,435 to \$20,400,536 at December 31, 1961. At the end of 1961 the book value of the Common Capital Stock was equal to \$42.67 per share as compared with \$41.76 per share a year earlier.

## Operations

In May of this past year, we began the previously-announced removal of the Brass Products Division from Detroit to a modern, more efficient plant at Adrian. The move, completed last Fall, represents the final phase of management's long term efforts to modernize all Bohn manufacturing operations.

The consolidated Adrian facility with its up-to-date equipment of modern design now produces a complete line of brass and aluminum extrusions and forgings, brass rod and shapes, and aluminum fabricated parts.

The Butler, Indiana and South Haven, Michigan operations have also been expanded to accommodate the transfer of casting business from the Detroit foundry discontinued in 1960. Butler's production facilities for permanent mold castings have been enlarged by an addition to the present building and the installation of additional melting, production, and laboratory equipment. Also, a new engineering building and precision machinery have been provided at South Haven to improve the piston engineering services to customers, and permit expansion into the heavy duty engine market. Bohn now produces all classes of pistons for internal combustion engines.

At Danville, Illinois, we have constructed additional warehouse and dockage space, stream-

lined manufacturing operations, and installed tooling and equipment for a broader product line. This division is now one of the industry's major manufacturers of heat transfer products.

Improved manufacturing techniques and newly-added equipment at the Holland, Michigan plant now allow us to fabricate a greater variety of aluminum trim, as well as furnish practically all types of mechanical and chemical finishes for extruded products.

**New Product Developments**

During the past year the Danville Division has announced several new product lines, including a large capacity room conditioner, both a compact and a low-temperature unit cooler, and a year-round air conditioning unit, all of which have met with immediate success.

The program for the marketing of new aluminum louvered ceilings for the lighting industry is progressing satisfactorily, and we are aggressively promoting this product with architects, contractors, and other industrial users who offer the greatest sales potential.

Other promising growth areas where we are concentrating promotional efforts are in the fields of aluminum pipe, grilles and louvers for building and construction, multi-surface bearings for high speed engines, heavy duty pistons, and miscellaneous commercial applications for semi-fabri-

cated components. Grille and louver applications offer a particularly attractive growth potential for our aluminum extrusions and fabricated products.

**Management Team**

The program for diversification and modernization of plants and equipment to improve efficiency has now reached fruition after several years of intense work and long range planning.

Attainment of the corporate program objectives and improvements described here and in previous reports has required the talents of a highly qualified team at all levels of management. In the following pages we are proud to present members of this team—a combination of maturity with knowledgeable experience, and youth with vigor and aggressiveness.

**Future Outlook**

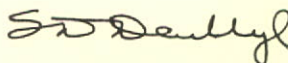
We see 1962 as another year of keen competition under the existing competitive business climate and the constant cost-price squeeze. With our present efficient organization, modern facilities, and broader product diversification your management is optimistic about the company's future prospects.

At this time, management would like to express its sincere thanks to the Bohn shareholders and employees for their continuing support and cooperation during the past year.

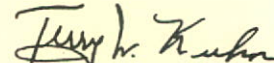
**1961 FINANCIAL HIGHLIGHTS**

Net sales of products.....	\$46,564,978
Earnings before taxes.....	1,631,861
Provision for income taxes....	596,000
Net earnings <sup>1</sup> .....	1,035,861
Net earnings per share.....	2.17
Dividends paid.....	597,460
Dividends paid per share.....	1.25

<sup>1</sup>Includes net gain from special items.



S. D. Den Uyl,  
Chairman of the Board



Terry W. Kuhn,  
President

March 9, 1962

## danville division

GROWING FAST IN A FAST GROWTH INDUSTRY! . . . That's the story of our Danville Division, Danville, Illinois . . . one of the nation's major producers of air conditioning, heating, and commercial refrigeration products.

The Danville Division, formerly the Betz Corporation, was acquired in 1956 and has shown increasing progress in sales and customers every year under its present management team.

Heading the group is General Manager H. BLAKE THOMAS, a Bohn vice president . . . thirty years in the industry . . . five years with Bohn . . . internationally recognized among heat transfer people. Joining the division in 1957, Mr. Thomas outlined production and sales goals that have led the division steadily forward.

Assisting in the division's growth are other well-known industry figures, such as . . .

RAYMOND V. BURDEN, Plant Manager . . . five years with the division . . . twenty years at other Bohn plant locations where he gained

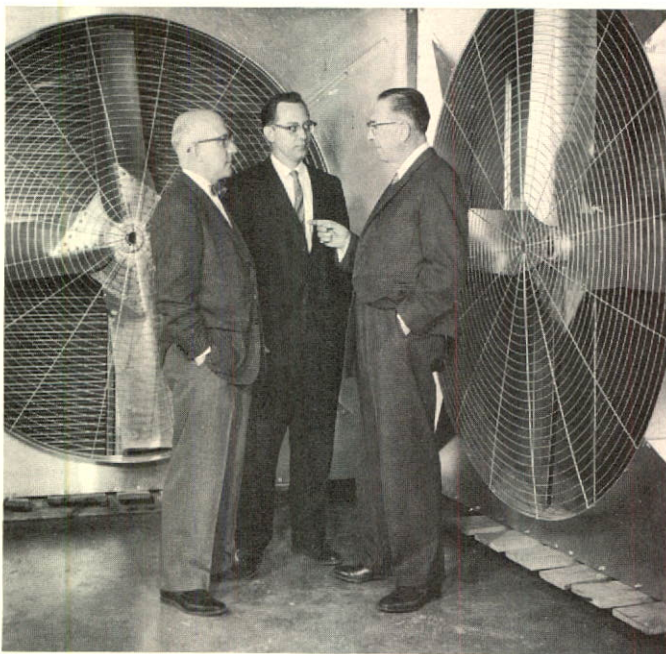
a great depth of experience in the manufacture of domestic refrigeration components.

WESLEY H. MARKSON, Commercial Department Manager . . . five years with the division . . . eighteen years' previous manufacturing experience in the industry.

DAVID H. GOLD, Chief Engineer . . . eight years with the division and its predecessor . . . engineering and developing all Danville models.

