RC 526100 ALEXANDER R.R. CO. 1979 1

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Class III Railroads

Approved by GAO
B-180230 (R0583)
Expires 12-31-81

annual report

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ALEXANDER R.R. CO.
145 SECOND AVE NE
TAYLORSVILLE NC 28681

correct name and address if different than shown

full name and address of reporting carrier
(use mailing label on original, copy in full on duplicate)

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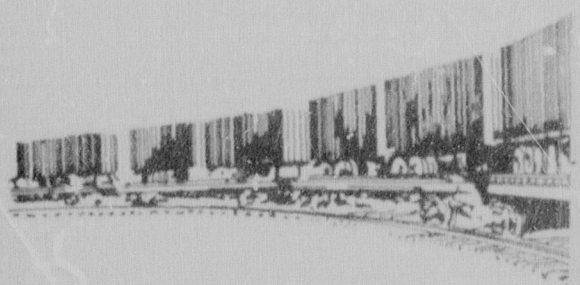

to the
Interstate Commerce Commission
for the year ended December 31, 1979

NOTICE

All switching and terminal companies will be designated class III railroads.

Switching and terminals companies are further classified as:

Class 1, Exclusively switching. This class of companies includes all those performing switching service only, whether for joint account or for revenue.

Class S2, Exclusively terminal. This class of companies includes all companies furnishing terminal trackage or terminal facilities only, Such as union passenger or freight stations, stockyards, etc., for which a charge is made, whether operated for joint account or for revenue. In case a bridge or ferry is part of the facilities operated by a terminal company, it should be include under this heading.

Class S3, Both switching and terminal. Companies which perform both a switching and a terminal service. This class of companies includes all companies whose operations cover both switching and terminal service, as defined above.

Class S4, Bridge and ferry. This class of companies is confined to those whose operations are limited to bridges and ferries exclusively.

Class S5, Mixed. Companies performing primarily a switching or a terminal service, but which also conduct a regular freight or passenger traffic. The revenues of this class of companies include, in addition to switching or termifal revenues, those derived from local passenger service, local freight service, participation in through movement of freight or passenger traffic, other transportation operations, and operations other than transportation.

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101. IDENTITY OF RESPONDENT

1. Give the exact name by which the respondent was known in law at the close of the year.

Alexander Railroad Company

2. State whether or not the respondent made an annual report to the Interstate Commerce Commission for the preceding year, or for any part thereof. If so, in what name was such report made?

Yes, Alexander Railroad Company

3. If any change was made in the name of the respondent during the year, state all such changes and the dates on which they were made.

None made

4. Give the location (including street and number) of the main business office of the respondent at the close of the year.

145 Second Ave., NE, Taylorsville, N. C. 28681

5. Give the titles, names, and office addresses of all general officers of the respondent at the close of the year. If there are receivers who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices.

Line No.	Title of general officer (a)	Name and office address of person holding office at close of year (b)
1	President	S.J.Zachary, Box 277, Taylorsville, NC 28681
2	Vice president	C. K. Sherrill & Scott Stamey, " "
3	Secretary	Plato Carson " "
4	Treasurer	Same as President
5	Controller or auditor	None
6	Attorney or general counsel	None
7	General manager	Same as President
8	General superintendent	None
9	General freight agent	Alva P. Lackey
10	General passenger agent	None
11	General land agent	None
12	Chief engineer	None
13		

6. Give the names and office addresses of the several directors of the respondent at the close of the year, and the dates of expiration of their respective terms.

Line No.	Name of director (a)	Office address (b)	Term expires (c)
14	J.W.Abernethy, Jr.	P. O. Box 277, Taylorsville, NC 28681	March 1980
15	Joe F. Cline	" "	"
16	C. K. Sherrill	" "	"
17	Scott Stamey	" "	"
18	Cecil R. Fry	" "	"
19	Plato E. Carson	" "	"
20	Samuel J. Zachary	" "	"
21			
22			
23			

7. Give the date of incorporation of the respondent. 12-7-45 8. State the character of motive power used. Diesel Electric

9. Class of switching and terminal company. III

10. Under the laws of what Government, State, or Territory was the respondent organized? If more than one, name all. Give reference to each statute and all amendments thereof effected during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees.

North Carolina

11. State whether or not any corporation or association or group of corporations had, at the close of the year, the right to name the major part of the board of directors, managers, or trustees of the respondent, and if so, give the names of all such corporations and state whether such right was derived through *(a)* title to capital stock or other securities issued or assumed by the respondent, *(b)* claims for advances of funds made for the construction of the road and equipment of the respondent, or *(c)* express agreement or some other source.

