

121600

ANNUAL REPORT 1976 CLASS 1 RR. 1 of 3

CINCINNATI NEW ORLEANS & TEXAS PACIFIC

121600  
ORIGINAL

R-1  
CLASS I RAILROADS

# annual report

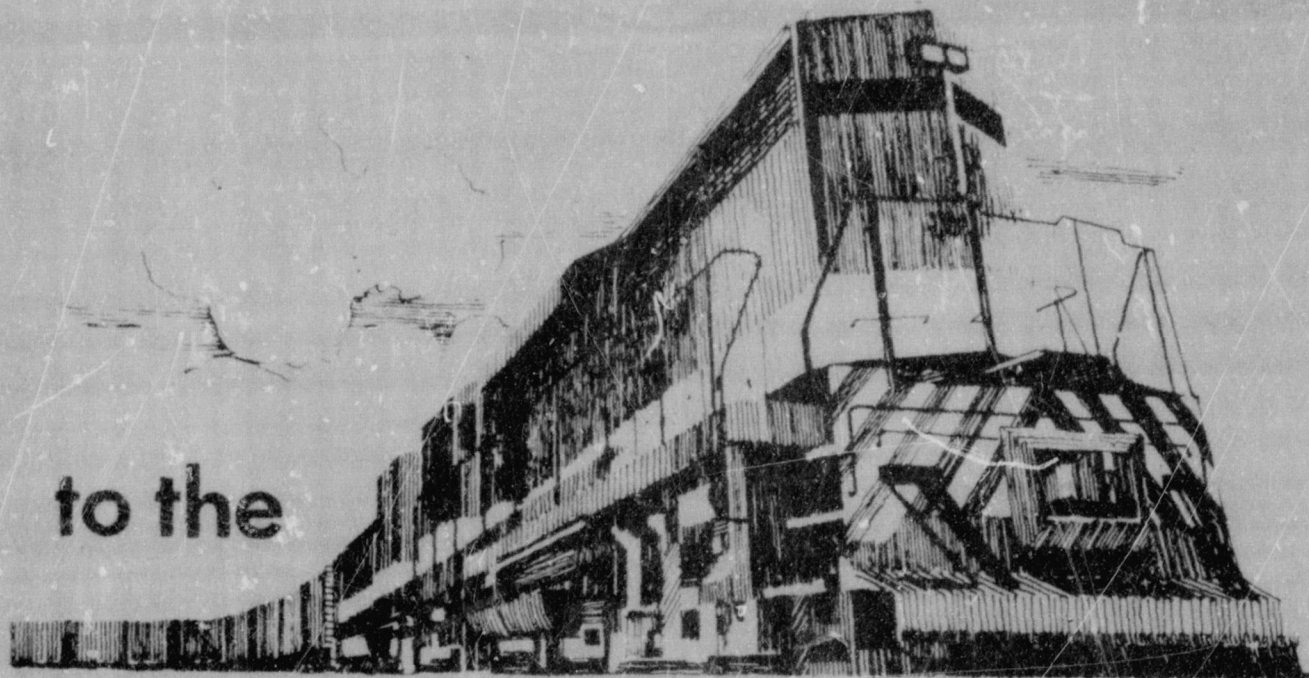


RC000224 CINCINNNEW 1 0 1 121600  
CINCINNATI NEW ORLEANS & TEXAS PACIFIC  
920 15TH ST NW  
WASHINGTON DC 20035

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, 1976



# 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. One copy should be retained in respondent's files. 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, \* \* \*

The respondent is further required to send to the Bureau of Accounts immediately upon preparation, two copies of its latest annual report to stockholders. See schedule 108, page 6.

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, typewritten 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.

6. Money items, except averages, throughout the annual report form should be shown in thousands of 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. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.

7. 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 \$10,000,000, or more. For this class, Annual Report Form R-1 is provided.

Class II companies are those having annual operating revenues below \$10,000,000. For this class, Annual Report Form R-2 is provided.

In applying this classification to any switching or terminal company which is operated as a joint facility of owning or tenant railroads, 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.

Switching and terminal companies are further classified as:

Class S1. 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 a part of the facilities operated by a terminal company, it should be included 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 terminal 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.

8. 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 the 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 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 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.

9. All companies using this Form should complete all schedules, with the following exceptions, which should severally be completed by the companies to which they are applicable:

Schedules restricted to Switching and Terminal Companies		Schedules restricted to other than Switching and Terminal Companies	
Schedule	414	Schedule	411
"	415	"	412
"	532		

# ANNUAL REPORT

OF

THE CINCINNATI NEW ORLEANS AND TEXAS PACIFIC RAILWAY COMPANY

TO THE

## INTERSTATE COMMERCE COMMISSION

FOR THE

**YEAR ENDED DECEMBER 31, 1976**

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

(Name) F. A. Lockett (Title) Assistant Comptroller

(Telephone number) 202 628-4460 X 2209  
(Area code) (Telephone number)

(Office address) 920 - 15th Street, N. W., Washington, D. C. 20005  
(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.

**Page 11: Schedule 200. Comparative General Balance Sheet - Explanatory Notes**

Provision has been made for reporting investment tax credit carryover at year end.

**Page 12: Schedule 200. Comparative General Balance Sheet - Liabilities and Shareholders' Equity**

Reference to account 772, Insurance reserves, has been deleted.

**Page 13: Schedule 200. Comparative General Balance Sheet - Explanatory Notes**

Provision has been made for (1) reporting certain pension costs; (2) amounts of deferred maintenance and delayed capital improvements reported to the Commission in Ex Parte No. 305 as of December 31, 1976; and, (3) a statement as to whether a segregated political fund has been established.

**Page 18: Schedule 300. Income Account For the Year**

Reporting of prior period items has been transferred to Schedule 305, Retained Income - Unappropriated.

Provision has been made for reporting net effect of unusual or infrequent items, gains or losses from disposal of a segment of business and operating results of a discontinued business segment, and the cumulative effect of changes in accounting principles.

**Page 20: Schedule 305. Retained Income - Unappropriated**

Provision has been made for reporting prior period adjustments to beginning retained income.

**Page 21: Schedule 309. Statement of Changes in Financial Position**

Schedule was revised to present a more comprehensive statement and incorporate requirements of Accounting Principles Board Opinions Nos. 3 and 19.

**Page 21C: Schedule 309S. Changes in Working Capital**

This is a new schedule to provide an analysis of working capital.

**Page 23A: Schedule 202. Compensating Balances and Short-Term Borrowing Arrangements**

Instructions revised to provide reporting of compensating balances constituting support for long-term borrowing arrangements reported in account 717, Insurance and Other Funds.

**Page 23B: Schedule 203. Special Deposits**

Provision has been made for reporting compensating balances legally restricted on behalf of respondent and on behalf of others.

**Page 42: Schedule 211B. Depreciation Base and Rates-Road and Equipment Owned and Used and Leased From Others**

Data related to improvements on road and equipment owned and used and leased from others is transferred to Schedule 211E-1.

**Page 42A: Schedule 211B-1. Depreciation Base and Rates - Improvements to Road and Equipment Leased From Others**

This is a new schedule provided for reporting depreciation base and rates on improvements to road and equipment leased from others.

## SPECIAL NOTICE - CONTINUED

**Page 45: Schedule 211E. Accrued Liability - Leased Property**

Schedule has been retitled to reflect nature of reported data. Account 733, Accrued Depreciation; Improvements on Leased Property, has been transferred to new Schedule 211E-1.

**Page 45A: Schedule 211E-1. Depreciation Reserve - Improvements To Road and Equipment Leased From Others**

This is a new schedule provided for reporting accrued depreciation on improvements to road and equipment leased from others.

**Page 51A: Schedule 212A. Rental Expense of Lessee**

**51B: Schedule 212B. Minimum Rental Commitments**

**51C: Schedule 212C. Lessee Disclosure**

**51D: Schedule 212D. Lease Commitments - Present Value**

**51E: Schedule 212E. Income Impact - Lessee**

These are new schedules providing for reporting of noncapitalized lease commitments by lessees, to be reported only by carriers with operating revenues of \$10 million or more.

**Page 63: Schedule 223. Items in Selected Current Liability Accounts**

Instructions are revised to provide for reporting all items of \$250,000; or, if the carrier has no items of \$250,000 or more, show the three largest individual items of \$100,000.

**Page 65: Schedule 225. Items in Selected Reserve and Other Liability Accounts**

Instructions are revised to delete reference to account 772.

**Page 71: Schedule 234. Guaranties and Suretyships**

Instructions requiring details of contracts of guaranty or suretyship have been modified to a "description" of the contracts.

**Page 87: Schedule 350C. Railway Tax Accruals - Analysis of Federal Income Taxes**

Instructions are revised to delete reference to prior period items.