CHARLES B. SIMISON, O.E.M. Coil Department Manager . . . LAWRENCE E. JENNINGS, Refrigeration Manager . . . GORDON KAYSER, Air Conditioning Manager . . . all graduate engineers and trained specialists in heat transfer products.

This fast-paced, well-knit team, hand-picked from among the most competent men in the industry, is typical of the management teams now leading other Bohn divisions. To this team, and the groups that they direct, Bohn is looking for continued profitable growth.



RAYMOND V. BURDEN      DAVID H. GOLD      H. BLAKE THOMAS

CHARLES B. SIMISON      GORDON KAYSER      WESLEY H. MARKSON



# foundry division

**EXPANDED FACILITIES . . . NEW HORIZONS!** Our Foundry Division, historically the oldest Bohn division, has just completed an extensive expansion and new plant improvement program . . . a program that greatly strengthens our position as a supplier of pistons and castings to existing markets . . . opens up new markets in the heavy-duty piston field.

As with other Bohn divisions, the Foundry division's greatest strength lies in the experience and caliber of its management personnel.

Solid experience such as that of . . .

**DALE A. BROWN**, Plant Manager, South Haven Casting Plant . . . Bohn thirty-seven years . . . skilled in metallurgy and foundry production.

**JAMES R. DISSETTE**, Machined Pistons Plant Manager, South Haven . . . Bohn eleven years . . . from production line supervision and on to management level.

**PAUL F. CORDES**, Plant Manager Butler, Indiana . . . Bohn thirty-six years . . .

another Bohn man grounded in foundry practices from ingot to finished casting.

**TERRY B. GACH**, Assistant Plant Manager, Butler . . . twenty years' technical and foundry production experience.

**RAYMOND C. SCHUMACHER**, Chief Casting Engineer, Butler plant . . . expert in mold design . . . Bohn sixteen years.

**J. FRANK SEELEY**, Foundry Division Sales Manager . . . thirty-one year Bohn veteran, trained in every phase of manufacturing and sales.

**JAMES W. WINSHIP**, Chief Piston Engineer . . . Bohn fourteen years . . . piston engineering his specialty . . . collaborating on design with engine manufacturers coast to coast.

This is the Bohn Foundry team. These are the men who direct the making and selling of the well known "Bohnalite" foundry specialties . . . products for automobiles, trucks, tractors, appliances, office machines, building and construction, marine applications and all types of general purpose castings.

PAUL F. CORDES



TERRY B. GACH

DOCTOR GERALD V. KINGSLEY RAYMOND C. SCHUMACHER



JAMES R. DISSETTE JAMES W. WINSHIP DALE A. BROWN J. FRANK SEELEY

# extrusion and fabrication division

OVER 30 YEARS' EXTRUSION EXPERIENCE . . . UNLIMITED FUTURE AHEAD! . . . That's the feeling expressed by management throughout our Extrusion & Fabrication Division, Adrian and Holland, Michigan . . . one of the aluminum industry's leading independent extruders and fabricators for industrial and consumer markets.

Confidence in the continued growth of this division is based on the fact that from top to bottom, we have assembled the best management team that could be brought together . . . men who have either proved themselves with us over the years, or through outstanding achievement with other companies in the non-ferrous industry.

Men such as . . .

A. JOSEPH HIRONS, Fabrication Division Sales Manager . . . thirty-two years with Bohn . . . a former Bohn manufacturing manager . . . intimately acquainted with fabricating processes.

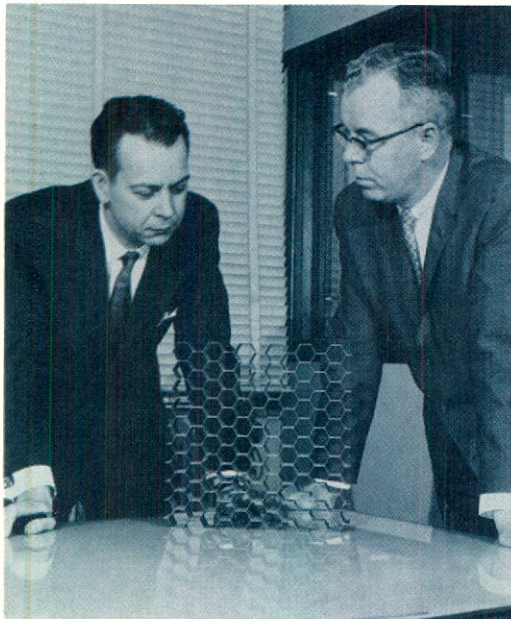
PAUL R. DISSER, directing manufacturing

operations at our Holland plant . . . twelve years with Bohn . . . in addition to manufacturing experience, a broad background in procurement and sales engineering.

RAYMOND C. McCULLOUGH, Division Sales Manager, Extrusions and Special Products . . . total of twenty-nine years' sales and manufacturing experience in metals . . . ten years with Bohn at managerial level.

WALTER NESTER, Plant Manager, Adrian . . . ten years with Bohn . . . five previous years in the industry as an industrial engineering and manufacturing specialist.

The high degree of inter-plant activity, as well as the completely integrated nature of our extrusion and fabrication operations, requires divisional management such as this with extensive experience in all aspects of manufacturing and sales. Each member of our team pictured below is a carefully selected expert in all industry methods.



WALTER NESTER      RAYMOND C. McCULLOUGH



EDWARD O. FALBERG

A. JOSEPH HIRONS

PAUL R. DISSER



## brass products division

**THE NEW LOOK IN BRASS PRODUCTS!**  
... This division, a consolidation of our former Forge Shop and Brass Mill, relocated at Adrian, Michigan, now enjoys its strongest competitive position in years.

In addition to modern plant facilities in a more centralized market area, another major reason for the division's improved competitive position is its present management team . . . a team considered to be the most competent, well-balanced group that has ever held the divisional reins. Members of this team include . . .

**PAUL C. BAILEY**, Brass Products Sales Manager . . . a Bohn employee for the past twelve years. Mr. Bailey has an excellent commercial and engineering background . . . has held various key sales and manufacturing assignments with Bohn.

**WALTER NESTER**, Adrian Plant Manager (See page 6), capably manages production operations for our Brass Products Division.