No

12. Give hereunder a history of the respondent from its inception to date, showing all consolidations, mergers, reorganizations, etc., and if a consolidated or merging corporation give like particulars for all constituent and subconstituent corporations. Describe also the course of construction of the road of the respondent, and its financing. Use the initial word the when (and only when) it is a part of the name, and distinguish between the words railroad and railway and between company and corporation.

Southern Railway System abandoned the road from Statesville, NC to Taylorsville, NC. It was bought by a group of citizens and was incorporated on December 7, 1945 as Alexander Railroad Company.

107. STOCKHOLDERS

Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report) had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements give, as supplemental information in schedule No. 705, the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. *If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year.*

Line No.	Name of security holder (a)	Address of security holder (b)	Number of votes to which security holder was entitled (c)	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED: Stocks: Common (d)	Stocks: Preferred: Second (e)	Stocks: Preferred: First (f)	Other securities with voting power (g)
1	J. W. Abernethy	Hickory, NC	18,400				
2	J.W.Abernethy, Jr	Newton, NC	4,500				
3	Mrs.Christine Zachary	Taylorsville	10,000				
4	Barfox & Co.	Charlotte, NC	3,800				
5	Frances A.Huitt	Newton, NC	3,000				
6	Cecil R. Fry	Taylorsville, NC	3,000				
7	S.J.Zachary	Taylorsville, NC	2,500				
8	Robert Abernethy	Newton, NC	2,150				
9	J.W.Abernethy III	Newton, NC	2,150				
10	James S.Abernethy	Newton, NC	2,000				
11	Lillian Z.Brookshire	Taylorsville	2,000				
12	Christine Z.Gilbert	Smithfield, NC	2,000				
13	Frances L. Rader	Mooresville, NC	1,800				
14	Frank Rader	Davidson, NC	1,800				
15	Mary S.Rader	Mooresville, NC	1,800				
16	Plato E. Carson	Taylorsville, NC	2,000				
17	B. H. Deal	Taylorsville, NC	1,500				
18	L. P. Zachary	Raleigh, NC	1,500				
19	Scott Stamey	Taylorsville, NC	1,425				
20	Elizabeth K.Arndt	Taylorsville, NC	1,000				
21	Maye M. Abernethy	Newton, NC	1,000				
22	Dorothy Burgess	Taylorsville, NC	1,000				
23	Kathryn H. Royle	Newton, NC	1,000				
24	John D. Huitt	Newton, NC	1,000				
25	Mary Lou Huitt	Newton, NC	1,000				
26	Philip D. Huitt	Newton, NC	1,000				
27	Charles W. Rader	W. Jefferson, NC	1,800				
28	Ben F. Crouch	Statesville, NC	900				
29	Ruth G. Crouch	Winston Salem, NC	900				
30	T.D.Crouch, Jr.	Tusk, Tx.	900				
31	Footnotes and Remarks						

STOCKHOLDERS REPORTS

1. The respondent is required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

[X] Two copies are attached to this report.

[ ] Two copies will be submitted (date)

[ ] No annual report to stockholders is prepared.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

1. Accumulated deferred income tax charges related to current assets should be included in item 6, prepayments, while those related to non-current assets should be included in item 13, Other Deferred Debits.
2. Item 10, Special Funds and Other Investments and Advances, should be shown *net* of allowances and adjustments.
3. Amounts reported *on* line 12, Other Assets, should be shown net of depreciation and amortization.

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	CURRENT ASSETS	$	$
1	Cash	88,135	89,970
2	Temporary Cash Investments	457,923	502,414
3	Special Deposits		
4	Accounts Receivable	87,997	45,079
5	Less: Allowance for Uncollectible Accounts		
6	Prepayments (and working funds)		
7	Materials and Supplies		
8	Other Current Assets	66,492	51,255
9	Total Current Assets	700,547	688,718
	OTHER ASSETS		
10	Special Funds and Other Investments and Advances		
11	Other Assets	106,238	60,637
12	Other Deferred Debits		
13	Total Other Assets	106,238	60,637
	ROAD AND EQUIPMENT		
14	Road and Equipment Property	513,192	449,935
15	Accumulated Depreciation and Amortization	(107,636)	88,668
16	Net Road and Equipment	405,556	361,267
17	Total Assets	1,212,341	1,110,622
	CURRENT LIABILITIES		
18	Loans and Notes Payable		
19	Accounts Payable	80,707	93,645
20	Interest and Dividends Payable		
21	Taxes Accrued	32,884	35,238
22	Other Current Liabilities	3,410	3,020
23	Equipment Obligations and Other Long-term Debt Due Within One Year		
24	Total Current Liabilities	117,001	131,904
	NON CURRENT LIABILITIES		
25	Funded Debt Unmatured		
26	Equipment Obligations		
27	Capitalized Lease Obligations		
28	Accumulated Deferred Income Tax Credits		
29	Other Long-term Liabilities and Deferred Credits	21,516	25,316
30	Total Non current Liabilities	21,516	25,316