Footnote reporting has been provided to show distribution of tax expense and investment tax credit data.

**Page 94: Schedule 396. Items in Selected Income and Retained Income Accounts For the Year**

Instructions revised to delete reference to prior period items.

**Page 99: Schedule 412. Miles of Road at Close of Year - By States and Territories (Single Track)**

**Page 100: Schedule 413. Tracks Operated at Close of Year (For S&T Companies Only)**

**Page 101: Schedule 414. Changes During the Year**

Instructions revised to require reporting of whole miles of track rather than fractional miles.

**Page 106: Schedule 417. Inventory of Equipment**

"Grand total, all classes of cars" has been deleted.

**Page 119: Schedule 516. Rails Laid in Additional Tracks and in New Lines and Extensions**

Provision has been made for reporting track-miles of welded rail installed.

**Page 122: Schedule 562. Compensation of Officers, Directors, Etc.**

Instructions for reporting "other compensation" have been revised to more clearly define the nature of data required in column (d).

**Page 128: Schedule 561C. Compensation Applicable to Prior Years**

Schedule transferred from Annual Report Form R-1 to Monthly Report of Employees, Service and Compensation Forms A and B.

**Page 130: Schedule 585. Competitive Bidding - Clayton Antitrust Act**

This is former Schedule 10000 furnished to carriers separately from the Form R-1 in 1975 with advice that it would become an integral part of Form R-1 in 1976.



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## 100. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at it's 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
		None



## 101. IDENTITY OF RESPONDENT

Answers to the questions asked should be made in full, without reference to data returned on the corresponding page of previous reports. In case any changes of the nature referred to under inquiry 4 or 5 on this page have taken place during the year covered by this report, they should be explained in detail on page 101.

1. Give in full the exact name of the respondent. Use the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between railroad and railway. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification" (p. 134). If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision.

2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date when such receivership or

other possession began. If a partnership, give date of formation and also names in full of present partners.

3. Give specific reference to laws of each State or Territory under which organized, citing chapter and section. Include all grants of corporate powers by the United States, or by Canada or other foreign country; also, all amendments to charter.

4. Give specific reference to special or general laws under which each consolidation or merger or combination of other form was effected, citing chapter and section. Specify Government, State, or Territory under the laws of which each company consolidated or merged or otherwise combined into the present company was organized; give reference to the charters of each and to all amendments of them.

5. State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of organization of original corporation and refer to laws under which organized.

1. Exact name of common carrier making this report THE CINCINNATI, NEW ORLEANS AND TEXAS PACIFIC RAILWAY COMPANY

2. Date of incorporation September 8, 1881

3. Under laws of what Government, State, or Territory organized? If more than one, name all. Give specific reference to each charter or 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

State of Ohio Section 3838 Revised Statute

4. If the respondent was formed as the result of a consolidation or merger during the year, name all constituent and all merged companies

No Change

5. If respondent was reorganized during the year, give name of original corporation and state the occasion for the reorganization

No Change

6. State whether or not the respondent during the year conducted any part of its business under a name or names other than that shown in response to inquiry No. 1, above; if so, give full particulars No

7. Class of switching and terminal company

(See section No. 7 on inside of front cover)

-0-



# 102. DIRECTORS

1. Give particulars of the various directors and officers of the respondent at the close of the year.  
 2. State in column (c) of schedule No. 102 and column (d) of schedule No. 103, the number of voting shares of the respondent, other than directors' qualifying shares, that were beneficially owned, directly or indirectly, by each director or principal general officer at the close of the year. This includes shares owned of record, shares owned through holding companies, trusts or other mediums, and shares owned but held in the names of brokers or other nominees. Insert the word "None" where applicable.

3. In schedule No. 103 give the title, name, and address of the principal general officers having system jurisdiction by departments, as follows: Executive, Legal, Fiscal and Accounting, Purchasing, Operating, and Traffic. If there are receivers, trustees, or committees, who are recognized as in the controlling management of the road or of some department of it, give also their names and titles, and the location of their offices, separately grouped and identified.

4. If the duties of an officer extend to more than one department, or if his duties are not in accordance with the customary acceptance of his given title, state briefly the facts in a footnote.

Line No.	Name of director (a)	Office address (b)	Date of beginning of term (c)	Date of expiration of term (d)	Number of voting shares actually or beneficially owned (e)
1	W. G. Claytor, Jr.	Washington, D.C.	7/2/76	Directors are elected	None
2	W. R. Briscoe	Knoxville, Tenn.	"	at annual meeting for	"
3	D. W. Brosnan	Holmes Beach, Fla.	"	ensuing year or until	"
4	D. W. Brosnan, III	Asheville, N.C.	"	their successors shall	"
5	B. T. Combs	Louisville, Ky.	"	have been elected and	"
6	L. S. Crane	Washington, D.C.	"	qualified.	"
7	N. Farquhar	Washington, D.C.	"		"
8	J. W. Gantt	Cincinnati, Ohio	"		"
9	H. H. Hall	Washington, D.C.	"		"
10	R. S. Hamilton	Washington, D.C.	"		"
11	H. W. Hobson, Jr.	Cincinnati, Ohio	"		"
12	W. H. Martin, III	Florence, Ala.	"		"
13	A. B. McKinnon	Washington, D.C.	"		"
14	R. H. Northwood	Dayton, Ohio	9/22/76		"
15	L. B. Nunn	Lexington, Ky.	7/2/76		"
16	G. S. Paul	Washington, D.C.	"		"
17	W. H. Skinner	Lexington, Ky.	"		"
18	G. P. Street, Jr.	Chattanooga, Tenn.	"		"
19	F. L. Van Lennep	Lexington, Ky.	"		"
20	F. S. Worthington	Chattanooga, Tenn.	"		"
21					
22					

Give the names and titles of all officers of the Board of Directors in control of the respondent at the close of the year:

23 Chairman of board W. Graham Claytor, Jr., President; Secretary (or clerk) of board M. M. Davenport  
 24 Chairman ex-officio Secretary of the Company

Name the members of the executive committee of the Board of Directors of the respondent at the close of the year (naming first the chairman), and state briefly the powers and duties of that committee:

See Note on Page 7



## 102. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE

Line No.	Title of general officer (a)	Department or departments over which jurisdiction is exercised (b)	Name of person holding office at close of year (c)	Number of voting shares actually or beneficially owned (d)	Office address (e)
1	President	Executive	W. G. Claytor, Jr.	None	Washington, D. C.
2	Vice President	Executive	L. S. Crane	"	Washington, D. C.
3	Vice President	Mktg. & Planning	R. S. Hamilton	"	Washington, D. C.
4	Vice President	Administration	G. S. Paul	"	Washington, D. C.
5	Vice President	Operations	H. H. Hall	"	Washington, D. C.
6	Vice President	Law & Acct.	A. B. McKinnon	"	Washington, D. C.
7	Vice President	Transportation	H. H. Bradley	"	Washington, D. C.
8	Vice President	Public Affairs	E. T. Breathitt, Jr.	"	Washington, D. C.
9	Vice President	Sales	E. L. Dearhart	"	Washington, D. C.
10	Vice President	Corporate Development	J. A. Hagen	"	Washington, D. C.
11	Vice President	Res. Exec. Officer	H. W. Hobson, Jr.	"	Cincinnati, Ohio
12	Vice President	Mgt. Info. Serv.	J. L. Jones	"	Atlanta, Ga.
13	Vice President	Marketing	E. G. Kreyling, Jr.	"	Washington, D. C.
14	V.P. & Comptroller	Accounting	D. R. McArdle	"	Washington, D. C.
15	Vice President	Real Estate & Insurance	W. D. McLean	"	Washington, D. C.
16	Vice President	Engineering	W. W. Simpson	"	Washington, D. C.
17	Vice President	Finance	K. A. Stoecker	"	Washington, D. C.
18	Vice President	Law	J. L. Tapley	"	Washington, D. C.
19	Secretary	Secretary	M. M. Davenport	"	Washington, D. C.
20	Treasurer	Treasury	G. M. Williams	"	Washington, D. C.
21					
22					
23					
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# 104. RELATIONSHIP OF RESPONDENT WITH AFFILIATED COMPANIES

Enter below in the appropriate schedule, No. 104A through 104D, the names of all companies, corporate and noncorporate, which are affiliated with the respondent and submit the information requested in each schedule. Control for the purpose of these schedules shall be construed to include sole or jointly held control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders a voting trust or trusts, a holding or investment company or compa-

nies, or through or by any other direct or indirect means; and to include the power to exercise control. For the purposes of these schedules, forms of control shall include the following (among others):

1. Right through ownership of securities, an agreement of some character or through some other source to name the majority of the board of directors, managers, or trustees of the controlled company.
2. Right to foreclose a first lien upon all or a major part in

value of the tangible property of the controlled company.

