

RC-422101 CAROLINA, CLINCHFIELD, & OHIO RY 1978

422101

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ORIGINAL

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RAILROAD LESSOR

annual report

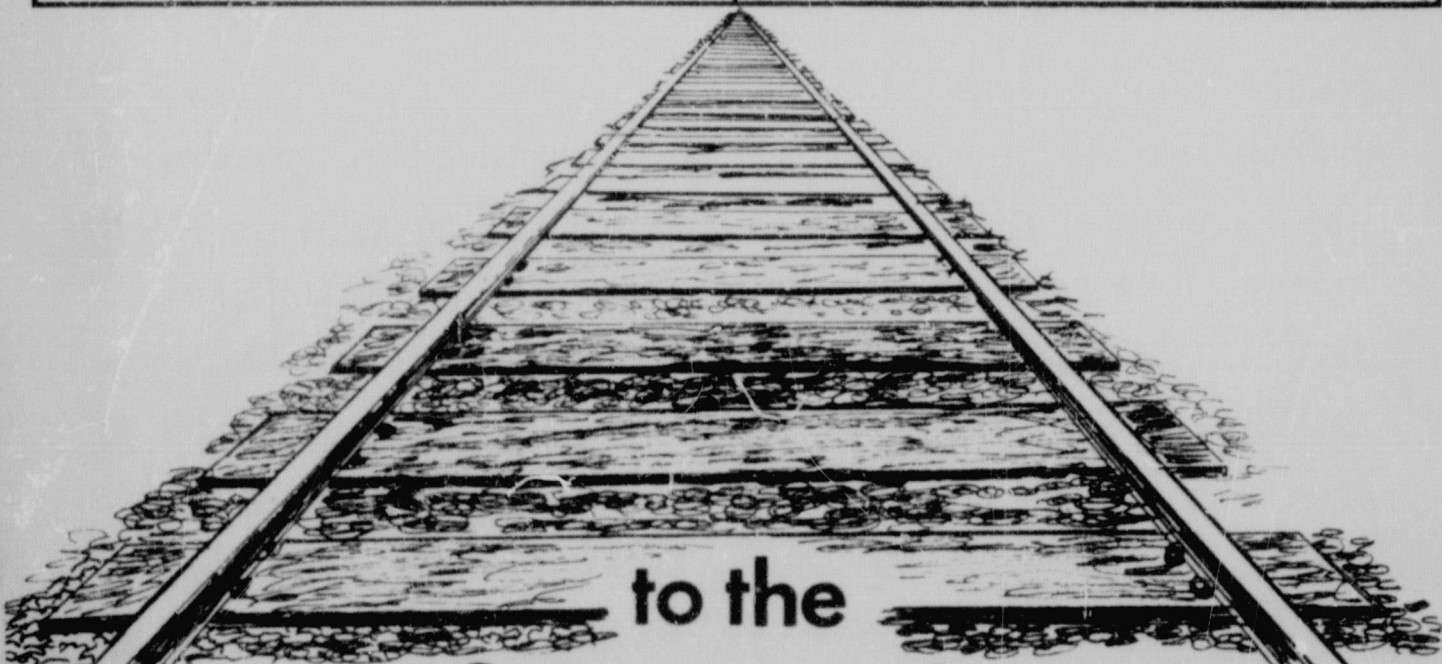
INTERSTATE
COMMERCE COMMISSION
RECEIVED

APR 1 1979

ADMINISTRATIVE SERVICES
MAIL UNIT

RC225101 CAROLINCLIN 2 0 7 422101
CAROLINA, CLINCHFIELD, E OHIO RY C
P. O. BOX 27581
RICHMOND VA 23261

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.)

to the
Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1978

NOTICE

1. This form for annual report should be filled out in triplicate and two copies returned to the Interstate Commerce Commission, Bureau of Accounts, Washington, D.C. 20423, by March 31 of the year following that for which the report is made. Attention is specially directed to the following provisions of Part I of the Interstate Commerce Act:

SEC. 20. (1) The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors, * * * (as defined in this section), to prescribe the manner and form in which such reports shall be made, and to require from such carriers, lessors, * * * specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors, * * * as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor, * * * in such form and detail as may be prescribed by the Commission.

(2) Said annual reports shall contain all the required information for the period of twelve months ending on the 31st day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filed with the Commission at its office in Washington within three months after the close of the year for which report is made, unless additional time be granted in any case by the Commission. * * *

(7) (b). Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, * * * or shall knowingly or willfully file with the Commission any false report or other document shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment; * * *

(7) (c). Any carrier, or lessor, * * * or any officer, agent, employee, or representative thereof, who shall fail to make and file an annual or other report with the Commission within the time fixed by the Commission, or to make specific and full, true, and correct answer to any question within thirty days from the time it is lawfully required by the Commission so to do, shall forfeit to the United States the sum of one hundred dollars for each and every day it shall continue to be in default with respect thereto. * * *

(8) As used in this section * * * the term "carrier" means a common carrier subject to this part, and includes a receiver or trustee of such carrier; and the term "lessor" means a person owning a railroad, a water line, or a pipe line, leased to and operated by a common carrier subject to this part, and includes a receiver or trustee of such lessor, * * *

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

2. The instructions in this form should be carefully observed, and each question should be answered fully and accurately, whether it has been answered in a previous annual report or not. Except in cases where they are specifically authorized, cancellations, arbitrary check marks, and the like should not be used either as partial or as entire answers to inquiries. If any inquiry, based on a preceding inquiry in the present report form, is, because of the answer rendered to such preceding inquiry, inapplicable to the person or corporation in whose behalf the report is made, such notation as "Not applicable; see page _____, schedule (or line) number _____" should be used in answer thereto, giving precise reference to the portion of the report showing the facts which make the inquiry inapplicable. Where the word "none" truly and completely states the fact, it should be given as the answer to any particular inquiry or any particular portion of an inquiry. Where dates are called for, the month and day should be stated as well as the year. Customary abbreviations may be used in stating dates.

3. Every annual report should, in all particulars, be complete in itself, and references to the returns of former years should not be made to take the place of required entries except as herein otherwise specifically directed or authorized.

4. If it be necessary or desirable to insert additional statements, type-written or other, in a report, they should be legibly made on durable paper and, wherever practicable, on sheets not larger than a page of the form. Inserted sheets should be securely attached, preferably at the inner margin; attachment by pins or clips is insufficient.

5. All entries should be made in a permanent black ink. Those of a contrary character should be indicated in parenthesis. Items of an unusual character should be indicated by appropriate symbol and footnote.

6. Money items, except averages, throughout the annual report form should be shown in Whole dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts.

7. Each respondent should make its annual report to this Commission in triplicate, retaining one copy in its files for reference in case correspondence with regard to such report becomes necessary. For this reason three copies of the form are supplied.

8. Railroad corporations, mainly distinguished as operating companies and lessor companies, are for the purpose of report to the Interstate Commerce Commission divided into classes. An operating company is one whose officers direct the business of transportation and whose books contain operating as well as financial accounts; and a lessor company, the property of which being leased to and operated by another company, is one that maintains a separate legal existence and keeps financial but not operating accounts. (In making reports, lessor companies use Annual Report Form R-4).

Operating companies (including switching and terminal) are broadly classified, with respect to their operating revenues, according to the following general definitions:

Class I companies are those having annual operating revenues of \$50,000,000, or more. For this class, Annual Report Form R-1 is provided.

Class II companies are those having annual operating revenues less than \$50,000,000 but in excess of \$10,000,000. For this class, Annual Report Form R-2 is provided.

Class III companies are those having annual operating revenues of \$10,000,000 or less. For this class, Annual Report Form R-3 is provided.

In applying this classification to any switching or terminal company which is operated as a joint facility of owning or tenant railways, the sum of the annual railway operating revenues, the joint facility rent income, and the returns to joint facility credit accounts in operating expenses, shall be used in determining its class.