**ROBERT M. GONTZ**, Adrian Manufacturing Manager . . . a twenty year veteran in non-ferrous metallurgy . . . with Bohn ten years. During this time he has served as Plant Metallurgist and Assistant Plant Manager at our Brass Mill . . . later named to supervise manufacturing operations at our newly-consolidated Adrian facility.

With the relocation of this division completed, and with the present team using its thorough knowledge of industry practices, we are looking forward to increasing our share of the brass products market.



PAUL C. BAILEY

ROBERT M. GONTZ

# bearing and bushing division

BEARINGS ARE BIG BUSINESS! For over forty-six years Bohn's Bearing and Bushing Division has been a leader in the engineering and production of bearings and bushings for automotive and industrial applications. Maintaining this leadership over the years has required the development of a managerial "make and sell" staff second to none in the industry.

Members of the management group, such as HENRY J. LOOK, Division Sales Manager . . . Bohn, thirty-six years . . . assure the division of the quality of leadership needed to maintain its superiority in the competitive years ahead.

Other men of stature who bring an equally high degree of competence to bear on management duties are . . .

CARL F. BROWN, Plant Manager of our Greensburg, Indiana plant. Mr. Brown, with Bohn three years, came to us ready-trained by fifteen previous years' experience with industry.

JOHN M. ROBERTSON, Staff Engineer . . . Bohn, fourteen years . . . fifteen years' previous industry experience in automotive engineering and research with a "Big Three" automotive company.

GEORGE R. LEFEVRE, Staff Engineer . . . Bohn, eight years . . . a professional engineer with many years' previous experience in engineering and research with the automotive industry.

EDWARD O. FALBERG, Division Manufacturing Manager . . . a metallurgical engineer by training . . . former plant manager . . . Bohn, twelve years. Among his many management duties, Mr. Falberg coordinates the production efforts of our bearing team and directs operations in other areas of manufacturing.

As with other management teams at Bohn, we are very proud of our Bearing and Bushing Division staff and have great confidence in their united ability to increase the industry leadership they have inherited.



GEORGE R. LEFEVRE

JOHN M. ROBERTSON

EDWARD O. FALBERG

HENRY J. LOOK

CARL F. BROWN



## plastray division

LIGHT, BRIGHT, DURABLE . . . THIS, TOO, IS BOHN! Our Plastray Division, Walled Lake, Michigan acquired in December, 1957, is a leading manufacturer of plastic houseware products and industrial components.

Over eighty Plastray houseware items are distributed throughout the United States and Canada to leading department stores, retail outlets, chain stores and supermarkets. Plastray is now also engaged in the production of premium items and custom molding, as well as proprietary plastic parts.

Overall direction of the division's manufacturing and sales is handled by DOUGLAS L. JOCELYN . . . a veteran of fifteen years in the plastics industry and the merchandising of plastic products.

Aiding Mr. Jocelyn is Merchandising Manager, ROBERT L. POTTER . . . in charge of engineering and sales of Plastray products marketed in this country and through our Canadian subsidiary, Plastray Company (Canada) Limited.

As with other Bohn management teams, the high caliber and business acumen of the Plastray team offer promise in a growing industry.



DOUGLAS L. JOCELYN

ROBERT L. POTTER

## port everglades steel corporation (pesco)

OUR NEWEST TEAM! Acquired in 1959 as a wholly-owned Bohn subsidiary, the Port Everglades Steel Corporation has been operating as a profitable business with a good growth record.

This subsidiary, located in Fort Lauderdale, Florida, operates as an importer of steel products for the construction and roadbuilding industries.

Included in the "PESCO" product line are such items as reinforcing bars, structural steel shapes, wire nails, strand, tie and fencing wire, Clinton cloth and steel plate and pipe for various heavy-duty industrial uses.

Personnel heading up the Port Everglades unit are LOUIS ZINN, President; ALLEN GORDON, Vice President; and ROBERT J. DARRAGH, Vice President and Treasurer . . . all highly experienced and well-known, both here and abroad, throughout the steel products industry.

Following the pattern of profitable operations and sales growth, during the past year the "PESCO" subsidiary has expanded its sales coverage and broadened its product line by the addition of several new products.



ALLEN GORDON

ROBERT J. DARRAGH

LOUIS ZINN

# officers and general administration



SIMON D. DEN UYL

TERRY W. KUHN

(Background picture: late founder, Charles B. Bohn)

## TOP MANAGEMENT and . . . KEY STAFF PERSONNEL . . .

SIMON D. DEN UYL, Chairman of the Board . . . forty-three years' service . . . started in Treasurer's office in 1919 . . . rose to Treasurer . . . elected President in 1949 . . . Chairman in 1958.

TERRY W. KUHN, President . . . joined Bohn in 1928 as Sales Representative . . . advanced to Vice President of Sales in 1949 . . . Executive Vice President in 1954 . . . President in 1958.

WILLIAM J. LANE, Secretary . . . fourteen years as an attorney . . . former staff attorney for automotive manufacturer . . . joined Bohn in 1953 as legal counsel . . . elected Secretary in 1954.

KENNETH R. CRAWFORD, Assistant Secretary and Assistant Treasurer . . . with Bohn twenty-one years . . . assists company Secretary and Treasurer in controller and administrative functions.

ERNEST K. MANN, JR., Vice President and Treasurer . . . with Bohn since 1951 . . . total of thirty-four years in accounting and finance . . . eighteen years in aluminum industry.



WILLIAM J. LANE

KENNETH R. CRAWFORD

ERNEST K. MANN, JR.



GUY H. PITTS

EDWARD N. HARRIS

GUY H. PITTS, Vice President of Manufacturing . . . twenty years in aluminum industry in responsible engineering and manufacturing assignments . . . formerly Bohn Divisional Manufacturing Manager . . . elected Vice President in 1958.

EDWARD N. HARRIS, Vice President of Sales . . . sixteen years in industry . . . came to Bohn in 1953 as Sales Engineer . . . managed Bohn's machined piston foundry . . . in charge of Bohn product sales since early 1961.

H. BLAKE THOMAS, Vice President and General Manager, Danville Division . . . thirty years' management and heat transfer experience in this country and Great Britain, prior to coming to Bohn in 1957.

DRURY I. CONNOR, Director of Advertising and Public Relations . . . twenty-three years' industry experience in sales operations, finance and industrial marketing . . . fourteen years in the aluminum industry.