3. Right to secure control in consequence of advances made for construction of the operating property of the controlled company.

Right to control only in a specific respect the action of the controlled company or a lessee interest in the property of a company is not to be classed as a form of control over the lessor company.

## 104 A. COMPANIES CONTROLLED BY RESPONDENT

1. Enter in column (a) the names of all companies which are controlled solely or jointly by the respondent. If the respondent obtained control over a company during the year, indicate by footnote the date and manner in which control was established such as exchange of stock, exchange of assets for stock, cash purchase,

- etc.
2. In column (b) indicate the principal business activity of each company listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised over companies listed in column (a).

4. In column (d) indicate the extent of the control of the respondent in the controlled company. If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.
5. In column (e) enter names of other companies, if any, that jointly control the companies listed in column (a).

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	If Jointly Controlled Name Other Parties to the Agreement (e)
1	See Schedule 205, Page 28				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					



104A. COMPANIES CONTROLLED BY RESPONDENT—Continued

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	If Jointly Controlled Name Other Parties to the Agreement (e)
20					
21					
22					
23					
24					
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47					
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51					
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53					
54					
55					
56					
57					

Road Initials: CNOTP Year: 1976



104B. COMPANIES INDIRECTLY CONTROLLED BY RESPONDENT

1. Enter in column (a) the names of all companies which are controlled through intermediary companies. If control was obtained during the year, indicate by footnote the date and manner in which control was established such as exchange of stock, exchange of assets for stock, cash purchase, etc.

2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.

3. In column (c) indicate the form of control exercised over companies listed in column (a).

4. In column (d) indicate the extent of the control over companies listed in column (a). If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.

5. In column (e) enter the names of intermediate companies through which control is exercised over companies listed in column (a).

Line No.	Name of company controlled (a)	Principal business activity (b)	Form of control (c)	Extent of control (d)	Name of intermediary through which control exists (e)
1	None				
2					
3					
4					
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31					



104C. COMPANIES UNDER COMMON CONTROL WITH RESPONDENT

1. Enter in column (a) the names of all companies which are controlled by the same interest that control the respondent.
2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised over companies listed in column (a).
4. In column (d) indicate the extent of the control over companies listed in column (a). If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.
5. In column (e) enter the names of companies controlling those listed in column (a).

Line No.	Name of company controlled (a)	Principal business activity (b)	Forms of Control (c)	Extent of control (d)	Name of controlling company or individual (e)
1	See Schedule 205 in Southern Railway Co. Annual Report, Form R-1				
2					
3					
4					
5					
6					
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35					



# 104 D. COMPANIES CONTROLLING RESPONDENT

1. Enter in column (a) the names of all companies controlling the respondent. Commence with the company which is most remote followed by the company immediately controlled by it. If control over the respondent or control over an intermediary through which respondent is controlled has changed during the year, indicate by footnote the date

and manner in which control was established such as exchange of stock, exchange of assets for stock, cash purchase, etc.

2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.

3. In column (c) indicate the form of control exercised by the company immediately controlled by it.

4. In column (d) indicate the extent of control. If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.

Line No.	Name of Controlling Company or Individual (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)
1	Southern Railway Company	Transportation	Stock Ownership	100%
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

## 108 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 \_\_\_\_\_ (date)

☒ No annual report to stockholders is prepared.



## NOTES AND REMARKS

Reference for Line 25, Page 2

Messrs. W. Graham Claytor, Jr., L. Stanley Crane, Robert S. Hamilton and  
George S. Paul.

"In the intervals between the meetings of the Board of Directors, all the powers of the Board, in all cases in which specific directions shall not have been given by the Board and other than that of filling vacancies among the Directors or in any committee of the Directors, shall be possessed, and may be exercised by the Executive Committee, which shall make and preserve a record of its proceedings, and shall submit the same to the Board of Directors at its meeting next succeeding such action for its information, and shall be subject to revision or alteration by the Board; provided that no rights of third parties shall be affected by such revision or alteration."

## 109. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common, \$ 20 per share; first preferred, \$ - per share; second preferred, \$ - per share; debenture stock, \$ None per share.
2. State whether or not each share of stock has the right to one vote; if not, give all particulars in a footnote Yes
3. Are voting rights proportional to holdings? Yes If not, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stock? No If so, name in a footnote each security, other than stock to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, stating whether voting rights are actual or contingent, and if contingent showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? No If so, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing Do not close - 4/15/76, record date for adjourned annual meeting of shareholders held 7/2/76
7. State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing; if not, state as of the close of the year. 448,500 votes, as of April 15, 1976 (Date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. 1 stockholders.
9. Give the names of the thirty 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 on page 13, the names and addresses of the thirty 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 thirty security holders as of the close of the year.
- List under Footnotes, page 9, Other Securities with Voting Power.

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)	PREFERRED Second (e)	First (f)
1	Southern Railway Company	Washington, D. C.	448,500	448,500		
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
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## 109. VOTING POWERS AND ELECTIONS—(Continued From Page 8)

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 448,500  
votes cast.

11. Give the date of such meeting. July 2, 1976

12. Give the place of such meeting. Washington, D.C.

## NOTES AND REMARKS

## 200. COMPARATIVE GENERAL BALANCE SHEET—ASSETS

For instructions covering this schedule, see the text pertaining to General Balance Sheet Accounts in the Uniform System of Accounts for Railroad Companies. The entries in this balance sheet should be consistent with those in the supporting schedules on the pages indicated. The entries in column (c) should be restated to conform with the accounting requirements followed in

column (b). The entries in the short column (a2) should be deducted from those in column (a1) in order to obtain corresponding entries for column (b). All contra entries hereunder should be indicated in parenthesis.

Line No.	Account or item (a)	(Dollars in thousands)	Balance at close of year (b)	Balance at beginning of year, (c)
			\$	\$
	<b>CURRENT ASSETS</b>			
1	(701) Cash		1,791	1,718
2	(702) Temporary cash investments (p. 23)		26,349	18,619
3	(703) Special deposits (p. 23)			
4	(704) Loans and notes receivable (p. 23)			
5	(705) Traffic, car service and other balances—Dr.			
6	(706) Net balance receivable from agents and conductors			
7	(707) Miscellaneous accounts receivable		38	7,433
8	(708) Interest and dividends receivable		109	117
9	(709) Accrued accounts receivable (p. 23)		149	105
10	(710) Working fund advances		19	19
11	(711) Prepayments (p. 23)			
12	(712) Material and supplies			
13	(713) Other current assets (p. 23)			
14	(714) Deferred income tax charges (p. 87)			
15	Total current assets		28,455	28,011
	<b>SPECIAL FUNDS</b>			
		(a1) Total book assets at close of year	(a2) Respondent's own issues included in (a1)	
16	(715) Sinking funds (pp. 24 and 25)			
17	(716) Capital and other reserve funds (pp. 24 and 25)	173	None	820
18	(717) Insurance and other funds (pp. 24 and 25)	130	None	134
19	Total special funds		303	954
	<b>INVESTMENTS</b>			
20	(721) Investments in affiliated companies (pp. 28-31)		25,851	25,868
21	Undistributed earnings from certain investments in account 721 (pp. 35A and 35B)		(215)	(116)
22	(722) Other investments (pp. 32-35)		14	13
23	(723) Reserve for adjustment of investment in securities—Credit (p. 27, Instruction 9)			
24	Total investments (accounts 721, 722 and 723)		25,650	25,765
	<b>PROPERTIES</b>			
25	(731) Road and equipment property: Road		7,463	7,770
26	Equipment		151,246	154,038
27	General expenditures		111	131
28	Other elements of investment		72	72
29	Construction work in progress		525	550
30	Total (pp. 38-41)		159,417	162,561
31	(732) Improvements on leased property: Road		61,368	58,437
32	Equipment			
33	General expenditures		326	327
34	Total (pp. 38-41)		61,694	58,764
35	Total transportation property (accounts 731 and 732)		221,111	221,325
36	(733) Accrued depreciation—Improvements on leased property (p. 45)		(9,382)	(9,451)
37	(735) Accrued depreciation—Road and equipment (pp. 44 and 46)		(74,396)	(71,099)
38	(736) Amortization of defense projects—Road and Equipment (p. 47)		(990)	(1,026)
39	Recorded depreciation and amortization (accounts 733, 735 and 736)		(84,768)	(81,576)
40	Total transportation property less recorded depreciation and amortization (line 35 less line 39)		136,343	139,749
41	(737) Miscellaneous physical property (pp. 52 and 53)		1,112	1,110
42	(738) Accrued depreciation—Miscellaneous physical property (pp. 52 and 53)		(27)	(9)
43	Miscellaneous physical property less recorded depreciation (account 737 less 738)		1,085	1,101
44	Total properties less recorded depreciation and amortization (line 40 plus line 43)		137,428	140,850

## COMPARATIVE GENERAL BALANCE SHEET—ASSETS—Continued on page 11

NOTE.—See page 12 for explanatory notes, which are an integral part of the Comparative General Balance Sheet. For compensating balances not legally restricted, see Schedule 202.