9. Except where the context clearly indicates some other meaning, the following terms when used in this form have the meanings below stated:

Commission means the Interstate Commerce Commission. **Respondent** means each person or corporation in whose behalf the report is made. **The year** means the year ended December 31 for which the report is made. **The close of the year** means the close of business on December 31 of the year for which the report is made; or, in the case the report is made for a shorter period than one year, it means the close of the period covered by the report. **The beginning of the year** means the beginning of business on January 1 of the year for which the report is made; or, in the case the report is made for a shorter period than one year, it means the beginning of the period covered by the report. **The preceding year** means the year ended December 31 of the year next preceding the year for which the report is made. **The Uniform System of Accounts for Railroad Companies** means the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended.

FOR THE INDEX SEE THE INSIDE OF BACK COVER

See also "Instructions regarding the use of this report form" on page 1

ANNUAL REPORT

OF

CAROLINA, CLINCHFIELD AND OHIO RAILWAY
(FULL NAME OF THE RESPONDENT)

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1978

Name, official title, telephone number, and office address of officer in charge of correspondence with the Commission regarding this report:

(Name) J. A. Stanley, Jr. (Title) Comptroller

(Telephone number) 904 353-2011
(Area code) (Telephone number)

(Office address) 500 Water Street, Jacksonville, Florida 32202
(Street and number, City, State, and ZIP code)

SPECIAL NOTICE

The attention of the respondent is directed below to certain particulars, if any, in which this report form differs from the corresponding form for the preceding year. It should be understood that mention is not made of necessary substitutions of dates or, in general, such other things as simple modifications intended to make requirements clearer, other minor adjustments, and typographical corrections.

This form is revised to (1) improve the disclosure of information for both ratemaking and financial reporting purposes (2) eliminate unnecessary reporting and (3) conform with the new Uniform System of Accounts for Railroads, effective January 1, 1978. Other significant modifications include revisions to conform with reporting under generally accepted accounting principles and the rearrangement of schedules in a more orderly fashion to make them easier to complete and use.

Revisions to this report resulted from the following Commission's decisions copies of which were served on all railroads:

Docket	Title	Decision Date
36367	Revision to the Uniform System of Accounts for Railroads	6/13/77
36767	Accounting for Certain Government Transfer By Railroads and Motor Carriers of Passengers	6/30/78

ESTIMATE OF REPORTING BURDEN

In order to monitor carrier reporting burden and to satisfy GAO requirements pursuant to Section 409 of Public Law 93-153, it is requested that you voluntarily furnish your best estimate of the number of hours required to complete this report.

In making this estimate, please include the number of hours attributable to preparing the report and for any special compilations contained in this report that would not generally be maintained or used by management for purposes other than reporting to this Commission.

Total hours (Estimated) 45

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	Schedule No.	Page		Schedule No.	Page
Instructions for Preparing the Annual Report.....	xx	1	Road and Equipment Property.....	330	32
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Stockholders and Voting Powers.....	B	3	Accrued Depreciation—Road and Equipment.....	342	36
Directors.....	C	4	Income From Lease of Road and Equipment.....	360	38
Principal General Officers of Corporation, Receiver or Trustee.....	D	5	Abstract of Terms and Conditions of Leases.....	360A	39
Statement of Financial Position.....	200	8	Funded Debt and Other Obligations.....	380	42
Results of Operations.....	210	12	Accounts Payable to Affiliated Companies.....	390	46
Retained Earnings—Unappropriated.....	220	16	Railway Tax Accruals.....	450	47
Capital Stock.....	230	18	Payments for Services Rendered by Other than Employees and Affiliates.....	470	50
Investments and Advances in Affiliated Companies..	310	22	Tracks Owned at Close of Year for Lessors to Other than Switching and Terminal Companies.....	700	51
Investments in Common Stocks of Affiliated Companies.....	310A	24	Tracks Owned at Close of Year for Lessors to Switching and Terminal Companies.....	700A	52
Special Funds and Other Investments.....	315	26	Changes During the Year.....	705	53
Depreciation Reserve—Road and Miscellaneous Physical Property.....	325	28	Competitive Bidding—Clayton Anti-Trust Act.....	850	55
Depreciation Rates—Road and Miscellaneous Physical Property.....	325A	29	Compensation of Officers, Directors, Etc.....	900	56
			Employees and Compensation.....	902	56
			Verification.....	xx	57
			Memoranda.....	xx	58

A. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.

2. Show below the pages excluded and indicate the schedule number and title in the space provided below.

3. If no schedules were omitted indicate "NONE".

Page	Schedule No.	Title
19	230	Capital Stock - continued
20	Part II	Summary of Capital Stock Changes During Year
25	-	Notes and Remarks
26-27	315	Special Funds and Other Investments
28-29	325	Depreciation Reserve-Road and Miscellaneous Physical Property
30	325A	Depreciation Rates-Road and Miscellaneous Physical Property
39	360A	Abstract of Terms and Conditions of Leases
47-49	450	Railway Tax Accruals
50	470	Payments for Services Rendered by Other than Employees and Affiliates
52	700A	Tracks Owned at Close of Year
53-54	705	Changes During the Year
55	850	Competitive Bidding-Clayton Antitrust Act
56	900	Compensation of Officers, Directors, etc.
56	902	Employees and Compensation

INSTRUCTIONS REGARDING THE USE OF THIS REPORT FORM

This annual report is arranged in columnar form so that it may include returns for a single lessor company, or for several lessor companies whose properties are leased to the same operating railway, provided that the books of account are under the general supervision of the same accounting officer.

Separate returns are required to be shown for each lessor, the name of the reporting company to be entered in the box heading or in the column on the left of the several schedules, as may be applicable.

If the report is made for a single company, the exact corporate name should appear on the cover, title page, page 2, and in the oath and supplemental oath.

A report made for a number of lessor companies may show an appropriate designation, such as "Lessors of the _____ Railroad Company" on the cover and title page, but the oath and supplemental oath must be completed for each corporation, except as provided therein.

Reports filed under the designation "Lessors of the _____ Railroad Company" should contain hereunder the names of the lessor companies that are included in this report, and the names of those that file separately.

Names of lessor companies included in this report

Carolina, Clinchfield and Ohio Railway

Carolina, Clinchfield and Ohio Railway
of South Carolina

Name of lessor companies that file separate reports

None

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:

☐ Two copies are attached to this report.

☒ Two copies will be submitted April 30, 1979
(date)

☐ No annual report to stockholders is prepared.

In completing the various schedules in this report form, list the information concerning the lessor companies in the order in which their names appear on the balance sheet. Such additional pages as may be necessary will be furnished by the Commission on request.

A. IDENTITY OF LESSOR COMPANIES INCLUDED IN THIS REPORT

Give hereunder the exact corporate name and other particulars called for concerning each lessor company included in this report. The corporate name should be given in full, exactly as it appears in the articles of incorporation, using the words "The" and "Company" only when they are parts of the corpo-

rate name. Be careful to distinguish between railroad and railway.

If receivers, trustee, or a committee of bondholders are in possession of the property of any of the lessor companies, state their names and the court of jurisdiction in column (a) and give the date when such receivership, trusteeship, or other posses-

sion began, in addition to the date of incorporation, in column (b).

If a consolidation or merger was effected during the year, particulars should be given in Schedule 705, "Changes during the year."

Line No.	Exact name of lessor company (a)	INCORPORATION		CORPORATE CONTROL OVER RESPONDENT		Total number of stockholders (f)	Total voting power of all security holders at close of year (g)
		Date of incorporation (b)	Name of State or Territory in which company was incorporated (c)	Name of controlling corporation (d)	Extent of control (percent) (e)		
1	Carolina, Clinchfield and	1/26/05	Virginia	None			
2	Ohio Railway	4/26/09	Kentucky				
3							
4							
5							
6	Carolina, Clinchfield and						
7	Ohio Railway of South						
8	Carolina	5/28/08	So. Carolina		100%	8*	120
9							
10							
11							
12				*All shares are owned by CC&O Rwy.			
13							
14				Directors' shares are endorsed			
15				by them to Company.			
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Lessor Initials

CC&O

Year 1978

B. STOCKHOLDERS AND VOTING POWERS

1. Give the names of the five security holders who had the highest voting powers in each lessor company included in this report. This information should be given as of the close of the

year, or, if not available, at the date of the latest compilation of a list of stock-holders. If any holder held in trust, give particulars of the trust in a footnote. In the case of voting trust agreements

give, as supplemental information, the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings.