ALLAN R. POORE, Director of Industrial Relations . . . an attorney and former agent of F.B.I. . . . fourteen years' experience in labor relations.



H. BLAKE THOMAS

ERNEST K. MANN, JR.



DRURY I. CONNOR

ALLAN R. POORE

# BOHN

**ALUMINUM & BRASS**  
**CONSOLIDATED**

## ASSETS

	December 31, 1961	December 31, 1960
<b>CURRENT ASSETS:</b>		
Cash.....	\$ 2,732,796	\$ 1,299,284
Marketable securities—at cost plus accrued interest (approximately market).....	522,080	4,151,223
Anticipated distribution of trust assets relating to investment in Reo Motors, Inc. (Delaware) (Note C)...	854,526	—
Trade accounts receivable, less allowance for doubtful accounts (1961—\$101,500, 1960—\$111,500).....	4,930,512	4,498,311
Refundable federal income taxes.....	209,411	251,131
Inventories—at lower of cost (first-in, first-out method) or market:		
In-process and finished products.....	\$ 7,121,841	\$ 4,233,479
Metals and raw materials.....	2,687,615	3,029,321
Manufacturing supplies.....	293,774	316,930
	<u>\$10,103,230</u>	<u>\$ 7,579,730</u>
Prepaid insurance, taxes, and other expenses.....	394,322	475,727
<b>TOTAL CURRENT ASSETS.....</b>	<u>\$19,746,877</u>	<u>\$18,255,406</u>
<b>OTHER ASSETS:</b>		
Notes receivable from salaried employees arising from stock purchase plan—less current portion (\$117,712) included in trade accounts receivable.....	\$ 170,322	—
Miscellaneous.....	19,437	\$ 39,500
	<u>\$ 189,759</u>	<u>\$ 39,500</u>
<b>PROPERTY, PLANT, AND EQUIPMENT—at cost, less accumulated depreciation and amortization:</b>		
Land.....	\$ 288,949	\$ 551,741
Buildings and building equipment.....	7,061,841	6,806,382
Machinery and other equipment.....	11,541,539	11,623,158
	<u>\$18,892,329</u>	<u>\$18,981,281</u>
Less accumulated depreciation and amortization.....	10,101,515	9,746,648
<b>TOTAL PROPERTY, PLANT, AND EQUIPMENT</b>	<u>\$ 8,790,814</u>	<u>\$ 9,234,633</u>
<b>DEFERRED CHARGES.....</b>	<u>21,932</u>	<u>25,639</u>
	<u>\$28,749,382</u>	<u>\$27,555,178</u>

## ACCOUNTANTS'

Detroit 26, Michigan  
March 8, 1962

Board of Directors,  
Bohn Aluminum & Brass Corporation,  
Detroit, Michigan.

We have examined the accompanying consolidated balance sheet of Bohn Aluminum & Brass Corporation and subsidiaries as of December 31, 1961, and the related statements of net earnings, additional paid-in capital, and earnings retained for use in the business for the year then ended. Our examination was made in accordance with generally accepted auditing

**CORPORATION AND SUBSIDIARIES**

**BALANCE SHEET**

**LIABILITIES AND STOCKHOLDERS' INVESTMENT**

	December 31, 1961	December 31, 1960
<b>CURRENT LIABILITIES:</b>		
Trade accounts payable.....	\$ 2,871,498	\$ 1,649,326
Pay rolls and other compensation.....	1,014,357	1,014,140
Pay roll taxes and amounts withheld from employees.....	271,356	250,055
Accrued pension costs and other expenses.....	621,454	759,146
Federal taxes on income.....	570,181	426,076
Payment due within one year on note payable to insurance company.....	500,000	500,000
<b>TOTAL CURRENT LIABILITIES.....</b>	<b>\$ 5,848,846</b>	<b>\$ 4,598,743</b>
 <b>NOTE PAYABLE TO INSURANCE COMPANY (Note A):</b>		
4¼% due November 1, 1967; redemption price to November 1, 1962, 101.55%, declining .30% each year thereafter; minimum annual payment—\$500,000.....	\$ 3,000,000	\$ 3,500,000
Less payment due within one year.....	500,000	500,000
	<u>\$ 2,500,000</u>	<u>\$ 3,000,000</u>
 <b>STOCKHOLDERS' INVESTMENT:</b>		
Common Capital Stock, par value \$5.00 a share:		
Authorized 1,200,000 shares		
Issued 533,352 shares.....	\$ 2,666,760	\$ 2,666,760
Additional paid-in capital.....	5,279,622	5,279,322
Earnings retained for use in the business (Note A).....	13,697,504	13,259,103
	<u>\$21,643,886</u>	<u>\$21,205,185</u>
Less cost of Common Capital Stock in treasury (1961—55,260 shares, 1960—55,500 shares) (Note D).....	1,243,350	1,248,750
<b>TOTAL STOCKHOLDERS' INVESTMENT.....</b>	<b>\$20,400,536</b>	<b>\$19,956,435</b>
 <b>CONTINGENT LIABILITIES—see Notes C and E</b>		
	<u><u>\$28,749,382</u></u>	<u><u>\$27,555,178</u></u>

See notes to financial statements.

**REPORT**

standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of Bohn Aluminum & Brass Corporation and subsidiaries at December 31, 1961, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TOUCHE, ROSS, BAILEY & SMART  
Certified Public Accountants



**ALUMINUM & BRASS CORPORATION  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT  
OF NET EARNINGS**

	1961	1960
Net sales.....	\$46,564,978	\$49,045,954
Miscellaneous.....	205,229	227,249
	<u>\$46,770,207</u>	<u>\$49,273,203</u>
Costs and expenses:		
Cost of products sold, other than items below.....	\$40,189,673	\$42,346,340
Selling and administrative expenses, other than items below.....	3,146,769	3,284,730
Depreciation of plant and equipment.....	1,440,306	1,317,583
Cost of pensions for employees.....	208,053	288,742
Interest on note payable to insurance company.....	145,208	167,986
	<u>\$45,130,009</u>	<u>\$47,405,381</u>
EARNINGS BEFORE TAXES ON INCOME AND SPECIAL ITEMS.....	\$ 1,640,198	\$ 1,867,822
Federal taxes on income.....	832,000	863,000
EARNINGS BEFORE SPECIAL ITEMS.....	<u>\$ 808,198</u>	<u>\$ 1,004,822</u>
Special items:		
Gain recognized on account of anticipated distribution of trust assets relating to investment in Reo Motors, Inc. (Delaware), less applicable federal taxes on income of \$213,000 (Note C).....	\$ 641,526	—
Losses applicable to disposal of excess manufacturing facilities and expenses of transferring certain operations to other locations, less applicable federal income tax credit of \$449,000.....	413,863	—
	<u>\$ 227,663</u>	—
NET EARNINGS.....	<u>\$ 1,035,861</u>	<u>\$ 1,004,822</u>