## 200.—COMPARATIVE GENERAL BALANCE SHEET—ASSETS—Continued

Line No.	Account or item (a)	(Dollars in thousands)	Balance at close of year (b)	Balance at beginning of year (c)
	OTHER ASSETS AND DEFERRED CHARGES		\$	\$
45	(741) Other assets (p. 54)			
46	(742) Unamortized discount on long-term debt		108	3
47	(743) Other deferred charges (p. 54)		56	79
48	(744) Accumulated deferred income tax charges (p. 87)			
49	Total other assets and deferred charges		164	82
50	TOTAL ASSETS		192,000	195,662

## 200. COMPARATIVE GENERAL BALANCE SHEET-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. (Dollars in thousands)

1. Show hereunder the estimated accumulated tax reductions realized during current and prior years under Section 168 (formerly Section 124-A) and under Section 167 of the Internal Revenue Code because of accelerated amortization of emergency facilities and accelerated depreciation of other facilities and also depreciation deductions resulting from the use of the new guideline lives, since December 31, 1961, pursuant to Revenue Procedure 62-21 in excess of recorded depreciation. The amount to be shown in each case is the net accumulated reductions in taxes realized less subsequent increases in taxes due to expired or lower allowances for amortization or depreciation as a consequence of accelerated allowances in earlier years. Also, show the estimated accumulated net income tax reduction realized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962. In the event provision has been made in the accounts through appropriations of surplus or otherwise for the contingency of increase in future tax payments, the amounts thereof and the accounting performed should be shown.

(a) Estimated accumulated net reduction in Federal income taxes since December 31, 1949, because of accelerated amortization of emergency facilities in excess of recorded depreciation under Section 168 (formerly Section 124-A) of the Internal Revenue Code \$ 4,805

(b) Estimated accumulated savings in Federal income taxes resulting from computing book depreciation under Commission rules and computing tax depreciation using the items listed below \$ 17,864

—Accelerated depreciation since December 31, 1953, under Section 167 of the Internal Revenue Code.

—Guideline lives since December 31, 1961, pursuant to Revenue Procedure 62-21.

—Guideline lives under Class Life System (Asset Depreciation Range) since December 31, 1970, as provided in the Revenue Act of 1971.

(c)(i) Estimated accumulated net income tax reduction utilized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962, as amended \$ 10,327

(ii) If carrier elected, as provided in the Revenue Act of 1971, to account for the investment tax credit under the deferral method, indicate the total deferred investment tax credit in account 786, Accumulated deferred income tax credits, at beginning of year \$ None

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes \$ None

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax accrual \$ (None)

Other adjustments (indicate nature such as recapture on early disposition) \$ None

(iii) Show the amount of investment tax credit carryover at year end \$ None

(d) 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 \$ 11,769

(e) Estimated accumulated net reduction in Federal income taxes because of amortization of certain rights-of-way investments since December 31, 1969, under the provisions of Section 185 of the Internal Revenue Code \$ (25)

2. Amount of accrued contingent interest on funded debt recorded in the balance sheet:

Description of obligation	Year accrued	Account No.	Amount
			\$ None

Continued on following page

**200. COMPARATIVE GENERAL BALANCE SHEET—LIABILITIES AND SHAREHOLDERS' EQUITY**

For instructions covering this schedule, see the text, pertaining to General Balance Sheet Accounts in the Uniform System of Accounts for Railroad Companies. The entries in this balance sheet should be consistent with those in the supporting schedules on the pages indicated. The entries in column (c) should be restated to conform with the accounting requirements followed in

column (b). The entries in short column (a1) should reflect total book liability at close of year. The entries in the short column (a2) should be deducted from those in column (a1) in order to obtain corresponding entries for column (b). All contra entries hereunder should be indicated in parenthesis.

Line No.	Account or item (a)	(Dollars in thousands)	Balance at close of year (b)	Balance at beginning of year (c)
<b>CURRENT LIABILITIES</b>				
51	(751) Loans and notes payable (p. 63)		\$	\$
52	(752) Traffic, car service and other balances—Cr.			
53	(753) Audited accounts and wages payable			
54	(754) Miscellaneous accounts payable		2	3
55	(755) Interest matured unpaid			
56	(756) Dividends matured unpaid			
57	(757) Unmatured interest accrued		989	1,111
58	(758) Unmatured dividends declared			
59	(759) Accrued accounts payable (p. 63)		4,422	3,880
60	(760) Federal income taxes accrued (p. 64)		8,637	10,630
61	(761) Other taxes accrued (p. 64)		2,516	3,143
62	(762) Deferred income tax credits (p. 87)			
63	(763) Other current liabilities (p. 63)		60	86
64	Total current liabilities (exclusive of long-term debt due within one year)		16,626	18,853
<b>LONG-TERM DEBT DUE WITHIN ONE YEAR</b>				
65	(764) Equipment obligations and other debt (pp. 56-59)	(a1) Total issued 4,787	(a2) Held by or for respondent None	4,787 5,136
<b>LONG-TERM DEBT DUE AFTER ONE YEAR</b>				
66	(765) Funded debt unmatured	(a1) Total issued	(a2) Held by or for respondent	
67	(766) Equipment obligations	33,356	None	33,356 38,230
68	(767) Receivers' and Trustees' securities	(pp. 56-59)		
69	(768) Debt in default			
70	(769) Amounts payable to affiliated companies (p. 62)			
71	Total long-term debt due after one year			33,356 38,230
<b>RESERVES</b>				
72	(771) Pension and welfare reserves (p. 65)			
73	(774) Casualty and other reserves (p. 65)		3,568	3,955
74	Total reserves		3,568	3,955
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>				
75	(781) Interest in default (p. 58)			
76	(782) Other liabilities (p. 65)		231	660
77	(783) Unamortized premium on long-term debt			
78	(784) Other deferred credits (p. 65)		31	2
79	(785) Accrued liability—Leased property (p. 45)		3,199	2,902
80	(786) Accumulated deferred income tax credits (p. 87)		34,636	34,290
81	Total other liabilities and deferred credits		38,097	37,854
<b>SHAREHOLDERS' EQUITY</b>				
<b>Capital stock (Par or stated value)</b>				
82	(791) Capital stock issued: Common stock (p. 61)	(a1) Total issued 8,970	(a2) Nominally issued securities None	8,970 8,970
83	Preferred stock (p. 67)			
84	Total	8,970	None	8,970 8,970
85	(792) Stock liability for conversion (p. 68)			
86	(793) Discount on capital stock			
87	Total capital stock		8,970	8,970
<b>Capital surplus</b>				
88	(794) Premiums and assessments on capital stock (p. 69)			
89	(795) Paid-in surplus (p. 69)		413	413
90	(796) Other capital surplus (p. 69)			
91	Total capital surplus		413	413

**COMPARATIVE GENERAL BALANCE SHEET—LIABILITIES AND SHAREHOLDERS' EQUITY—  
CONTINUED ON PAGE 13.**

Note.—See page 11 for explanatory notes, which are an integral part of the Comparative General Balance Sheet.



## 200. COMPARATIVE GENERAL BALANCE SHEET—LIABILITIES AND SHAREHOLDERS' EQUITY—Continued

Line No.	Account or item (a)	(Dollars in thousands)	Balance at close of year (b)	Balance at beginning of year (c)
	<b>Retained income</b>			
92	(797) Retained income—Appropriated (p. 69)		\$ 41,123	\$ 38,764
93	(798) Retained income—Unappropriated (p. 20)		45,060	43,487
94	Total retained income		86,183	82,251
	<b>Treasury Stock</b>			
95	(798.5) Less: Treasury stock			
96	Total shareholders' equity		95,566	91,634
97	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		192,000	195,662

## 200. COMPARATIVE GENERAL BALANCE SHEET-EXPLANATORY NOTES—Continued

3. As a result of dispute concerning the recent increase in per diem rates for use of freight cars interchanged, settlement of disputed amounts has been deferred awaiting final disposition of the matter. The amounts in dispute for which settlement has been deferred are as follows:

Item	Amount in dispute	As recorded on books		Amount not recorded
		Account Nos.		
		Debit	Credit	
Per diem receivable	\$			\$ None
Per diem payable				
Net amount	\$	X X X X X X X X	X X X X X X X X	\$ None

4. 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

5. 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

6. (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) Show amount of past service pension costs determined by actuaries at year end \$

(c) Total pension costs for year:

Normal costs \$

Amortization of past service costs \$

(d) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund. \$

(e) 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 in any way with the trustee(s), explain affiliation:

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

(g)(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?