Line No.	Name of lessor company (a)	Name of stockholder (b)	Voting power (c)	Name of stockholder (d)	Voting power (e)	Name of stockholder (f)	Voting power (g)	Name of stockholder (h)	Voting power (i)	Name of stockholder (j)	Voting power (k)
1	Carolina, Clinchfield and Ohio Railway	Cede & Co.	40215	N.Y. Life Insurance Co.	34303	Investors Diversified Services	8000	Sten & Co.	7000	The Penn Mutual Life Insurance Co.	6500
2											
3											
4											
5	C.C. & O. of South Carolina	Carolina, Clinchfield and Ohio Railway	120								
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2. Give particulars called for regarding each lessor company included in this report, entering the initials of the lessor companies in the column headings.

State total number of votes cast at latest general meeting for election of directors of respondent

Give the date of such meeting

Give the place of such meeting

INITIALS OF RESPONDENT COMPANIES

CC&O Rwy. of S.C.	CC&O Rwy. of S.C.		
196,855	120		
5/9/78	9/7/78	(Written consent in lieu of meeting)	
Richmond, Va.	-		

Lessor Initials

CC&O

Year 19 78

C. DIRECTORS

Give particulars of the various directors of respondents at the close of the year.

Line No.	Item	CAROLINA, CLINCHFIELD & OHIO RAILWAY COMPANY CAROLINA, CLINCHFIELD & OHIO RAILWAY OF SOUTH CAROLINA
1	Name of director	J. Read Branch
2	Office address	Richmond, Va.
3	Date of beginning of term	*
4	Date of expiration of term	*
5	Name of director	Charles Klem
6	Office address	Mountain Lakes, N.J.
7	Date of beginning of term	*
8	Date of expiration of term	*
9	Name of director	Carl B. Knight
10	Office address	Big Stone Gap, Va.
11	Date of beginning of term	*
12	Date of expiration of term	*
13	Name of director	J. Calvin Knotter
14	Office address	Hack's Neck, Va.
15	Date of beginning of term	*
16	Date of expiration of term	*
17	Name of director	Robert R. Krumm
18	Office address	New York, N.Y.
19	Date of beginning of term	*
20	Date of expiration of term	*
21	Name of director	Irvin C. Spotte
22	Office address	St. Paul, Va.
23	Date of beginning of term	*
24	Date of expiration of term	*
25	Name of director	H. Everett Woodruff
26	Office address	Belleair, Fla.
27	Date of beginning of term	*
28	Date of expiration of term	*
29	Name of director	
30	Office address	
31	Date of beginning of term	* The term of each director of CC&O Rwy. began May 9, 1978
32	Date of expiration of term	and CC&O of S.C. September 7, 1978. They are elected to
33	Name of director	serve until the next annual election of directors or
34	Office address	until their respective successors are elected and
35	Date of beginning of term	qualified.
36	Date of expiration of term	
37	Name of director	
38	Office address	
39	Date of beginning of term	
40	Date of expiration of term	
41	Name of director	
42	Office address	
43	Date of beginning of term	
44	Date of expiration of term	
45	Name of director	
46	Office address	
47	Date of beginning of term	
48	Date of expiration of term	
49	Name of director	
50	Office address	
51	Date of beginning of term	
52	Date of expiration of term	
53	Name of director	
54	Office address	
55	Date of beginning of term	
56	Date of expiration of term	

D. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE

Give particulars of the various general officers of respondents at the close of the year. Enter the names of the lessor companies in the column headings.

Line No.	Item	CAROLINA, CLINCHFIELD	& OHIO RAILWAY COMPANY	Line
		CAROLINA, CLINCHFIELD	& OHIO RAILWAY COMPANY OF SOUTH CAROLINA	
1	Name of general officer	J. Calvin Knotter		
2	Title of general officer	President		
3	Office address	Hack's Neck, Va.		
4	Name of general officer	Robert E. Northup		
5	Title of general officer	Secretary		
6	Office address	Richmond, Va.		
7	Name of general officer	Leonard G. Anderson		
8	Title of general officer	Treasurer		
9	Office address	Richmond, Va.		
10	Name of general officer	Josiah A. Stanley, Jr.		
11	Title of general officer	Comptroller		
12	Office address	Jacksonville, Fla.		
13	Name of general officer			
14	Title of general officer			
15	Office address			
16	Name of general officer			
17	Title of general officer			
18	Office address			
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21	Office address			
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55	Name of general officer			
56	Title of general officer			
57	Office address			

D. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE—Concluded

If there are receivers, trustees, or committees, who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices.

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200. STATEMENT OF FINANCIAL POSITION-ASSETS

Disclose below the asset side of the balance sheet at the close of year of each lessor company included in this report. Enter the names of the lessor company in the column heading (b) through (i). Show contra entries in parenthesis.

Line No.	Account No.	Title (a)	CC&O Rwy. (b)	CC&O Rwy. of S.C. (c)
		<u>Current Asset</u>	\$	\$
1	701	Cash	1,845	
2	702	Temporary Cash Investments (Sch. 300)		
3	703	Special Deposits (Sch. 300)	30	
		Accounts Receivable:		
4	705	- Interline and Other Balances		
5	706	- Customers		
6	707, 704	- Other	12	
7	709, 708	- Accrued Accounts Receivables	312,500	
8	708.5	- Receivables from Affiliated Companies		
9	709.5	- Less: Allowance for Uncollectible Accounts		
10	711, 714	Prepayments (and working funds) (Sch. 300)		
11	712	Materials and Supplies		
12	713	Other Current Assets (Sch. 300)		
13		Total Current Assets	314,387	
		<u>Other Assets</u>		
14	715, 716, 717, 722, 723, 724	Special Funds and Other Investments and advances (Sch. 315)	793	
15	721, 721.5	Investments and Advances; Affiliated Companies (Sch. 310)	3,913,941	
16	737, 738	Property used in other than Carrier Operations (less depreciation \$ -). (Sch. 325)	26,782	1,847
17	739, 741	Other Assets (Sch. 329)	1,466,926	
18	743, 744	Other Deferred Debits (Sch. 329)	312,560	
19		Total Other Assets	5,721,002	1,847
		<u>Road and Equipment</u>		
20	731, 732	Road (Sch. 330)	56,791,419	2,363,801
21		Equipment	198,959	
22		Unallocated Items	20,617,066	1,564,145
23	733, 734, 735, 736	Accumulated Depreciation and amortization (Schs. 325, 325A, 335, 342)	(2,532)	
24		Net road and Equipment	77,604,912	3,927,946
25		Total Assets	83,640,301	3,929,793

NOTES AND REMARKS

200. STATEMENT OF FINANCIAL POSITION-ASSETS-(Continued)

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	
						1
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(See Note on Page 15)

Note: Provision has not been made for Federal income taxes which may be payable in future years as result of deductions during the period December 31, 1949, to close of the year of this report for accelerated amortization in excess of recorded depreciation. The amounts by which Federal income taxes have been reduced during the indicated period aggregated \$ -

Estimated accumulated net reduction in Federal income taxes because of accelerated amortization of certain rolling stock since December 31, 1969, under provisions of Section 184 of the Internal Revenue Code \$ -

Estimated accumulated net reduction in Federal income taxes because of amortization of certain rights-of-way investment since December 31, 1969, under the provisions of Section 185 of the Internal Revenue Code \$ 441,901

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 \$ -

Show the amount of investment tax credit carryover at year end \$ 505,466

Show amount of past service pension costs determined by actuaries at year end \$ -

Total pension costs for year:

Normal costs \$ -

Amortization of past service costs \$ -

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

200. STATEMENT OF FINANCIAL POSITION—LIABILITIES AND EQUITY

Disclose below the liability side of the balance sheet at the close of the year of each lessor company included in this report, entering the names