**CONSOLIDATED STATEMENT  
OF ADDITIONAL PAID-IN CAPITAL**

	1961	1960
Balance at beginning of year.....	\$ 5,279,322	\$ 5,278,947
Excess of option price over cost of treasury stock issued under restricted stock option plan (1961—240 shares, 1960—300 shares) (Note D).....	300	375
Balance at end of year.....	<u>\$ 5,279,622</u>	<u>\$ 5,279,322</u>

**CONSOLIDATED STATEMENT OF EARNINGS  
RETAINED FOR USE IN THE BUSINESS**

	1961	1960
Balance at beginning of year.....	\$13,259,103	\$12,851,471
Net earnings for the year.....	1,035,861	1,004,822
	<u>\$14,294,964</u>	<u>\$13,856,293</u>
Deduct cash dividends paid (\$1.25 a share).....	597,460	597,190
Balance at end of year.....	<u>\$13,697,504</u>	<u>\$13,259,103</u>

See notes to financial statements.



## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1961

### Note A—Restrictions on Dividends on Common Capital Stock

The loan agreement with the insurance company, as modified, provides, among other covenants, that the Corporation will not declare or pay cash dividends on its Common Capital Stock or purchase shares of such stock subsequent to December 31, 1951, in an aggregate amount, less amounts received as cash proceeds from sales of such stock, which will exceed 75 % of consolidated net income (as defined in the note) after that date plus \$1,000,000, or which will reduce net current assets below \$10,000,000. As of December 31, 1961, earnings retained for use in the business of \$1,517,008 were free from this restriction.

### Note B—Pension Plans

Unfunded past service costs under the Corporation's pension plans amounted to approximately \$1,100,000 at December 31, 1961, and are being amortized over periods not exceeding 30 years.

### Note C—Reo Motors, Inc. (Delaware)

On December 30, 1954, Reo Motors, Inc., a Delaware corporation (67.67 % owned by Bohn), acquired certain assets of Reo Motors, Inc., a Michigan corporation (name changed to Nuclear Corporation of America).

On May 20, 1957, Reo (Delaware) adopted a plan of liquidation under which it sold, as of June 5, 1957, to the White Motor Company, all of its assets except treasury stock, cash, and claims for refunds of federal income taxes. As part of the purchase price, White assumed all of the liabilities of Reo (Delaware) as of June 5, 1957, except those for redetermination, renegotiation, and taxes on income.

In 1958 and 1957 Bohn received from Reo (Delaware) liquidating dividends of \$1,072,000 and \$1,340,000, respectively. These liquidating dividends first were applied against the cost of Bohn's investment in Reo and the remainder, less expenses, were included in earnings.

The liquidation of Reo (Delaware) was completed on May 8, 1958, at which time assets reasonably required to meet claims and expenses were transferred to a trust. Upon payment and discharge of all liabilities, the balance of any assets remaining will be distributed to the former shareholders of Reo.

The liabilities of Reo (Michigan) and Reo (Delaware) for redetermination and renegotiation have been settled. The liabilities of Reo (Michigan) for federal income taxes assumed by Reo (Delaware) have been settled. The federal income tax liabilities of Reo (Delaware) determined by the Revenue Agent have been agreed to by Bohn, as transferee. The Appellate Division has substantially completed their review of the case preliminary to submission to the Joint Committee on Internal Revenue Taxation for final review and approval as provided by the Internal Revenue Code.

It is the opinion of the management of Bohn that the assets of Reo (Delaware) transferred to the trust to meet claims will be more than sufficient to discharge all remaining liabilities and that the Company's share of such assets in excess of all remaining liabilities will approximate \$854,526. This amount has been included in the consolidated statement of net earnings for the year ended December 31, 1961.

### Note D—Stock Options

At December 31, 1960, options for 55,000 shares of Common Capital Stock were outstanding under a restricted stock option plan at \$23.75 per share. During 1961 options for 240 shares were exercised and options for 2,900 shares were canceled. At December 31, 1961, options for 51,860 shares were outstanding and 3,400 shares were available for additional option grants. Options for 30,860 shares were exercisable at December 31, 1961.

### Note E—Contingent Liabilities

In connection with the acquisition of certain assets and the business of Port Everglades Steel Corp., a subsidiary has agreed to pay each year through 1969, to the former owner, an amount equal to one half of the annual net earnings of this business for each year in excess of approximately \$96,000. If the net earnings for any year are less than \$96,000, then such deficiencies are to be offset against earnings of future years before any payments are required. The subsidiary may, at its own election, terminate its obligation to make further payments under the agreement upon the occurrence of certain events including net losses of the subsidiary during specified periods of time. The maximum of such contingent payments is not to exceed \$1,125,000. At December 31, 1961, a maximum of \$1,098,687 remained unpaid under the agreement.