EXPLANATORY NOTES ARE CONTINUED ON PAGE 14



**200. COMPARATIVE GENERAL BALANCE SHEET—LIABILITIES AND SHAREHOLDERS' EQUITY—Concluded****200. COMPARATIVE GENERAL BALANCE SHEET-EXPLANATORY NOTES—Concluded**

7. 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 \_\_\_\_\_ See footnote on Page 14 of Southern Railway Company Annual Report Form R-1

8. State separately amounts of deferred maintenance and delayed capital improvements as reported to the Commission in Ex Parte No. 305 as of December 31, 1976:

Deferred maintenance See Southern Railway Company Annual Report Form R-1 \$ \_\_\_\_\_

Delayed capital improvements See Southern Railway Company Annual Report Form R-1 \$ \_\_\_\_\_

**NOTES AND REMARKS**

9. Respondent carried a service interruption policy with The Imperial Insurance Company Limited, under which it will be entitled to daily indemnity in the amount of \$128,594 for certain work stoppage losses. In the event such losses are sustained by other railroads holding similar policies, respondent may be obligated to pay additional premiums amounting to not more than 20 times the above daily rate during the year.



# 14A

# SOUTHERN RAILWAY COMPANY AND CONSOLIDATED SUBSIDIARIES

## Balance Sheet

	December 31	
	1976	1975
	(Thousands of Dollars)	
<b>Assets</b>		
Current assets:		
Cash and marketable securities at lower of cost or market .....	\$ 195,313	\$ 95,811
Accounts receivable .....	159,782	147,006
Materials, supplies and other .....	75,707	77,448
	<u>430,802</u>	<u>320,265</u>
Investments in and advances to affiliates .....	10,095	8,866
Other assets .....	39,980	30,120
Properties .....	1,822,741	1,752,572
	<u>\$2,303,518</u>	<u>\$2,111,823</u>
 <b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued expenses .....	\$ 227,075	\$ 205,884
Income taxes .....	21,718	21,306
Current maturities of long-term debt .....	77,421	59,976
	<u>326,214</u>	<u>287,166</u>
Long-term debt .....	703,694	632,394
Reserve for income taxes .....	10,759	10,759
Deferred income taxes .....	286,167	262,917
Reserves and other liabilities .....	26,692	21,576
	<u>1,353,526</u>	<u>1,214,812</u>
Shareholders' equity:		
Preferred stock .....	57,675	58,000
Serial preference stock .....	18,858	18,729
Common stock .....	146,020	145,412
Capital surplus .....	23,511	20,503
Income retained in the business .....	704,128	654,367
	<u>949,992</u>	<u>897,011</u>
	<u>\$2,303,518</u>	<u>\$2,111,823</u>

The company reporting to the Interstate Commerce Commission in this report is a part of the Southern Railway Company and Consolidated Subsidiaries, which is comprised of 33 regulated carriers and 22 other companies. Financial reporting to shareholders and the general public is made on a consolidated basis and the following balance sheet is included in this report in order to put the financial data of the reporting company into proper perspective relative to the Southern Consolidated System.



## SOUTHERN RAILWAY COMPANY AND CONSOLIDATED SUBSIDIARIES

## Statement of Income

	Year 1976	Year 1975
	(Thousands of Dollars)	
Railway operating revenues:		
Freight .....	\$1,002,186	\$839,651
Demurrage .....	10,484	8,976
Passenger .....	5,566	5,484
Other .....	9,756	9,579
	<u>1,027,992</u>	<u>863,690</u>
Other income:		
Interest .....	7,175	7,507
Gain on sale of properties .....	5,120	5,662
Other .....	12,498	9,799
Total income .....	<u>1,052,785</u>	<u>886,658</u>
Railway operating expenses:		
Maintenance of way and structures .....	175,185	138,449
Maintenance of equipment .....	177,977	141,237
Transportation .....	325,997	286,731
Other .....	66,504	56,250
	<u>745,663</u>	<u>622,667</u>
State and local taxes, principally property .....	24,965	25,245
Payroll taxes .....	55,712	45,979
Net freight car rent (income) based on time and mileage .....	(14,817)	(12,836)
Other equipment rent expense .....	40,314	30,748
Joint facility rent expense .....	1,012	771
Miscellaneous deductions from income .....	7,373	4,821
Fixed charges, principally interest .....	54,383	49,629
Total expenses .....	<u>914,605</u>	<u>767,024</u>
Income before income taxes .....	<u>138,180</u>	<u>119,634</u>
Federal and state income taxes:		
Current .....	25,754	18,267
Deferred .....	23,185	23,042
Total income taxes .....	<u>48,939</u>	<u>41,309</u>
Net consolidated income for the year .....	<u>\$89,241</u>	<u>\$ 78,325</u>
Per average share of common stock outstanding .....	<u>\$5.85</u>	<u>\$5.12</u>

Certain 1975 data have been changed for comparability.

The company reporting to the Interstate Commerce Commission in this report is a part of the Southern Railway Company and Consolidated Subsidiaries, which is comprised of 33 regulated carriers and 22 other companies. Financial reporting to shareholders and the general public is made on a consolidated basis and the following income statement is included in this report in order to put the financial data of the reporting company into proper perspective relative to the Southern Consolidated System.



NOTES AND REMARKS



## 300. INCOME ACCOUNT FOR THE YEAR

1. Give the Income Account of the respondent for the year in accordance with the rules prescribed in the Uniform System of Accounts for Railroad Companies.

2. In column (d) show against the appropriate account the amount of income that is offset by deductions in other income accounts of respondent so far as they relate to companies the operations of which are covered by this operating report, the amount of such deductions or dispositions to be also shown against appropriate accounts. For example, road (A) operates road (B) under

lease for a rental of \$1,000,000, but road (A) owns 50 percent of the stock of road (B) on which it receives \$250,000 in dividends. The entries in column (d) should be: Account No. 513, "Dividend income," \$250,000; Account No. 542, "Rent for leased roads and equipment," \$250,000. Again, if road (C) has issued its own securities to acquire a part or all of the securities of road (D), a separately operated carrier, no entries should be made in column (d) by road (C) even though dividends or interest be received on such securities held by road (C). But if road (D) is a

Line No.	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Offsetting debits and credits for current year (d)
	<b>ORDINARY ITEMS</b>	\$	\$	\$
	<b>OPERATING INCOME</b>			
	<b>Railway Operating Income</b>			
1	(501) Railway operating revenues (p. 73)	112,974	91,994	
2	(531) Railway operating expenses (p. 74)	67,141	56,176	
3	Net revenue from railway operations	45,833	35,818	
4	(532) Railway tax accruals (p. 86)	22,042	16,860	
5	(533) Provision for deferred taxes (p. 87)	304	1,253	
6	Railway operating income	23,487	17,705	
	<b>Rent Income</b>			
7	(503) Hire of freight cars and highway revenue equipment—			
	Credit balance (p. 90)			
8	(504) Rent from locomotives (p. 91)	3,456	3,458	
9	(505) Rent from passenger-train cars (p. 91)			
10	(506) Rent from floating equipment	9	10	
11	(507) Rent from work equipment	504	502	
12	(508) Joint facility rent income	3,969	3,970	
13	Total rent income			
	<b>Rents Payable</b>			
14	(536) Hire of freight cars and highway revenue equipment—			
	Debit balance (p. 90)	2,271	783	
15	(537) Rent for locomotives (p. 91)	3,053	2,854	
16	(538) Rent for passenger-train cars (p. 91)			
17	(539) Rent for floating equipment	1		
18	(540) Rent for work equipment	97	107	
19	(541) Joint facility rents	5,422	3,738	
20	Total rents payable	(1,453)	232	
21	Net rents (lines 13, 20)	22,034	17,937	
22	Net railway operating income (lines 6, 21)			
	<b>Other Income</b>			
23	(502) Revenues from miscellaneous operations (p. 53)			
24	(509) Income from lease of road and equipment (p. 88)			
25	(510) Miscellaneous rent income (p. 88)	344	321	
26	(511) Income from nonoperating property (p. 53)	(5)	(2)	
27	(512) Separately operated properties—Profit (p. 89)	382	359	
28	(513) Dividend income (from investments under cost only)	1,337	1,521	
29	(514) Interest income	20	49	
30	(516) Income from sinking and other reserve funds			
31	(517) Release of premiums on funded debt			
32	(518) Contributions from other companies			
33	(519) Miscellaneous income (p. 94)	(a1)	17	124
34	Dividend income (from investments under equity only)	\$	x x x x	x x x x
35	Undistributed earnings (losses)	(99)	x x x x	x x x x
36	Equity in earnings (losses) of affiliated companies (lines 34, 35)		(99)	(82)
37	Total other income	1,996	2,290	
38	Total income (lines 22, 37)	24,030	20,227	
	<b>Miscellaneous Deductions From Income</b>			
39	(534) Expenses of miscellaneous operations (p. 53)			
40	(535) Taxes on miscellaneous operating property (p. 53)			
41	(543) Miscellaneous rents (p. 93)	9	9	
42	(544) Miscellaneous tax accruals (p. 53)			
43	(545) Separately operated properties—Loss (p. 89)			



## 300. INCOME ACCOUNT FOR THE YEAR—Continued

"proprietary" company for which no separate operating report is rendered, appropriate entries in column (d) should be made by road (C). If a leased road is assigned to another company for operation, the rent paid should be offset by the rent received. The examples indicated should not be taken to exclude others of a similar nature.