Line No.	Account No.	Title (a)	CC&O Rwy. (b)	CC&O Rwy. of S.C. (c)
		<u>Current Liabilities</u>	\$	\$
26	751	Loans and Notes Payable		
27	752	Accounts Payable; Interline and Other Balances		
28	753, 754	Other Accounts Payable		
29	755, 756	Interest and Dividends Payable	312,530	
30	757	Payables to Affiliated Companies (Sch. 390)		12,500
31	759	Accrued accounts Payable		
32	760, 761, 761.5, 762	Taxes Accrued		
33	763	Other Current Liabilities	1,026,000	
34	764	Equipment obligations and other long-term debt due within one year		
35		Total Current Liabilities	1,338,530	12,500
		<u>Non Current Liabilities</u>		
36	765, 767	Funded debt unmatured (Sch. 380)	9,657,000	3,000,000
37	766	Equipment obligations		
38	766.5	Capitalized Lease Obligations		
39	768	Debt in default		
40	769	Accounts payable; Affiliated Companies		770,715
41	770.1, 770.2	Unamortized debt premium	(64,978)	(1,251)
42	781	Interest in default		9,600,000
43	783	Deferred revenues-Transfers from Government Authorities		
44	786	Accumulated deferred income tax credits		
45	771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits	28,505,508	17,103
46		Total Noncurrent Liabilities	38,097,530	13,386,567
		<u>Stockholders' Equity</u>		
47	791, 792	Capital Stock: (Sch. 230)	25,000,000	12,000
48		Common Stock	25,000,000	12,000
49		Preferred Stock		
50	793	Discount on Capital Stock		
51	794, 795	Additional Capital (Sch. 230)	16,668,232	
		Retained Earnings:		
52	797	Appropriated		
53	798	Unappropriated (Sch. 220)	2,536,009	(9,481,274)
54	798.1	Net Unrealized loss on noncurrent marketable equity securities		
55	798.5	Less Treasury Stock		
56		Net Stockholders Equity	44,204,241	(9,469,274)
57		Total Liabilities and Shareholders Equity	83,640,301	3,929,793

NOTES AND REMARKS

200. STATEMENT OF FINANCIAL POSITION—LIABILITIES AND EQUITY —(Continued)

of the lessor companies in the column headings (b) through (i). Show contra entries in parenthesis.

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
						51
						52
						53
						54
						55
						56
						57

NOTES AND REMARKS

210. RESULTS OF OPERATIONS

Disclose below the results of operations for each lessor company included in this report entering the names of the lessor companies in the column headings.

Line No.	Item (a)	CC&O Rwy. (b)	CC&O Rwy. of S.C. (c)
	OTHER INCOME	\$	\$
1	(506) Revenue from property used in other than carrier operations *	1,718,037	
2	(510) Miscellaneous rent income		
3	(512) Separately operated properties-Profit		
4	(513) Dividend income		
5	(514) Interest income	4,257	
6	(516) Income from sinking and other funds		
7	(517) Release of premiums of funded debt		
8	(518) Contributions from other companies		
9	(519) Miscellaneous income	236,578	
	Income from affiliated companies:		
10	Dividends		
11	Equity in undistributed earnings (losses)	(1,756)	
12	Total other income	1,957,116	
	MISCELLANEOUS DEDUCTIONS FROM INCOME		
13	(534) Expenses of property used in other than carrier operations		
14	(535) Taxes on property used in other than carrier operations		
15	(543) Miscellaneous rent expense		
16	(544) Miscellaneous taxes		
17	(545) Separately operated properties-Loss		
18	(549) Maintenance of investment organization	71,537	
19	(550) Income transferred to other companies		
20	(551) Miscellaneous income charges	75	
21	(553) Uncollectible accounts		
22	Total miscellaneous deductions	71,612	
23	Income available for fixed charges (lines 12, 22)	1,885,504	

NOTES AND REMARKS

* Represents Income from Lease of Road and Equipment (See Page 38)

210. RESULTS OF OPERATIONS - Continued

For instructions covering this schedule, see the text pertaining to Income Accounts in the Uniform System of Accounts for Railroad Companies.

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
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						18
						19
						20
						21
						22
						23

NOTES AND REMARKS

210. RESULTS OF OPERATIONS - Continued

Line No.	Item (a)	CC&O Rwy. (b)	CC&O Rwy. of S.C. (c)
	FIXED CHARGES		
	(546) Interest on funded debt:		
24	(a) Fixed interest not in default	453,338	
25	(b) Interest in default		150,000
26	(547) Interest on unfunded debt		
27	(548) Amortization of discount on funded debt	14,613	111
28	Total fixed charges (lines 24-27)	467,951	150,111
29	Income after fixed charges (lines 23, 28)	1,417,553	(150,111)
	OTHER DEDUCTIONS		
	(546) Interest on funded debt:		
30	(c) Contingent interest		
	UNUSUAL OR INFREQUENT ITEMS		
31	(555) Unusual or infrequent items (debit) credit		
32	Income (loss) for continuing operations (before income taxes)	1,417,553	(150,111)
	PROVISIONS FOR INCOME TAXES		
	(556) Income taxes on ordinary income:		
33	Federal income taxes (See Note on Page 15)		
34	State income taxes		
35	Other income taxes		
36	(557) Provision for deferred income taxes		
37	Income from continuing operations	1,417,553	(150,111)
	DISCONTINUED OPERATIONS		
38	(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)		
39	(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)		
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
40	(570) Extraordinary items (Net)		
41	(590) Income taxes on extraordinary items		
42	(591) Provision for deferred taxes - Extraordinary items		
43	Total extraordinary items (lines 40-42)		
44	(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)		
45	Net income	1,417,553	(150,111)

EXPLANATORY NOTES (See Note on Page 15)

Deductions because of accelerated amortization of emergency facilities in excess of recorded depreciation resulted in reduction of Federal income taxes for the year of this report in the amount of \$.

(1) Indicate method elected by carrier, as provided in the Revenue Act of 1971, to account for the investment tax credit.

Flow-through _____ Deferral _____

(2) If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit _____ \$

(3) If deferral method was elected, indicate amount of investment tax credit utilized as reduction of tax liability for current year _____ \$

Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes _____ \$ ()

Balance of current year's investment tax credit used to reduce current year's tax accrual _____ \$

Add amount of prior years' deferred investment tax credits being amortized and used to reduce current year's tax accrual _____ \$

Total decrease in current year's tax accrual resulting from use of investment tax credits _____ \$

Show the amount of investment tax credit carryover at year end _____ \$

210. RESULTS OF OPERATIONS—Continued

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
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						41
						42
						43
						44
						45

Note to Page 9 and 14:

Federal income taxes on the income of the Carolina, Clinchfield and Ohio Railway are payable by and included on the books of the Clinchfield Railroad Company (operating organization for properties leased jointly to the Seaboard Coast Line Railroad and the Louisville and Nashville Railroad Company). Clinchfield Railroad Company also assumes and pays all other taxes.

220. RETAINED EARNINGS--UNAPPROPRIATED

1. Disclose below the items of Retained Earnings Accounts of each lessor company included in this report, entering the names of the lessor companies in the column headings. For instructions covering this schedule, see text pertaining to Retained Earnings Accounts in the Uniform System of Accounts for Railroad Companies.
2. All contra entries hereunder should be indicated in parenthesis.
3. Indicate under "Remarks" the amount of assigned Federal income tax consequences, accounts 606 and 616.

Line No.	Item (a)	022101 CC&O Rwy. (b)		022102 CC&O Rwy. of S.C. (c)	
		(1)	(2)	(1)	(2)
1	Balances at beginning of year	\$ 1,742,135	\$ 626,321	(9,331,163)	
2	(601.5) Prior period adjustments to beginning retained earnings				
	CREDITS				
3	(602) Credit balance transferred from earnings	1,419,309			
4	(603) Appropriations released				
5	(606) Other credits to retained earnings				
6	Total	1,419,309			
	DEBITS				
7	(612) Debit balance transferred from income		1,756	150,111	
8	(616) Other debits to retained income				
9	(620) Appropriations for sinking and other reserve funds				
10	(621) Appropriations for other purposes				
11	(623) Dividends: Common stock	1,250,000			
12	Preferred stock ¹				
13	Total	1,250,000	1,756	150,111	
14	Net increase (decrease) during year (Line 6 minus line 13)	169,309	(1,756)	(150,111)	
15	Balances at close of year (Lines 1, 2 and 14)	1,911,444	624,565	(9,481,274)	
16	Balance from line 15(c)	624,565	XXXXX		XXXXX
17	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	2,536,009	XXXXX	(9,481,274)	XXXXX
	REMARKS				
	Amount of assigned Federal income tax consequences:				
18	Account 606		XXXXX		XXXXX
19	Account 616		XXXXX		XXXXX

NOTE: See Schedule 460, for analysis for Retained Earnings Accounts.