**FINANCIAL INFORMATION**

	<u>1961</u>	<u>1960</u>	<u>1959</u>	<u>1958</u>	<u>1957</u>
<b>RECORD OF OPERATIONS:</b>					
Net sales of products . . . . .	\$46,564,978	\$49,045,954	\$45,669,559	\$31,669,280	\$39,713,730
Earnings before taxes on income . . . . .	\$ 1,631,861	\$ 1,867,822	\$ 2,610,681	\$ 237,648	\$ 1,232,935
Provision for income taxes . . . . .	596,000	863,000	1,350,000	20,000	145,000
Net earnings . . . . .	<u>\$ 1,035,861</u>	<u>\$ 1,004,822</u>	<u>\$ 1,260,681</u>	<u>\$ 217,648</u>	<u>\$ 1,087,935</u>
<b>FINANCIAL POSITION:</b>					
Current assets . . . . .	\$19,746,877	\$18,255,406	\$19,796,249	\$14,577,515	\$17,493,309
Current liabilities . . . . .	\$ 5,848,846	\$ 4,598,743	\$ 6,822,686	\$ 2,817,657	\$ 3,882,530
Ratio . . . . .	3.38 to 1	3.97 to 1	2.90 to 1	5.17 to 1	4.51 to 1
Working capital . . . . .	\$13,898,031	\$13,656,663	\$12,973,563	\$11,759,858	\$13,610,779
Per share of Common Capital Stock <sup>1</sup> . . . . .	\$ 29.07	\$ 28.58	\$ 27.17	\$ 24.63	\$ 25.52
Property, plant, and equipment (net) . . . . .	\$ 8,790,814	\$ 9,234,633	\$ 9,308,269	\$ 9,961,224	\$10,612,251
Stockholders' investment . . . . .	\$20,400,536	\$19,956,435	\$19,541,678	\$18,877,937	\$20,168,515
Per share of Common Capital Stock <sup>1</sup> . . . . .	\$ 42.67	\$ 41.76	\$ 40.92	\$ 39.53	\$ 37.81
<b>DIVIDEND PAYMENTS . . . . .</b>					
	\$ 597,460	\$ 597,190	\$ 596,940	\$ 252,726	\$ 666,690
<b>PER SHARE OF COMMON CAPITAL STOCK:</b>					
Earned . . . . .	\$ 2.17	\$ 2.10	\$ 2.64	\$ .46	\$ 2.04
Dividends paid . . . . .	\$ 1.25	\$ 1.25	\$ 1.25	\$ .50	\$ 1.25
<b>EXPENDITURES FOR PROPERTY, PLANT, AND EQUIPMENT . . . . .</b>					
	\$ 1,898,647	\$ 1,441,319	\$ 765,866	\$ 951,534	\$ 2,119,024
<b>DEPRECIATION AND AMORTIZATION . . . . .</b>					
	\$ 1,440,306	\$ 1,317,583	\$ 1,334,647	\$ 1,279,363	\$ 1,330,386
<b>AVERAGE NUMBER OF STOCKHOLDERS . . . . .</b>					
	3,300	3,300	3,500	4,400	4,700
<b>AVERAGE NUMBER OF EMPLOYEES . . . . .</b>					
	2,200	2,200	2,300	2,000	2,400

<sup>1</sup>Per share amounts have been restated to give effect to the number of shares outstanding at the end of each year.

## research and development

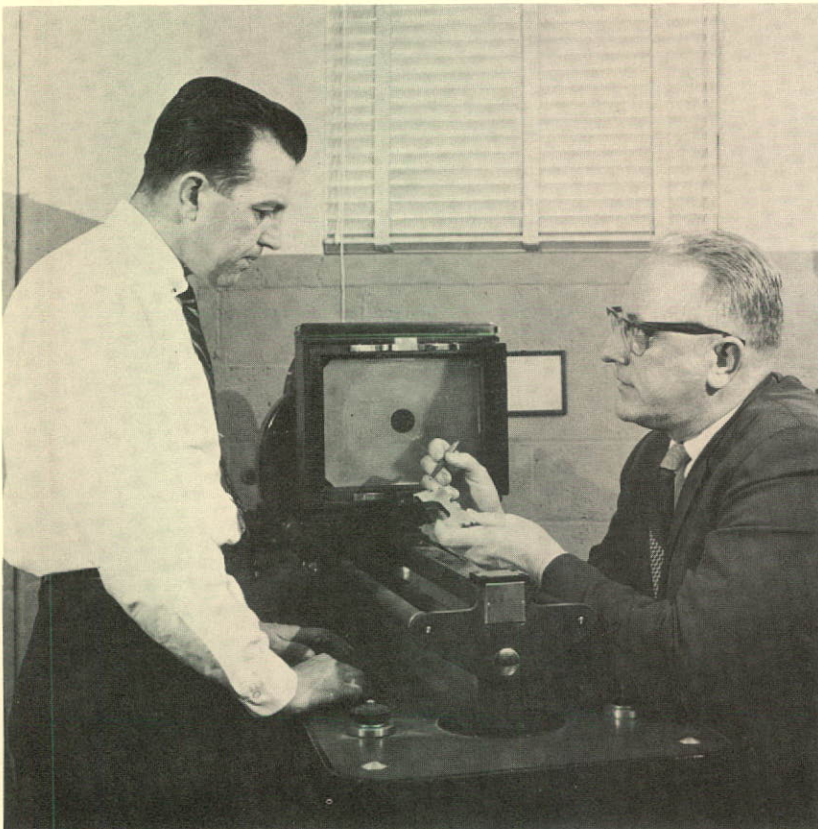
LOOK AHEAD . . . TO STAY AHEAD!! . . . Advanced research, quality control and precision engineering have aided Bohn's progress in products and diversification into other industrial sales areas.

Because of the "job shop" nature of much of our product line, Bohn management has recognized the need for outstanding research and development facilities and personnel to complement our field sales efforts.

Our Main Research Center, headed by DOCTOR GERALD V. KINGSLEY, is equip-

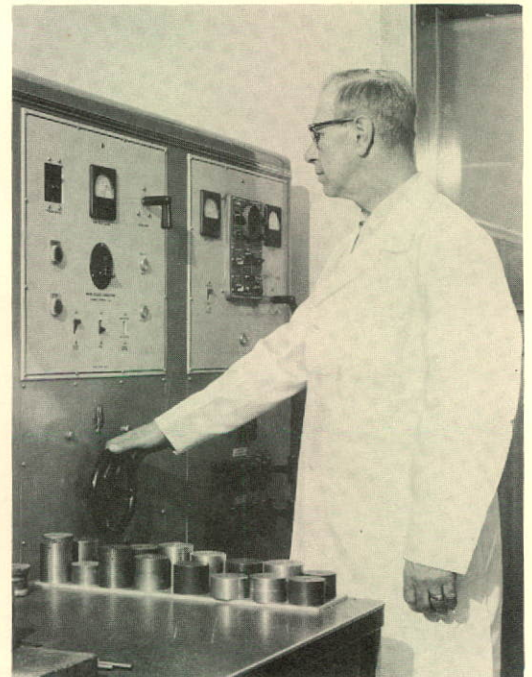
ped with the latest in testing equipment and technical scientific apparatus. Working closely with Main Research, each division and plant operates its own quality control laboratory for constant supervision and maintenance of product specifications.