3. Returns for the year reported on lines 1 to 22, inclusive, should be analyzed in columns (e) to (k) in accordance with the Commission's rules governing the separation of operating expenses between freight and passenger service; railroads.

4. Any unusual accruals involving substantial amounts included in column (h) on lines 17 to 24,

inclusive, should be fully explained in a footnote.

5. All contra entries hereunder should be indicated in parenthesis.  
(Dollars in thousands)

6. Line 28 includes only dividends from investments accounted for under the cost method. Line 34 includes only dividends accounted for under the equity method. Line 35 includes the undistributed earnings from investments accounted for under the equity method. Line 36 represents the earnings (losses) of investee companies accounted for under the equity method.

RAIL-LINE, INCLUDING WATER TRANSFERS						Other items not related to either freight or to passenger and allied services (k)	Line No.
Related solely to freight service (e) ✓	Apportioned to freight service (f)	Total freight service (g) ✓	Related solely to passenger and allied services (h)	Apportioned to passenger and allied services (i)	Total passenger service (j)		
\$	\$	\$	\$	\$	\$	\$	
112,974		112,974					1
67,141		67,141					2
x x x x x	x x x x x	45,833	x x x x x	x x x x x			3
22,042		22,042					4
304		304					5
x x x x x	x x x x x	23,487	x x x x x	x x x x x			6
							7
3,456		3,456					8
							9
9		9					10
504		504					11
x x x x x	x x x x x	3,969	x x x x x	x x x x x			12
							13
2,271		2,271					14
3,053		3,053					15
							16
							17
1		1					18
97		97					19
x x x x x	x x x x x	5,422	x x x x x	x x x x x			20
x x x x x	x x x x x	(1,453)	x x x x x	x x x x x			21
x x x x x	x x x x x	22,034	x x x x x	x x x x x			22

If this report is made for a system, list hereunder the names of all companies included in the system returns:



## 300. INCOME ACCOUNT FOR THE YEAR—Concluded

Line No.	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Offsetting debits and credits for current year (d)
44	(549) Maintenance of investment organization	\$	\$	\$
45	(550) Income transferred to other companies			
46	(551) Miscellaneous income charges (p. 94)	272	62	
47	Total miscellaneous deductions	281	71	
48	Income available for fixed charges (lines 38, 47)	23,749	20,156	
	<b>Fixed Charges</b>			
49	(542) Rent for leased roads and equipment (p. 92)	4,378	4,118	
	(546) Interest on funded debt:			
50	(a) Fixed interest not in default	2,857	3,179	
51	(b) Interest in default			
52	(547) Interest on unfunded debt			
53	(548) Amortization of discount on funded debt	24	23	
54	Total fixed charges	7,259	7,320	
55	Income after fixed charges (lines 48, 54)	16,490	12,836	
	<b>Other Deductions</b>			
	(546) Interest on funded debt:			
56	(c) Contingent interest			
57	(555) Unusual or infrequent items-Net-(Debit) credit*			
58	Income (loss) from continuing operations (lines 55-57)	16,490	12,836	
	<b>DISCONTINUED OPERATIONS</b>			
59	(560) Income (loss) from operations of discontinued segments*			
60	(562) Gain (loss) on disposal of discontinued segments*			
61	Total income (loss) from discontinued operations (lines 59, 60)			
62	Income (loss) before extraordinary items (lines 58, 61)	16,490	12,836	
	<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>			
63	(570) Extraordinary items-Net-(Debit) credit (p. 94)			
64	(590) Income taxes on extraordinary items-Debit (credit) (p. 94)			
65	(591) Provision for deferred taxes-Extraordinary items (p. 87)			
66	Total extraordinary items (lines 63-65)			
67	(592) Cumulative effect of changes in accounting principles*			
68	Total extraordinary items and accounting changes-(Debit) credit-(lines 66, 67)			
69	Net income (loss) transferred to Retained Income-Unappropriated (lines 62, 68)	16,490	12,836	

\* Less applicable income taxes of:

\$

555 Unusual or infrequent items-Net-(Debit) credit \_\_\_\_\_

560 Income (loss) from operations of discontinued segments \_\_\_\_\_

565 Gain (loss) on disposal of discontinued segments \_\_\_\_\_

592 Cumulative effect of changes in accounting principles \_\_\_\_\_

NOTE-See page 19 for explanatory notes which are an integral part of the Income Account for the Year.



## INCOME ACCOUNT FOR THE YEAR—EXPLANATORY NOTES

The space below is provided for the purpose of disclosing additional information concerning items of income for the current year. Each carrier shall give the particulars of items herein. Enter in separate notes with suitable explanation, amounts included in income accounts in connection with any unusual and material accrual or changeover in accounting practice, and other matters of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles. Minor items which have no consequential effect on net income for the

year need not be reported. If carrier has nothing to report, insert the word "None". The tax consequences of use of accelerated depreciation and tax guideline service lives, the investment tax credit, as well as other unusual and significant tax items and matters, are to be disclosed in Schedule 350, under Section C pertaining to analysis of Federal income taxes. The explanation of items included in accounts 570, "Extraordinary items"; and 590, "Income taxes on extraordinary items" are to be disclosed in Schedule 396, page 94.



## 305. RETAINED INCOME - UNAPPROPRIATED

1. Show hereunder the items of the Retained Income Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.

2. All contra entries hereunder should be indicated in parentheses.

3. Indicate under "Remarks" the amount of assigned Federal income tax consequences, accounts 606 and 616.

4. Segregate in column (c) all amounts applicable to the equity in un-

distributed earnings (losses) of affiliated companies based on the equity method of accounting.

5. Line 3 (line 7 if debit balance), column (c), should agree with line 35, column (b), schedule 300. The total of columns (b) and (c), lines 3 and 7, should agree with line 63, column (b), schedule 300.

6. Include in column (b) only amounts applicable to retained income exclusive of any amounts included in column (c). (Dollars in Thousands)

Line No.	Item (a)	Retained income- Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)
1	Balances at beginning of year	\$ 43,603	\$ (116)
2	(601.5) Prior period adjustments to beginning retained income		
	<b>CREDITS</b>		
3	(602) Credit balance transferred from income	16,589	
4	(606) Other credits to retained income		
5	(622) Appropriations released		
6	<b>Total</b>	16,589	
	<b>DEBITS</b>		
7	(612) Debit balance transferred from income		3998
8	(616) Other debits to retained income		
9	(620) Appropriations for sinking and other reserve funds	2,359	
10	(621) Appropriations for other purposes		
11	(623) Dividends (p. 20)	12,558	
12	<b>Total</b>	14,917	4098
13	Net increase (decrease) during year (Line 5 minus line 11)	1,672	(99)
14	Balances at close of year (Lines 1 and 13)	45,275	(215)
15	Balance from line 14(c)	(215)	x x x x x
16	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year	45,060	x x x x x
	<b>Remarks</b>		
17	Amount of assigned Federal income tax consequences:		
18	Account 606		x x x x x
18	Account 616		x x x x x

Note: See p. 94, schedule 396, for analysis for Retained Income Accounts.

## 308. DIVIDEND APPROPRIATIONS

1. Give particulars of each dividend declared. For par value or nonpar stock, show in column (d) the respective total par value or total number of shares on which dividend was declared and the corresponding rate percent or per share in column (b) or (c). If any such dividend was payable in anything other than cash, explain the matter fully in a footnote.

2. If an obligation of any character has been incurred for the purpose of procuring funds for the payment of any dividend or for the purpose of

replenishing the treasury of the respondent after payment of any dividend, give full particulars in a footnote. If any class of stock received a return not reportable in this schedule, state the particulars of the case in a footnote.