¹ If any dividends have not been declared on cumulative preferred stock give cumulative undeclared dividends at beginning of year and end of year.

Note: Line 7, Column 2, includes the CC&O Rwy's share of equity \$1,645 in the undistributed losses of Holston Land Company. This amount is included in Account 741-Other Assets.

220. RETAINED EARNINGS--UNAPPROPRIATED--Concluded

4. Segregate in column (2) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
5. Include in column (1) only amounts applicable to Retained Earnings exclusive of any amounts included in column (2).

(d)		(e)		(f)		(g)		Line No.
(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	
								1
								2
								3
								4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
	xxxxx		xxxxx		xxxxx		xxxxx	16
	xxxxx		xxxxx		xxxxx		xxxxx	17
	xxxxx		xxxxx		xxxxx		xxxxx	18
	xxxxx		xxxxx		xxxxx		xxxxx	19

NOTES AND REMARKS

230. CAPITAL STOCK

18

Part I.

1. Disclose in column (a) the name of each lessor company in this report. Show separately the information required for each.

2. Disclose in column (b) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.

3. Present in column (c) the par or stated value of each issue. If none, state so.

4. Disclose in columns (d), (e), (f), and (g) the required information concerning the number of shares authorized, issued, in treasury and outstanding for the various issues.

5. For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale

and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent under such circumstances as require them to be considered as held alive, and not canceled or retired, they are considered to be nominally outstanding.

6. If stock is being held subject to an exchange for the outstanding securities of constituent companies, then include such stock as outstanding stock, and disclose the details in footnotes.

Line No.	Name of Lessor (a)	Class of Stock (b)	Par Value (c)	Number of Shares				Book Value at End of Year	
				Authorized (d)	Issued (e)	In Treasury (f)	Outstanding (g)	Outstanding (h)	In Treasury (i)
1	Carolina, Clinchfield and Ohio Railway	Common	100	250,000	250,000	None	250,000	\$ 25,000,000	\$ None
2									
3									
4		Preferred	100	250,000	None	None	None	None	None
5									
6									
7									
8									
9									
10		Total	X X X X	500,000	250,000	None	250,000	25,000,000	None

Line No.	Name of Lessor (a)	Class of Stock (b)	Par Value (c)	Number of Shares				Book Value at End of Year	
				Authorized (d)	Issued (e)	In Treasury (f)	Outstanding (g)	Outstanding (h)	In Treasury (i)
1	Carolina, Clinchfield and Ohio Railway of South Carolina	Common	100	200	120	None	120*	\$ 12,000*	\$ None
2									
3									
4		Preferred	*All pledged as collateral under CC&O Railway first mortgage dated as of September 1, 1940.						
5									
6									
7									
8									
9									
10		Total	X X X X	200	120	None	120*	12,000*	None

Lessor Initials CC&O

Year 19 78

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A and 315

1. Schedules 310 and 315 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated and nonaffiliated companies held by respondent at close of year. Specifically, the disclosures should include the investments in the obligations of Federal, state and local governments, and the obligation of individuals. Also, disclose the investments made, disposed of, and written down during the year, and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. For definition of affiliated companies, see the rules governing Account No. 721 "Investments in affiliated companies," in the Uniform System of Accounts for Railroad Companies.

2. Enter the name of a reporting lessor company in the body of the schedule and give, thereunder, particulars of its investments before listing those of a second lessor. These names should be listed in the order in which they appear on the balance sheet.

3. List the investments in the following order and show a total for each group and each class of investments by accounts in numerical order:

- (A) Stocks:
 - (1) Carriers - active.
 - (2) Carriers - inactive.
 - (3) Noncarriers - active.
 - (4) Noncarriers - inactive.
- (B) Bonds (including U.S. Government Bonds):
- (C) Other secured obligations:
- (D) Unsecured notes:
- (E) Investment advances:

4. The subclassification of classes (B), (C), (D), and (E) should be the same as that provided for class (A).

5. The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations, the symbols and industrial classifications to be as follows:

Symbol	Kind of Industry
I	Agriculture, forestry, and fisheries
II	Mining
III	Construction
IV	Manufacturing
V	Wholesale and retail trade
VI	Finance, insurance, and real estate
VII	Transportation, communications, and other public utilities
VIII	Services
IX	Government
X	All other

6. By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express service and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.

7. Noncarrier companies should, for the purpose of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely "holding companies" are to be classed as noncarrier companies, even though the securities held by such companies are largely or entirely those issued or assumed by carriers.

8. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs; if it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

9. Combine, in one amount, investments in which the original cost or present equity in total assets is less than \$10,000.

10. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.

11. Do not include the value of securities issued or assumed by respondent.

12. For affiliates which do not report to the Interstate Commerce Commission and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking funds"; 716, "Capital funds"; 721, "Investments advances in affiliated companies"; and 717, "Other funds."

2. Enter the name of a reporting lessor company in the body of the schedule and give thereunder particulars of its investments in affiliated companies before listing those of a second lessor. These names should be listed in the order in which they appear on the balance sheet.

3. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 21, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

4. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, giving names and other important particulars of such obligations in footnotes.

5. Give totals for each class and for each subclass and a grand total for each account.

6. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially 19__ to 19__." Abbreviations in common use in standard financial publications may be used to conserve space.

7. If any of the companies included in this schedule are controlled by respondent, the percent of control should be given in

Line No.	Account No.	Class No.	Kind of Industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of control
	(a)	(b)	(c)	(d)	(e)
1	721		VII	Carolina, Clinchfield & Ohio Railway of South	
2				Carolina	
3					
4		A-1		Common Stock*	100%
5					
6		B-1		First Mortgage Gold Bonds*	100%
7				(Extended to April 1, 1990)	
8					
9		E-1		Advances	
10					
11					
12					
13					
14					
15					
16				*Pledged to secure parent's First Mortgage	
17				4-1/2% bonds, Series B, due April 1, 1990.	
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued

column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.

8. If any advances reported are pledged, give particulars in a footnote.

9. Investments in companies in which neither the original cost or present equity in total assets is less than \$10,000 may be combined in one figure.

10. Also included should be investments in unincorporated entities such as lessee organizations (exclusive of amounts nominally settled on a current basis).

11. This schedule should not include securities issued or assumed by respondent.

12. For affiliated which do not report to the Interstate Commerce Commission, and are jointly owned, give names and extent of control of other entities by footnote.