In some units, programs of designing, development and testing are performed. These services contribute valuable data which result in improved customer products, and eventually lead to larger production orders and expansion of commercial sales.



Doctor Kingsley (right), Director of Research . . . with Bohn since 1942 . . . twenty years' specialization in the field of metallurgy.




Accuracy as well as speed is characteristic of the Quantometer shown below. In approximately two minutes it performs a typical thirteen-element analysis, giving chemical composition of metal samples.

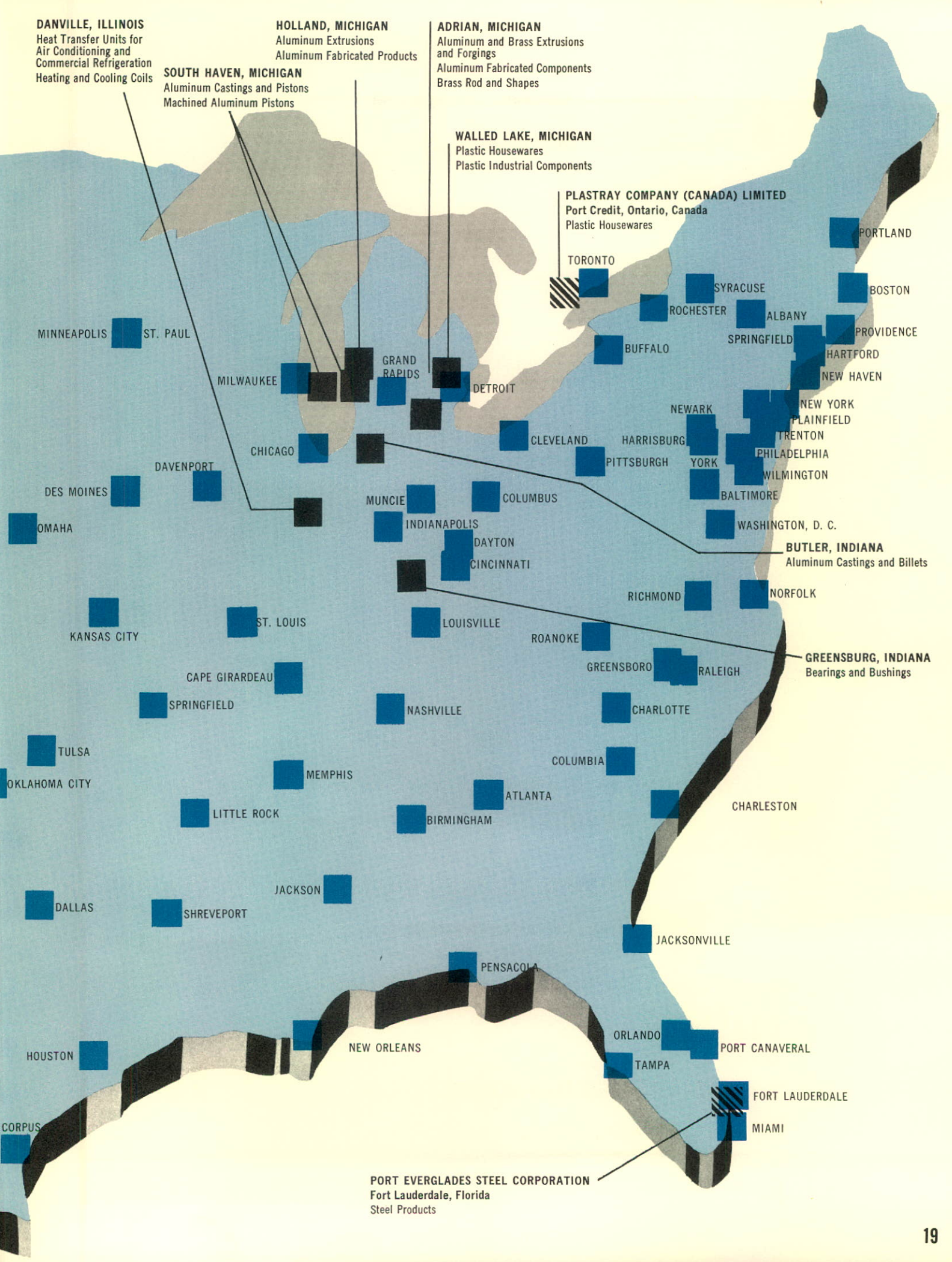




# BOHN

## ALUMINUM & BRASS CORPORATION

-  *Bohn Manufacturing Plants and Products*
-  *Bohn Subsidiaries and Products*
-  *Bohn Sales Offices*



**DANVILLE, ILLINOIS**  
Heat Transfer Units for Air Conditioning and Commercial Refrigeration Heating and Cooling Coils

**SOUTH HAVEN, MICHIGAN**  
Aluminum Castings and Pistons  
Machined Aluminum Pistons

**HOLLAND, MICHIGAN**  
Aluminum Extrusions  
Aluminum Fabricated Products

**ADRIAN, MICHIGAN**  
Aluminum and Brass Extrusions and Forgings  
Aluminum Fabricated Components  
Brass Rod and Shapes