3. The sum of the dividends stated in column (e) should equal the amount shown in schedule No. 305.

4. Report dollars in thousands.

Line No.	Name of security on which dividend was declared (a)	Rate percent (par value stock) or rate per share (nonpar stock)		Total par value of stock or total number of shares of nonpar stock on which dividend was declared (d)	Dividends (account 623) (e)	DATES	
		Regular (b)	Extra (c)			Declared (f)	Payable (g)
1	Common Stock	7.00		8,970	3,140	3/25	3/26
2	"	7.00		8,970	3,139	6/22	6/28
3	"	7.00		8,970	3,140	9/20	9/29
4	"	7.00		8,970	3,139	12/13	12/27
5							
6							
7							
8							
9							
10							
11							
12							
13				<b>Total</b>	12,558		



### 309.-STATEMENT OF CHANGES IN FINANCIAL POSITION

Give the information as requested concerning the source and application of funds during the year. Funds for the purpose of this schedule shall include all assets or financial resources even though a transaction may not directly affect cash or working capital. For example, the purchase of property in exchange for shares of stock or bonds would be an application of funds for investment in property provided by the issue of securities. Sources and uses of funds should be individually disclosed. For example, outlays for fixed assets should not be reported net of retirements.

Use reference columns (a), (b) and (c) as a guide in presenting and computing the requested information as follows:

**Column**

**Reference**

- (a) Schedules in this report where disclosure may be found.
- (b) Applicable line number in reference schedule.
- (c) Applicable column(s) in reference schedule.

When two or more line numbers of columns appear in reference columns, add or subtract the amounts as indicated. For example, the notation "(a)" - "(b)" in reference column (c) means to subtract the amount in column (b) from the amount in column (a).

Line No.	Reference			Description (d)	Amount (e)
	Schedule (a)	Line (b)	Column (c)		
				<b>SOURCES OF WORKING CAPITAL</b>	<b>\$</b>
				Working capital provided by operations:	
1	300	62	(b)	Net income (loss) before extraordinary items	16,490
				Add expenses not requiring outlay of working capital; (subtract) credits not generating working capital:	
2	324	17	(b)	Retirement of nondepreciable property	216
3	396	-	-	Loss (gain) on sale or disposal of tangible property	(3)
4	NOTE A	-	-	Add depreciation and amortization expenses	6,294
5	300	5	(b)	Net increase (decrease) in deferred income taxes	304
6	300	35	(a)	Net decrease (increase) in parent's share of subsidiary's undistributed income for the year	99
7	200	71,74	(b) - (c)	Net increase (decrease) in noncurrent portion of estimated liabilities	
8				Other (specify):	
				Minor items, each less than \$250,000	76
9					
10					
11					
12					
13					
14					
15					
16					
17					
18				Total working capital from operations before extraordinary items	23,476



**309. STATEMENT OF CHANGES IN FINANCIAL POSITION—Continued**

Line No.	Reference			Description (d)	Amount (e)
	Schedule (a)	Line (b)	Column (c)		
				Working capital provided by operations (Continued):	\$
19	300	68	(b)	Extraordinary items and accounting changes	
20	300	63	(b)	Add expenses not requiring outlay of working capital; (subtract) credits not generating working capital:	
21	300	65	(b)	Loss (gain) on extraordinary items	
22	300	67	(b)	Net increase (decrease) in deferred income taxes	
				Cumulative effect of changes in accounting principles	
				Other (specify):	
23					
24					
25					
26					
27					
28				Total working capital from extraordinary items and accounting changes	
29				Total working capital from operations (lines 18 and 28)	23,476
				Working capital from sources other than operating:	
30	-	-	-	Proceeds from issuance of long-term liabilities	
31	-	-	-	Proceeds from sale/disposition of carrier operating property	840
32	-	-	-	Proceeds from sale/disposition of other tangible property	
33	205	99	(l)	Proceeds from sale/repayment of investments advances	18
	206	99	(k)		
34	204	41	(f)	Net decrease in sinking and other special funds	731
35	229	15	(e) + (f)	Proceeds from issue of capital stock	
			(-i)		
				Other (specify):	
36				Retirement of carrier operating property	135
37				Minor items, each less than \$250,000	4
38					
39					
40					
41				Total working capital from sources other than operating	1,769
42				Total sources of working capital (lines 29 and 41)	25,245

See APPLICATION OF WORKING CAPITAL on following page



## 309. STATEMENT OF CHANGES IN FINANCIAL POSITION—Concluded

Line No.	Reference			Description (d)	Amount (e)
	Schedule (a)	Line (b)	Column (c)		
				APPLICATION OF WORKING CAPITAL	\$
43	-	-	-	Amount paid to acquire/retire long-term liabilities	4,874
44	305	10	(b)	Cash dividends	12,558
45	211	52	(e)	Purchase price of carrier operating property	253
46	-	-	-	Purchase price of other tangible property	3,487
47	205	99	(j)	Purchase price of long-term investments and advances	1
	206	99	(i)		
48	204	41	(e)	Net increase in sinking or other special funds	80
49	229	15	(j)	Purchase price of acquiring treasury stock	
	-	-	-	Other (specify):	
50				Equipment financing in suspense	585
51				Net decrease in casualty and other reserves	387
52					
53					
54					
55				Total application of working capital	22,225
56				Net increase (decrease) in working capital (line 42 less line 55) (show computations in Schedule 309S)	3,020

NOTE A: Furnish the actual amount of depreciation and amortization expenses taken during the year. The following can be used as references:

Schedule	Line	Column
322	26	(b)
326	3	(b)
330	9	(b)
214	22	(j)
200	46	(b) - (c)
200	78	(b) - (c)



# 309S.-CHANGES IN WORKING CAPITAL

Compute the net changes in each element of working capital.

Line No.	References			Description (d)	Balance, close of year (e)	Balance, beginning of year (f)	Net increase (decrease) (g)
	Schedule (a)	Line (b)	Column (c)				
1	200	1,2	(b)	Cash and temporary investments	\$ 28,140	\$ 20,337	\$ 7,803
2	200	4	(b)	Net receivables	315	7,674	(7,359)
3	200	11	(b)	Prepayments			
4	200	12	(b)	Materials and supplies			
5	-	-	-	Other current assets not included above			
6	200	51	(b)	Notes payable and matured obligations			
7	200	59	(b)	Accounts payable	5,413	4,994	(419)
8	200	65	(b)	Current equipment obligations and other debt	4,787	5,136	349
9	-	-	-	Other current liabilities not included above	11,213	13,859	2,646
10				Net increase (decrease) in working capital (= line 56, Schedule 309)	7,042	4,022	3,020

21C

Road Initials

CNOTP

Year 1976



## NOTES AND REMAKES



## 201. ITEMS IN SELECTED CURRENT ASSET ACCOUNTS

Give brief description for each item or class of items of like description in accounts Nos. 702, "Temporary cash investments"; 704, "Loans and notes receivable"; 709, "Accrued accounts receivable"; 711, "Prepayments"; and 713, "Other current assets," at the close of the year. Show description of the temporary cash investments, the names of depositaries for the special deposits, the character of loans and notes, with name of debtor (or class of debtors), dates of issue and maturity, and appropriate description for each class of accrued accounts receivable and for the other current

assets. Show the three largest items in each account regardless of the dollar amount, and all other items (or the aggregate of a class of items of like description, amounting to less than \$250,000 many be combined into a single entry designated "Other items, each less than \$250,000". The entries for each account shall be listed and the account number and the total for each account shall be shown corresponding to the amounts in schedule 200. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

Line No.	Account No. (c)	Item (b)	Purchase Date	Maturity Date (Dollars in Thousands)	Amount (c)
1	702	Bank of America 4.60% C/D	12/14/76	01/17/77	\$ 2,000
2		Bank America Corp. P/N	12/02/76	01/31/77	2,490
3		Bankers Trust Co. 5.05% C/D	11/29/76	01/4/77	2,000
4		C&S Nat'l Bank 6.15% C/D	08/10/76	02/07/77	1,500
5		Federal Nat'l Mortgage	06/07/76	01/31/77	1,989
6		Federal Nat'l Mortgage	06/14/76	01/31/77	1,990
7		First Nat'l Bank of Atlanta 6.75% CD	06/07/76	01/31/77	600
8		Ford Motor Credit Co. P/N	07/14/76	03/11/77	900
9		General Electric Credit Co. P/N	12/28/76	02/04/77	500
10		Kansas Gas & Electric Co. P/N	12/13/76	01/17/77	998
11		Mellon Nat'l Bank	11/29/76	01/04/77	500
12		New York Telephone Co. P/N	12/27/76	01/31/77	996
13		Oklahoma Gas & Electric Co. P/N	12/13/76	01/17/77	998
14		J. C. Penny Financial Corp. P/N	12/28/76	02/04/77	5,000
15		Philip Morris, Inc. P/N	12/06/76	02/14/77	298
16		U. S. Treasury Bills 5.86%	06/29/76	02/08/77	1,292
17		U. S. Treasury Bills 5.62%	07/08/76	01/06/77	1,998
18		Other items, each less than \$250,000			300
19					
20			Total 702		26,349
21					
22					
23					
24	709	Reserve E&I Accrued Not Vouchered			16
25		Service tracks and Highway Crossings			131
26		Reserve E&I Accrued Car Accounting			2
27					
28			Total 709		149
29					
30					
31					
32					
33					
34					
35					
36					
37					