Investments and advances				Disposed of; Profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
Opening balance	Additions	Deductions (if other than sale explain)	Closing balance				
(f)	(g)	(h)	(i)	(j)	(k)	(l)	
\$	\$	\$	\$	\$	\$	\$	1
							2
							3
12,000			12,000				4
							5
3,000,000			3,000,000				6
							7
							8
758,696	12,019		770,715				9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20
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							28
							29
							30
							31
							32
							33
							34
							35
							36
							37
							38
							39
3,770,696	12,019		3,782,715				40

310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES
 Undistributed Earnings From Certain Investments in Affiliated Companies

- | | | |
|---|---|--|
| 1. Report below the details of all investments in common stocks included in Account 721, Investments in Affiliated Companies for each lessor. List the lessor in the same order as they appear in Schedule 200.
2. Enter in column (c) the amount necessary to retroactively | adjust those investments. (See instruction 5-2, Uniform System of Accounts.)
3. Enter in column (d) the share of undistributed earnings (i.e., less dividends) or losses.
4. Enter in column (e) the amortization for the year of the | excess of cost over equity in net assets (equity over cost) at date of acquisition.
5. For definitions of "carrier" and "noncarrier," see general instructions. |
|---|---|--|

Line No.	Name of issuing company and description of security held.	Balance at beginning of year	Adjustment for investments equity method	Equity in undistributed earnings (losses) during year	Amortization during year	Adjustment for investments disposed of or written down during year	Balance at Close of year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Carriers: (List specific for each company)	\$	\$	\$	\$	\$	\$
1	Carolina, Clinchfield and Ohio Railway						
2	of South Carolina	131,337		* (111)			131,226
3							
4							
5							
6							
7							
8							
9							
10							
11							
12	*Excludes \$1,645 equity in undistributed losses of Holston Land Company.						
13	See Note on Page 16.						
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							

NOTES AND REMARKS

330. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in accounts 711, "Road and equipment property," and 712, "Improvements on leased property," classified in accordance with the Uniform System of Accounts for Railroad Companies. Enter the names of the lesser companies in the column headings.

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. This column should also include both the debits and credits involved in each transfer, adjustment, or clearance between road and equipment accounts and all adjustments applicable to expenditures for new lines and extensions and additions and betterments. Adjustments in excess of \$100,000 should be explained. Net charges is the difference between gross charges and credits for property retired. All changes made during the year should be analyzed by primary accounts.

3. If during the year an individual charge of \$100,000 or more was made to account No. 2, "Land for transportation purposes," state in a footnote the cost, location, area, and other details which will identify the property.

4. If during the year an individual charge of \$100,000 or more was made to account No. 2, "Land for transportation purposes," state in a footnote the cost, location, area, and other details which will identify the property.

made
the pr

Line No.	Account (a)	CC&O Rwy		CC&O Ry of SC		Gross charges during year (f)	Net charges during year (g)
		Gross charges during year (b)	Net charges during year (c)	Gross charges during year (d)	Net charges during year (e)		
		\$	\$	\$	\$	\$	\$
1	(1) Engineering		(283)		(2)		
2	(2) Land for transportation purposes		(990)				
3	(3) Grading	4,896	4,896				
4	(4) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	190	190				
6	(7) Elevated structures						
7	(8) Ties	46,743	46,449	1,178	1,145		
8	(9) Rails	69,189	66,781	1,234	1,234		
9	(10) Other track material	152,926	141,718	3,207	3,207		
10	(11) Ballast	24,752	24,752	242	242		
11	(12) Track laying and surfacing	37,387	36,368	6,739	6,739		
12	(13) Fences, snowsheds, and signs						
13	(16) Station and office buildings	89,628	83,845				
14	(17) Roadway buildings						
15	(18) Water stations						
16	(19) Fuel stations						
17	(20) Shops and enginehouses	2,240,269	2,240,269				
18	(22) Storage warehouses						
19	(23) Wharves and docks						
20	(24) Coal and ore wharves						
21	(25) TOFC/COE terminals						
22	(26) Communication systems	38	38				
23	(27) Signals and interlockers	47,628	47,628				
24	(29) Power plants						
25	(31) Power transmission systems						
26	(35) Miscellaneous structures						
27	(37) Roadway machines	38,374	29,571				
28	(38) Roadway small tools		(7,338)		(542)		
29	(39) Public improvements—Construction	16,191	16,191				
30	(44) Shop machinery						
31	(45) Power-plant machinery						
32	Other (Specify & explain) *	5,072	5,072				
33	Total expenditures for road	2,773,283	2,735,157	12,600	12,023		
34	(52) Locomotives		(5,395)				
35	(53) Freight-train cars						
36	(54) Passenger-train cars						
37	(55) Highway revenue equipment						
38	(56) Floating equipment		(120,936)				
39	(57) Work equipment						
40	(58) Miscellaneous equipment		(126,331)				
41	Total expenditure for equipment		(797)		(4)		
42	(66) Interest during construction		(102)				
43	(77) Other expenditures—General		(899)		(4)		
44	Total general expenditures	2,773,283	2,607,927	12,600	12,019		
45	Total						
46	(80) Other elements of investment	(605,808)	(605,808)				
47	(90) Construction work in progress	2,167,475	2,002,119	12,600	12,019		
48	Grand total						

*Do not include in road and equipment accounts, including Account No. 80, "Other elements of investments," adjustments which were made pursuant to the Commission's order, dated April 17, 1963.

*Line 32, Columns (b) and (c) represent payroll estimates made in December accounts. Primary accounts not available at this time.

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330. ROAD AND EQUIPMENT PROPERTY—Continued

4. If during the year property was acquired from some other company, state in a footnote the name of the company, the mileage acquired, and the date of acquisition, giving terms and the cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.

5. Notes referring to entries in this schedule should be shown on page 22.

6. Report on line 35 amounts not includable in the primary road accounts. The items reported

should be briefly identified and explained in a footnote on page 22. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Commission for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Commission.

Gross charges during year (h)	Net charges during year (i)	Gross charges during year (j)	Net charges during year (k)	Gross charges during year (l)	Net charges during year (m)	Gross charges during year (n)	Net charges during year (o)	Line No.
\$	\$	\$	\$	\$	\$	\$	\$	1
								2
								3
								4
								5
								6
								7
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								48

335. DEPRECIATION BASE—EQUIPMENT OWNED

Show the ledger value of all equipment owned by each lessor company included in this report. The totals of columns (c) and (j) should correspond with the carrier's investment in equipment as carried in the accounts, as of the beginning and close of the

year, respectively. If the depreciation base is other than the ledger value a full explanation should be given together with a statement by primary accounts reconciling the

difference between the figures used as the depreciation base and those carried in the ledger as investment in equipment.

Line No.	Name of lessor company (a)	Account (b)	Balance at beginning of year (c)	DEBITS DURING THE YEAR			CREDITS DURING THE YEAR			Balance at close of year (j)
				Additions and betterments (d)	Other debits (e)	Total debits (f)	Property retired (g)	Other credits (h)	Total credits (i)	
1	Carolina, Clinchfield & Ohio Rwy	(52) Locomotives	\$	\$	\$	\$	\$	\$	\$	\$
2		(53) Freight-train cars	57,975				5,395			52,580
3		(54) Passenger-train cars								
4		(55) Highway revenue equipment								
5		(56) Floating equipment								
6		(57) Work equipment	267,315				120,936			146,379
7		(58) Miscellaneous equipment								
8		Total	325,290				126,331			198,959
9		(52) Locomotives								
10		(53) Freight-train cars								
11		(54) Passenger-train cars								
12		(55) Highway revenue equipment								
13		(56) Floating equipment								
14		(57) Work equipment								
15		(58) Miscellaneous equipment								
16		Total								
17		(52) Locomotives								
18		(53) Freight-train cars								
19		(54) Passenger-train cars								
20		(55) Highway revenue equipment								
21		(56) Floating equipment								
22		(57) Work equipment								
23		(58) Miscellaneous equipment								
24		Total								
25		(52) Locomotives								
26		(53) Freight-train cars								
27		(54) Passenger-train cars								
28		(55) Highway revenue equipment								
29		(56) Floating equipment								
30		(57) Work equipment								
31		(58) Miscellaneous equipment								
32		Total								
33		(52) Locomotives								
34		(53) Freight-train cars								
35		(54) Passenger-train cars								
36		(55) Highway revenue equipment								
37		(56) Floating equipment								
38		(57) Work equipment								
39		(58) Miscellaneous equipment								
40		Total								

Lessor Initials

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41		(52) Locomotives									
42		(53) Freight-train cars									
43		(54) Passenger-train cars									
44		(55) Highway revenue equipment									
45		(56) Floating equipment									
46		(57) Work equipment									
47		(58) Miscellaneous equipment									
48		Total									
49		(52) Locomotives									
50		(53) Freight-train cars									
51		(54) Passenger-train cars									
52		(55) Highway revenue equipment									
53		(56) Floating equipment									
54		(57) Work equipment									
55		(58) Miscellaneous equipment									
56		Total									
57		(52) Locomotives									
58		(53) Freight-train cars									
59		(54) Passenger-train cars									
60		(55) Highway revenue equipment									
61		(56) Floating equipment									
62		(57) Work equipment									
63		(58) Miscellaneous equipment									
64		Total									
65		(52) Locomotives									
66		(53) Freight-train cars									
67		(54) Passenger-train cars									
68		(55) Highway revenue equipment									
69		(56) Floating equipment									
70		(57) Work equipment									
71		(58) Miscellaneous equipment									
72		Total									
73		(52) Locomotives									
74		(53) Freight-train cars									
75		(54) Passenger-train cars									
76		(55) Highway revenue equipment									
77		(56) Floating equipment									
78		(57) Work equipment									
79		(58) Miscellaneous equipment									
80		Total									

Lessor Initials

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Give the particulars called for hereunder of the credits and debits made to account 735, "Accumulated Depreciation, Road and Equipment Property" during

342. ACCRUED DEPRECIATION—ROAD AND EQUIPMENT
the year which relate to equipment by each lessor company included in this report. A debit balance in column (c) and (f) for any primary account should be

preceded by the abbreviation "Dr."