**WALLED LAKE, MICHIGAN**  
Plastic Housewares  
Plastic Industrial Components

**PLASTRAY COMPANY (CANADA) LIMITED**  
Port Credit, Ontario, Canada  
Plastic Housewares

**TORONTO**

**PORTLAND**

**BOSTON**

**SYRACUSE**

**ROCHESTER**

**ALBANY**

**SPRINGFIELD**

**PROVIDENCE**

**HARTFORD**

**NEW HAVEN**

**MINNEAPOLIS**

**ST. PAUL**

**MILWAUKEE**

**GRAND RAPIDS**

**DETROIT**

**BUFFALO**

**NEWARK**

**NEW YORK**

**PLAINFIELD**

**TRENTON**

**PHILADELPHIA**

**WILMINGTON**

**CHICAGO**

**CLEVELAND**

**HARRISBURG**

**PITTSBURGH**

**YORK**

**BALTIMORE**

**DES MOINES**

**DAVENPORT**

**MUNCIE**

**COLUMBUS**

**WASHINGTON, D. C.**

**BUTLER, INDIANA**  
Aluminum Castings and Billets

**OMAHA**

**INDIANAPOLIS**

**DAYTON**

**CINCINNATI**

**RICHMOND**

**NORFOLK**

**GREENSBURG, INDIANA**  
Bearings and Bushings

**KANSAS CITY**

**ST. LOUIS**

**LOUISVILLE**

**ROANOKE**

**GREENSBORO**

**RALEIGH**

**CAPE GIRARDEAU**

**SPRINGFIELD**

**NASHVILLE**

**CHARLOTTE**

**TULSA**

**OKLAHOMA CITY**

**MEMPHIS**

**COLUMBIA**

**CHARLESTON**

**LITTLE ROCK**

**BIRMINGHAM**

**ATLANTA**

**DALLAS**

**SHREVEPORT**

**JACKSON**

**JACKSONVILLE**

**PENSACOLA**

**HOUSTON**

**NEW ORLEANS**

**ORLANDO**

**PORT CANAVERAL**

**TAMPA**

**FORT LAUDERDALE**

**MIAMI**

**PORT EVERGLADES STEEL CORPORATION**  
Fort Lauderdale, Florida  
Steel Products



**ALUMINUM & BRASS CORPORATION**

EXECUTIVE OFFICES DETROIT 26, MICHIGAN

## management

### DIRECTORS

WALTER E. AUCH, *New York*  
SHEPARD BROAD, *Miami Beach*  
MARTIN C. CALLAHAN, *Detroit*  
SIMON D. DEN UYL, *Detroit*  
ERICH O. GRUNEBAUM, *New York*  
RAYMOND J. HODGSON, *Detroit*  
VICTOR W. KLEIN, *Detroit*  
TERRY W. KUHN, *Detroit*  
ERNEST K. MANN, JR., *Detroit*  
WILLIAM A. McAFEE, *Cleveland*  
GUY H. PITTS, *Detroit*

### OFFICERS

SIMON D. DEN UYL, *Chairman of the Board*  
TERRY W. KUHN, *President*  
ERNEST K. MANN, JR., *Vice President and Treasurer*  
EDWARD N. HARRIS, *Vice President*  
GUY H. PITTS, *Vice President*  
H. BLAKE THOMAS, *Vice President*  
WILLIAM J. LANE, *Secretary*  
KENNETH R. CRAWFORD, *Asst. Secy. and Asst. Treas.*

### TRANSFER AGENT & DIVIDEND DISBURSING AGENT

First National City Trust Company  
22 William St., New York 15, N. Y.

### CO-TRANSFER AGENT

National Bank of Detroit  
611 Woodward Ave., Detroit 32, Michigan

### REGISTRARS

Bankers Trust Company  
485 Lexington Ave., New York 17, N. Y.  
The Detroit Bank & Trust Company  
201 West Fort St., Detroit 31, Michigan

### GENERAL COUNSEL

Butzel, Eaman, Long, Gust & Kennedy  
1881 First National Building, Detroit 26, Michigan

### INDEPENDENT ACCOUNTANTS

Touche, Ross, Bailey & Smart  
1380 First National Building, Detroit 26, Michigan

### STOCK LISTED

New York Stock Exchange  
Detroit Stock Exchange

## **PRODUCTS**

Aluminum Extrusions and Forgings  
Fabricated Products • Aluminum Billets  
Aluminum Pistons and Permanent Mold Castings  
Bearings and Bushings  
Brass Rod and Shapes • Brass Forgings  
Refrigeration Component Parts  
Heat Transfer Units for Air Conditioning and  
Commercial Refrigeration  
Heating and Cooling Coils  
Plastic Housewares and Plastic Industrial  
Components  
Steel Products for Construction and Roadbuilding

## **MANUFACTURING PLANTS**

### **MICHIGAN**

Adrian • Holland • South Haven • Walled Lake

### **INDIANA**

Butler • Greensburg

### **ILLINOIS**

Danville

## **SUBSIDIARIES (Wholly-Owned)**

PLASTRAY COMPANY (CANADA) LIMITED  
Port Credit, Ontario, Canada

PORT EVERGLADES STEEL CORPORATION  
Fort Lauderdale, Florida

## **SALES OFFICES**

ALBANY • ALBUQUERQUE • ATLANTA  
BALTIMORE • BIRMINGHAM • BOSTON  
BUFFALO • CAPE GIRARDEAU  
CHARLESTON • CHARLOTTE • CHICAGO  
CINCINNATI • CLEVELAND • COLUMBIA  
COLUMBUS • CORPUS CHRISTI • DALLAS  
DAVENPORT • DAYTON • DENVER  
DES MOINES • DETROIT • EL PASO  
FORT LAUDERDALE • GRAND RAPIDS  
GREENSBORO • HARRISBURG  
HARTFORD • HOUSTON • INDIANAPOLIS  
JACKSON • JACKSONVILLE  
KANSAS CITY • LITTLE ROCK  
LOS ANGELES • LOUISVILLE • MEMPHIS  
MIAMI • MILWAUKEE • MINNEAPOLIS  
MUNCIE • NASHVILLE • NEWARK  
NEW HAVEN • NEW ORLEANS  
NEW YORK • NORFOLK  
OKLAHOMA CITY • OMAHA • ORLANDO  
PENSACOLA • PHILADELPHIA  
PITTSBURGH • PHOENIX • PLAINFIELD  
PORT CANAVERAL • PORTLAND  
PROVIDENCE • RALEIGH • RICHMOND  
ROANOKE • ROCHESTER • ST. LOUIS  
ST. PAUL • SALT LAKE CITY  
SAN ANTONIO • SAN FRANCISCO  
SEATTLE • SHREVEPORT • SPOKANE  
SPRINGFIELD • SYRACUSE • TAMPA  
TORONTO • TRENTON • TUCSON  
TULSA • WASHINGTON, D. C. • WICHITA  
WILMINGTON • YORK

**BOHN** ALUMINUM & BRASS CORPORATION

*Annual Report*

YEAR ENDED DECEMBER 31, **1961**