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY—Continued

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	SHAREHOLDERS' EQUITY	$	$
	Capital Stock		
31	Common	100,000	100,000
32	Preferred		
33	Discount on Capital Stock		
34	Additional Capital		
	Retained Earnings		
35	Appropriated		
36	Unappropriated	999,561	879,139
37	Net Unrealized Loss on Noncurrent Marketable Equity Securities		
38	Less: Treasury Stock	25,737	25,737
39	Net Shareholders' Equity	1,073,824	953,402
40	Total Liabilities and Shareholders' Equity	1,212,341	1,110,622

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

The notes listed below are provided for the purpose of disclosing supplementary information concerning matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none"; and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles, except as shown in other schedules. This includes explanatory statements explaining (1) service interruption insurance policies and indicate the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads, (2) particulars concerning obligations for stock purchase options granted to officers and employees, and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts ..... $ None

2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made ..... $ None

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year ..... None

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund ..... $ None

(c) Is any part of pension plan funded? Specify. Yes ..... No .....
(i) If funding is by insurance, give name of insuring company .....
(ii) If funding is by trust agreement list trustee(s) .....
Date of trust agreement or latest amendment .....
If respondent is affiliated if any way with the trustee(s), explain affiliation .....

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement .....

(e)(i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify. Yes ..... No .....
If yes, give number of the shares for each class of stock or other security .....

(ii) Are voting rights attached to any securities held by the pension plan? Specify Yes ..... No ..... If yes, who determines how stock is voted? .....

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). YES ..... NO X

210. RESULTS OF OPERATIONS

INSTRUCTIONS

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.
2. List dividends from investments accounted for under the cost method on the appropriate line, under subsection "Other Income." List dividends accounted for under the equity method on the appropriate line under the "Income from Affiliated Companies" subsection of this schedule.
3. All contra entries hereunder should be indicated in parenthesis.

210. RESULTS OF OPERATIONS

Line No.	Item (a)	Amount for Current Year (b)
	ORDINARY ITEMS	$
	OPERATING INCOME	
	Railway Operating Income	
1	Freight	671,588
2	Passenger	25,794
3	Other	697,382
4	Railway Operating Revenues	352,222
5	Railway Operating Expenses	345,160
6	*Net Revenue from Railway Operations	
	OTHER INCOME	
7	Dividend income	22,565
8	Interest income	21,683
9	Other income: Other	12,822
	Income from affiliated companies:	
10	Dividends	
11	Equity in undistributed earnings (losses)	
12	Total other income (Lines 7-11)	57,070
13	Total income (Lines 6, 12)	402,230
	OTHER DEDUCTIONS	
14	Miscellaneous deductions from income	42,366
15	Fixed charges	103,698
16	Income after miscellaneous deductions and fixed charges	256,166
	UNUSUAL OR INFREQUENT ITEMS	
17	Unusual or infrequent items (debit) credit	
18	Income (loss) from continuing operations (before income taxes) (Line 16 less Line 17)	256,166
	PROVISIONS FOR INCOME TAXES	
	Income taxes on ordinary income:	
19	Federal income taxes	74,034
20	State income taxes	14,998
21	Other income taxes	
22	Provisions for deferring income taxes	
23	Income before extraordinary items (Line 18 less Lines 19-22)	167,134
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
24	Extraordinary items (net)	None
25	Income taxes on extraordinary items	
26	Provisions for deferred taxes - Extraordinary items	
27	Total extraordinary items (Lines 24-26)	
28	Cumulative effect of changes in accounting principles	
29	(Less applicable income taxes of $)	
30	Net income	167,134

210. RESULTS OF OPERATIONS—Continued

Line No.	Item (a)	Amount for Current Year (b)
	RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)	
31	Net revenues from railway operations	345,160
32	Income taxes on ordinary income	89,032
33	Provisions for deferred income taxes	None
34	Income from Lease of Road and Equipment	None
35	Rent for leased Roads and Equipment	None
36	Net Railway Operating Income	256,128
37	Revenue freight - Ton-miles	1,774

APPENDIX A

SCHEDULE 219A. SUPPLEMENTAL INFORMATION FOR SWITCHING AND TERMINAL COMPANIES

1.

Joint Facility		
Category	Debit	Credit
Way and Structures Equipment Road Yard Other Transportation	NOT APPLICABLE	

2. Depreciation Expense - way and structures - running
Depreciation Expense - way and structures - switching
Depreciation Expense - way and structures - others
All other way and structures operating expenses
Total Way and Structures Operating Expenses
Depreciation Expense - locomotives
Depreciation Expense - freight cars
Depreciation Expense- other equipment

3. *Number of locomotive-miles in yard switching service. Freight Passenger

*Number of locomotive-miles in yard switching service should be computed in accordance with OS-A report note F.

330. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in Road and Equipment property, and Improvements on leased property.
2. Gross charges during the year should include disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, extensions of old lines, and for additions and betterments. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in columns (c) and (d), as may be appropriate, depending on the nature of the itme. Adjustments in excess of $100,000 should be explained.
3. Report on line 32 amounts not includable in the primary road accounts.

Line No.		ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
1	(1)	Engineering	6,913			6,913	477
2	(2)	Land for transportation purposes	919			919	
3	(3)	Other right-of-way expenditures					
4	(4)	Grading	13,152			13,152	
5	(5)	Tunnels and subways					
6	(6)	Bridges, trestles, and culverts	8,567			8,567	1,638
7	(7)	Elevated structures					
8	(8)	Ties	40,867			40,867	
9	(9)	Rails	37,437			37,437	
10	(10)	Other track material	27,554			27,554	
11	(11)	Ballast	14,413			14,413	
12	(12)	Track laying and surfacing	37,783	3,737		41,520	
13	(13)	Fences, snowsheds, and signs	183			183	
14	(16)	Station and office buildings	14,400			14,400	10,991
15	(17)	Roadway buildings	203			203	150
16	(18)	Water stations	385			385	134
17	(19)	Fuel stations	8,733			8,733	837
18	(20)	Shops and enginehouses	73,839	3,585		77,424	4,942
19	(22)	Storage warehouses					
20	(23)	Wharves and docks					
21	(24)	Coal and ore wharves					
22	(25)	TOFC/COFC terminals					
23	(26)	Communication systems	3,256	3,074	1,700	4,630	1,796
24	(27)	Signals and interlockers					
25	(29)	Power plants					
26	(31)	Power-transmission systems					
27	(35)	Miscellaneous structures					
28	(37)	Roadway machines	19,469			19,469	6,133
29	(39)	Public improvements - Construction	4,817			4,817	352
30	(44)	Shop machinery	2,427	1,941		4,368	208
31	(45)	Power-plant machinery					
32		Other (specify and explain)					
33		Total Expenditures for Road	315,317	12,337	1,700	325,954	27,658
34	(52)	Locomotives	97,864	50,021		147,885	57,080
35	(53)	Freight-train cars					
36	(54)	Passenger-train cars		2,600		2,600	
37	(55)	Highway revenue equipment					
38	(56)	Floating equipment					
39	(57)	Work equipment	1,014		646	368	
40	(58)	Miscellaneous equipment	35,148			35,148	22,898
41		Total Expenditures for Equipment	134,026	52,621	646	186,001	79,978

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS—Cont.

Line No.	Item	Units in service of respondent at beginning of year	Units installed during year	Number retired during year	Units at close of year				
					Owned and used	Leased from others	Total in service of respondent (e+f)	Aggregate capacity of units reported in col. (g)	Leased to others
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	FREIGHT TRAINCARS							Tons	
15	Plain Box Cars - 40' (B100-129)								
16	Plain Box Cars - 50' (B200-229; B300-329)								
17	Equipped Box Cars (All Code A)								
18	Plain Gondola Cars (G092-392; G401-492)								
19	Equipped Gondola Cars (All Codes C and E)								
20	Covered Hopper Cars (L 151-154; 251-254; 351-354; 451-454; 551-554; 651-654; 751-754)								
21	Open Top Hopper Cars - General Service (All Code H)								
22	Open Top Hopper Cars - Special Service (All Codes J and K)								
23	Refrigerator Cars - Non Mechanical (R 100, 101, 102, 103, 105, 106, 107, 108, 109, 113, 114, 115, 116, R 200, 201, 202, 203, 205, 206, 207, 208, 209, 213, 214, 215, 216)								
24	Refrigerator Cars - Mechanical (R 104, 110, 112, 117, 118, R 204, 210, 211, 212, 217, 218)								
25	Flat Cars - TOFC/COFC (F 071-078 F 871-978)								
26	Flat Cars - Multi-level (All Code V)								
27	Flat Cars - General Service (F 101-109; F 201-209)								
28	Flat Cars - Other (F 11-189; 211-289; 301-389; 401-540)								
29	Tank Cars - Under 22,000 Gallons (T-0; T-1; T-2; T-3; T-4; T-5)								
30	Tank Cars - 22,000 Gallons and over (T-6; T-7; T-8; T-9)								
31	All Other Freight Cars (F 191-199; 291-299; 391-399; L 006-048; L 070; L 080 L 090 - All "L" with second numeric 6; L 161-L 764)								
32	Total (lines 15-31)							XXXXXX	
33	Caboose (All N)	0	0	0	0	0	0	XXXXXX	0
34	Total (lines 32-33)								