Line No.	Name of lessor company (a)	Account (b)	Balance at beginning of year (c)	CREDITS TO RESERVE DURING THE YEAR			DEBITS TO RESERVE DURING THE YEAR			Balance at close of year (j)
				Charges to others (d)	Other credits (e)	Total credits (f)	Charges for Retirement (g)	Other debits (h)	Total debits (i)	
1	Carolina, Clinch- field & Ohio Railway	(52) Locomotives	\$	\$	\$	\$	\$	\$	\$	\$
2		(53) Freight-train cars	2,098				659			1,439
3		(54) Passenger-train cars								
4		(55) Highway revenue equipment								
5		(56) Floating equipment								
6		(57) Work equipment	1,093							1,093
7		(58) Miscellaneous equipment								
8		Total	3,191				659			2,532
9		(52) Locomotives								
10		(53) Freight-train cars								
11		(54) Passenger-train cars								
12		(55) Highway revenue equipment								
13		(56) Floating equipment								
14		(57) Work equipment								
15		(58) Miscellaneous equipment								
16		Total								
17		(52) Locomotives								
18		(53) Freight-train cars								
19		(54) Passenger-train cars								
20		(55) Highway revenue equipment								
21		(56) Floating equipment								
22		(57) Work equipment								
23		(58) Miscellaneous equipment								
24		Total								
25		(52) Locomotives								
26		(53) Freight-train cars								
27		(54) Passenger-train cars								
28		(55) Highway revenue equipment								
29		(56) Floating equipment								
30		(57) Work equipment								
31		(58) Miscellaneous equipment								
32		Total								
33		(52) Locomotives								
34		(53) Freight-train cars								
35		(54) Passenger-train cars								
36		(55) Highway revenue equipment								
37		(56) Floating equipment								
38		(57) Work equipment								
39		(58) Miscellaneous equipment								
40		Total								

Lessor Initials

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360. INCOME FROM LEASE OF ROAD AND EQUIPMENT

1. Give particulars called for with respect to road and equipment leased to others during the year.

2. If the respondent leased to others during all or any part of the year any road and equipment upon which no rent receivable

accrued, give particulars in a footnote.

Line No.	DESCRIPTION OF ROAD			Name of present leaseholder	RENT ACCRUED DURING YEAR		
	Name of lessor company (a)	Terminals (b)	Length (c)		Total (e)	Depreciation (f)	All other (Account 509) (g)
1	Carolina, Clinchfield and Ohio Rwy.				\$	\$	\$
2							
3		Elkhorn City, Ky. to					
4		N.C. - S.C. State Line	272)				
5							
6	Carolina, Clinchfield and Ohio Railway of South)	Seaboard Coast Line)			
7	Carolina)	Railroad Company)			
8)				
9		N.C. - S.C. State Line to)	Louisville & Nash-)	1,718,037		
10		Spartanburg, S.C.	18)	ville Railroad Co.)			
11							
12							
13							
14							
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Lessor Initials CCR

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INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 380

Give particulars of the various issues of securities in accounts Nos. 765, "Funded debt unmatured," 768, "Debt in default," 767, "Receivers' and Trustees' securities," 766, "Equipment obligations," and 764 "Equipment obligations and other debt due within 1 year," at the close of the year, together with interest accrued and interest paid during the year and total amount of matured interest in default. Include receipts outstanding for funded debt with their respective issues.

In column (a) enter the name of a reporting lessor company and give, thereunder, the name of each of its bonds or other obligations before listing those of a second lessor. The names of the lessors should be listed in the order in which they appear on the balance sheet. Classify the funded debt and securities of each lessor by accounts and according to the following designations in the numerical order given:

- (1) Mortgage bonds:
 - (a) With fixed interest.
 - (b) With contingent interest.
- (2) Collateral trust bonds:
 - (a) With fixed interest.
 - (b) With contingent interest.
- (3) Unsecured bonds (Debentures):
 - (a) With fixed interest.
 - (b) With contingent interest.
- (4) Equipment obligations (Corporation):
 - (a) Equipment securities.
 - (b) Conditional or deferred payment contracts.
- (5) Miscellaneous obligations.
- (6) Receivers' and trustees' securities:
 - (a) Equipment obligations.
 - (b) Other than equipment obligations.
- (7) Short-term notes in default.

Give totals for each group and subgroup of bonds or other obligations. Columns (f), (g), (h), (i), and (j) are intended further to classify the obligations of the company and are to be answered "Yes" or "No."

If an issue is a serial issue, the last date of maturity should be shown in column (c) preceded by the letter "S." If the payments required in the contracts for equipment obligations are unequal in amount (except for the last payment) or are to be made at irregular intervals, show a symbol against the entry made in column (c) opposite the name of such obligation and give particulars in a footnote.

If the issue is an income bond, the entry in column (d) should be the annual maximum rate of interest specified by the indenture. In column (k) show the approximate number of miles of road on which the mortgage is a direct first lien and in column (l) the approximate number of miles of road on which the mortgage is a direct junior lien. Do not consider any road or other property indirectly subject to either a first or junior lien through the pledge of collateral, leaseholds, or other contractual rights in making the returns required in columns (i), (j), (k), and (l).

In column (n) enter the amount of bonds both nominally and actually issued up to the date of the report and not the amount authorized.

Matured obligations amounting to less than \$50,000 which have not been presented for payment may be combined into a single entry designated "Minor items of matured obligations, each less than \$50,000," and the total of such items shown in a footnote.

No entries shall be made in this schedule with respect to issues of matured obligations nominally issued or nominally outstanding when no parts of such issues are actually outstanding.

For definitions of "nominally issued," "nominally outstanding," "actually issued," and "actually outstanding," see Schedule 230.

Entries in columns (v) and (w) should include interest accrued on funded debt reacquired, matured during the year, even though no portion of the issue is outstanding at the close of the year.

In column (x) enter the total in account No. 781, "Interest in default," at the close of the year.

In schedule 380, give particulars of changes during the year in funded debt and other obligations, following the same order in which they appear in the prior pages of this schedule.

In column (z) state whether issued for construction of new properties, for additions and betterments, for purchase of railroad or other property for conversion, for acquisition of securities, for reorganization, or for other corporate purposes. Also give the number and date of authorization by the public authority under whose control such issue was made, naming such authority. For nominally issued securities, show returns in columns (z) and (aa) only.

For each class of securities actually issued, the sum of the entries in columns (bb) and (cc), plus discounts or less premiums, such discounts or premiums to be shown in a footnote applicable to each issue, should equal the entry in column (aa). For definition of expense, reportable in column (cc), see Definition 10 in the Uniform System of Accounts for Railroad Companies.

Particulars concerning the reacquisition of securities that were actually outstanding should be reported in columns (a), (dd), and (ee).

Include those securities that have been called for payment during the year for which liability has been transferred to account No. 763, "Other current liabilities."

NOTES AND REMARKS

NOTES AND REMARKS

380. FUNDED DEBT AND OTHER OBLIGATIONS

Line No.	Name of lessor company and name and character of obligation	Nominal date of issue	Date of maturity	INTEREST PROVISIONS		DOES OBLIGATION PROVIDE FOR (Answer "Yes" or "No")			IS OTHER PROPERTY (REAL OR PERSONAL OR LEASEHOLD) SUBJECT TO LIEN OF THE OBLIGATION? (ANSWER "YES" or "NO")	
				Rate per cent per annum (current year)	Date due	Conversion	Call prior to maturity, other than for sinking fund	Sinking fund	First lien	Junior to first lien
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Carolina, Clinchfield & Ohio Rwy.									
2										
3	(765) Funded Debt Unmatured	4/13/65	4/1/90	4 1/2	4/1 10/1	No	Yes	Yes	Yes	No
4										
5	First Mortgage 4 1/2% Bonds, Series									
6	B, due April 1, 1990									
7										
8										
9										
10										
11										
12	Carolina, Clinchfield & Ohio Rwy.									
13	of South Carolina									
14										
15	(765) Funded Debt	4/13/65	4/1/90	5	6/1 12/1	No	Yes	No	Yes	No
16										
17	First Mortgage Gold Bonds, due									
18	6-1-38, extended 4-1-90									
19										
20										
21	By I.C.G. Finance									
22	Docket No. 23530									
23										
24										
25										
26										
27										
28										
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53										
54										
Grand Total										

380. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

APPROXIMATE NUMBER OF LINES OF LINE DIRECTLY SUBJECT TO—		Total amount nominally and actually issued	AMOUNT NOMINALLY ISSUED AND—		Total amount actually issued	AMOUNT REACQUIRED AND—		TOTAL AMOUNT ACTUALLY OUTSTANDING			Line No.
First lien	Junior to first lien		Held in special funds or in treasury or pledged securities by symbol "P", matured by symbol "M"	Canceled		Canceled through sinking fund or otherwise canceled (Identify canceled through sinking fund by symbol "S")	Held in special funds or in treasury or pledged securities by symbol "P", matured by symbol "M"	Unmatured (accounts 765, 766, and 767)	Unmatured (account 764)	Matured and no provision made for payment (account 768)	
(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	1
											2
272	None	16,800,000	None		16,800,000	6,117,000	1,026,000*	9,657,000	None	None	3
											4
											5
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18	None	2,000,000	None	None	2,000,000	None	None	2,000,000	None	None	15
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380. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Line No.	Name of lessor company and name and character of obligation (List on same lines and in same order as on page 42)	AMOUNT OF INTEREST ACCRUED DURING YEAR		Amount of interest paid during year	Total amount of interest in default
		Charged to income	Charged to investment accounts		
	(a)	(v)	(w)	(x)	(y)
1	Carolina, Clinchfield & Ohio Rwy.	\$	\$	\$	\$
2	(765) First Mortgage 4½% Bonds,				
3	Series B, due April 1, 1990	453,338		453,338	None
4					
5					
6					
7					
8					
9					
10					
11					
12	Carolina, Clinchfield & Ohio Rwy.				
13	of South Carolina				
14	(765) Funded Debt: First Mortgage				
15	5½ Bonds, due April 1, 1990*	150,000		None	9,600,000
16					
17					
18					
19					
20					
21	*Extended from 9-1-65 by I.C.G.				
22	Finance Docket No. 23530				
23					
24					
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49					
50					
51					
52					
53					
54	Grand Total				

380. FUNDED DEBT AND OTHER OBLIGATIONS—Concluded

SECURITIES ISSUED DURING YEAR				SECURITIES REACQUIRED DURING YEAR		Line No.
Purpose of the issue and authority (z)	Par value (aa)	Net proceeds received for issue (cash or its equivalent) (bb)	Expense of issuing securities (cc)	AMOUNT REACQUIRED		
				Par value (dd)	Purchase price (ee)	
	\$	\$	\$	\$	\$	1
				778,000	551,556	2
						3
						4
						5
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						53
Grand Total						54

390. AMOUNTS PAYABLE TO AFFILIATED COMPANIES

1. Give full particulars of amounts included in balance sheet account No. 769, "Amounts payable to affiliated companies," by each lessor company included in this report. Notes and open accounts should be stated separately.

2. Entries in columns (g), (h), and (i) should include interest accrued and interest payments on debt retired during the year, even though no portion of the debt remained outstanding at the close of the year.

Line No.	Name of debtor company	Name of creditor company	BALANCE AT CLOSE OF YEAR			Rate of Interest	INTEREST ACCRUED DURING YEAR			Line No.
			Notes	Open Accounts	Total		Charged to Income	Charged to construction or other investment account	Interest paid during year	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	Carolina, Clinchfield and	Carolina, Clinchfield	\$	\$	\$	%	\$	\$	\$	1
2	Ohio Rwy of S.C.	and Ohio Rwy.	None	770,715	770,715		None	None	None	2
3										3
4										4
5										5
6										6
7										7
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24										24

700. TRACKS OWNED AT CLOSE OF YEAR

(For lessors to other than switching and terminal companies)

Give particulars of the mileage owned by each lessor company included in this report. If a company of this class controls any mileage by lease, and, in turn, subleases such mileage to another company, give particulars in a footnote. In giving "Miles of road", column (c), state the actual single-track distance between termini.

The classes of tracks are defined as follows:

Running tracks.—Running tracks, passing tracks, cross-overs, etc., including turn-outs from those tracks to clearance points.

Way switching tracks.—Station, team, industry, and other switching tracks for which no separate switching service is maintained.

Yard switching tracks.—Yards where separate switching services are maintained, including classification, house, team, industry, and other

tracks switched by yard locomotives.

In the lower table, classify the mileage of road owned at close of year by States and Territories. The figures should apply to single-track mileage only. Enter names of States or Territories in the column headings. Lengths should be stated to the nearest WHOLE mile adjusted to accord with footings, i.e. counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Name of road (a)	Termini between which road named extends (b)	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	Total (i)
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, etc. (f)			
1	CC&O Railway	Elkhorn City, Ky., to N. C. -							
2		S.C. State Line	272			46	62	77	457
3									
4	CC&O Railway of S.C.	N.C.-S.C. State Line to							
5		Spartanburg, S.C.	18			3	8		29
6									
7									
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9									
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24									

MILES OF ROAD OWNED AT CLOSE OF YEAR—BY STATES AND TERRITORIES—(Single Track)

Line No.	Name of road	(Enter names of States or Territories in the column headings)										Total
		Kentucky	Va.	Tenn.	N.C.	S.C.						
25	CC&O Rwy.	3	99	53	117							272
26												
27	CC&O Rwy. of S.C.					18						18
28												
29												
30												
31												

Lessor Initials

CC&O

Year 19 78

VERIFICATION

The foregoing report shall be verified by the oath of the officer having control of the accounting of the respondent. This report shall also be verified by the oath of the president or other chief officer of the respondent, unless the respondent states that such officer has no control over the respondent's accounting and reporting.

OATH

(To be made by the officer having control of the accounting of the respondent)

State of Florida
County of Duval

J. A. Stanley, Jr. makes oath and says that he is Comptroller
(Insert here name of the affiant) (Insert here the official title of the affiant)

Of Carolina, Clinchfield & Ohio Railway
(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he knows that such books have been kept in good faith during the period covered by this report; that he knows that the entries contained in this report relating to accounting matters have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroads and other accounting and reporting directives of this Commission; that he believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including

January 1, 19 78, to and including December 31, 19 78

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 29th day of March, 19 79

My commission expires AUG 8 1980

Use an
L.S.
impression seal

(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of Virginia
City of Richmond

R. E. Northup makes oath and says that he is Secretary
(Insert here name of the affiant) (Insert here the official title of the affiant)

Of Carolina, Clinchfield & Ohio Railway
(Insert here the exact legal title or name of the respondent)

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operations of its property during the period of time from and including

January 1, 19 78, to and including December 31, 19 78

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 30th day of MARCH, 19 79

My commission expires APR 26 1982

Use an
L.S.
impression seal

(Signature of officer authorized to administer oaths)