**Schedule 202.-COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS**

Using the following notes as a guideline, show the requirements of compensating balances and short-term borrowing arrangements if operating revenues are \$10 million or more. Footnote disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances under an agreement which legally restricts the use of such funds, and which constitute support for short-term borrowing arrangements, should be included in Schedule 203, account 703, Special deposits.
5. Compensating balances under an agreement which legally restricts the use of such funds and which constitute support for long-term borrowing arrangements and are reported in account 717, Insurance and other funds, should also be separately disclosed below.
6. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
7. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

None



## Schedule 203.—SPECIAL DEPOSITS

For other than compensating balances, state separately each item of \$250,000 or more reflected in account 703, Special deposits, at the close of the year. Items of less than \$250,000 may be combined in a single entry and described as "Minor items less than \$250,000". For compensating balances, state separately the total amounts held on behalf of respondent and held on behalf of others.

Line No.	Purpose of deposit (a)	Balance at close of year (b)
		\$
	Interest special deposits:	
1		
2	None	
3		
4		
5		
6	Total	
	Dividend special deposits:	
7		
8	None	
9		
10		
11		
12	Total	
	Miscellaneous special deposits:	
13		
14	None	
15		
16		
17		
18	Total	
	Compensating balances legally restricted:	
19	Held on behalf of respondent	
20	Held on behalf of others	None
21	Total	



## 204. SINKING, CAPITAL, INSURANCE, AND OTHER RESERVE FUNDS

Give the particulars called for with respect to reserve funds included in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; and 717, "Insurance and other funds."

Except for deposits held by trustees for proceeds from sale of mortgaged properties, unspent proceeds from sale of equipment obligations, or the value of cars destroyed pledged under equipment financing obligations, which may be reported in total for each category, the designation of the individual fund as carried in the respondent's records should be

entered in Column (b). The entry should indicate the kind of fund, such as sinking, capital, property insurance, pension or relief; the rate of interest, if any; and the date of maturity.

Show the three largest funds in each account, and funds earmarked incentive per diem, regardless of the dollar amount, and all other funds where the amount reportable in Columns (d), (e), (f) or (g) is \$250,000, or more. Each fund amounting to less than \$250,000 may be combined into a single entry designated "Other items, each less than \$250,000"

Line No.	Account No.	Name, kind, and purpose of fund	Name of trustee or depository
	(a)	(b)	(c)
1	716	Equipment Trust #1 of 1973	Manufacturers Hanover Trust Company
2			
3			
4	716	Value of cars destroyed - Pledged	Central Trust Company - Agent
5		under CSA 11-1-66	
6			
7	716	Equipment Trust #3 of 1976	Citibank, N. A.
8			
9	716	Other items, each less than \$250,000	
10			
11			
12		Total 716	
13			
14			
15	717	Insurance	Barclays Bank, Grand Caymen
16			
17	717	Hamilton National Bank of Chattanooga	Hamilton National Bank
18		Tennessee Deposit of U.S. Treasury	
19		4 $\frac{1}{2}$ Bonds due June 15, 1978	
20			
21		Total 717	
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
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38			
39			
40			
41			

<sup>1</sup>Includes income of \$ -0- earned on earmarked incentive per diem funds.



## 204. SINKING, CAPITAL, INSURANCE, AND OTHER RESERVE FUNDS—Concluded

Insert totals separately for each account. Such totals of columns (g) and (i) should be the same as those stated in short columns (a<sub>1</sub>) and (a<sub>2</sub>), respectively, in the comparative general balance sheet statement. Entries in column (g) should be the sums of corresponding entries in columns (d) and (e), less those shown in column (f), and the sum of entries in columns (h), (i), and (j) should equal those in column (g).

All conversions of cash into securities, or vice versa, shall be treated as withdrawals from the fund in column (f) and as additions to the fund in

column (e).

Funds representing net credit balances of earmarked incentive per diem should be reported separately for each year. The amount of income earned on these funds should be reported in footnote to this schedule.<sup>1</sup> Wholly owned Canadian subsidiary lines should subdivide the earmarked funds between monies received from Canadian parent companies as a result of incentive charges and the carrier's own credit balances.  
(Dollars in thousands)

Balance at beginning of year—Book value (d)	Additions during the year—Book value (e)	Withdrawals during the year—Book value (f)	Balance at close of year—Book value (g)	Assets in Funds at Close of Year			Line No.
				Cash (h)	Securities issued or assumed by respondent (i)	Other securities and invested assets (j)	
\$ 4			4	4			1
							2
227	38	265					3
							4
							5
461		461					6
							7
128	41		169	33		136	8
							9
							10
820	79	726	173	37		136	11
							12
							13
133	1	5	129	129			14
							15
1			1			1	16
							17
							18
							19
134	1	5	130	129		1	20
							21
							22
							23
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							25
							26
							27
							28
							29
							30
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							38
							39
954	80	731	303	166		137	40
							41



## NOTES AND REMARKS



## GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 205 AND 206

1. Schedules 205 and 206 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 as investments including obligations of the United States, of a State or local government, or of an individual, so held; investments made, disposed of, or written down during the year; and dividends and interest credited to income. 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. These investments should be subdivided to show the book value pledged, unpledged, and held in fund accounts. Under "pledged" include the book value of securities recorded in accounts Nos. 721, "Investments in affiliated companies," and 722 "Other investments," which are deposited with some pledgee or other trustee, or held subject to the lien of a chattel mortgage, or subject to any other restriction or condition which makes them unavailable for general corporate purposes. "Unpledged" should include all securities held by or for the respondent free from any lien or restriction, recorded in the accounts mentioned above. Under "In sinking, insurance, and other funds" include the book value of securities recorded in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; and 717, "Insurance and other funds."

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 here used, 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 purposes 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. Any balance in account 723, Reserve for adjustment of investment in securities - Credit, shall be disclosed by footnote to the securities against which such reserves were established.

10. Show dollars in thousands.

## NOTES AND REMARKS



## 205. INVESTMENTS IN 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 and other reserve funds"; 721, "Investments in affiliated companies"; and 717, "Insurance and other funds."

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 27, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

3. 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.

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

5. 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 \_\_\_\_." In making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and description of security held; also lien reference if any	Extent of control	INVESTMENTS AT CLOSE OF YEAR	
						Book Value of Amount Held at Close of Year	
						Pledged	Unpledged
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	721	A-1	VII	Chattanooga Station Co.	Com. 33.4	% \$	\$
2				The Cincinnati Union			
3				Terminal Co.	Com. 14.29		
4							
5				Fruit Growers Express Co.	Com. 1.14	A	49
6				The Pullman Co.	Cap. .44	A	19
7				Southern Railway Co.			4.552
8				Total 721-A-1			4.620
9							
10	721	A-3	VI	Citico Realty Co.	Com. 11.50		1
11				Total 721-A-3			1
12							
13				Total 721-A			4.621
14							
15	721	D-3	VII	Trailer Train Co.-Subordinate Notes			230
16							
17				Total 721-D			230
18							
19	721	E-1	VII	Chattanooga Station Co.			236
20				Chattanooga Station Co.			
21				Cincinnati Union Terminal Co.			176
22				Southern Railway Co.			10.000
23				Total 721-E-1			10.412
24	721	E-3	VI	National Investment Co.			7.614
25				Southern Region Industrial Realty Co.			317
26				Southern Region Industrial Realty Co.			2.657
27				Total 721-E-3			10.588
28							
29				Total 721-E			21.000
30				Total 721			25.851
31							
32							
33							
34							
35							
36				A - Various other Railroad Companies			
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							



## 205. INVESTMENTS IN AFFILIATED COMPANIES—Continued

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

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

8. Particulars of investments made, disposed of, or written down during the year should be given in columns (j) to (l) inclusive. If the cost of any investment made during the year differs from the book value report-

ed in column (j), explain the matter in a footnote. By "cost" is meant the consideration given minus accrued interest or dividends included therein. If the consideration given or received for such investments was other than cash, describe the transaction in a footnote. Identify all entries in column (k), which represent a reduction in the book value of securities by symbol and give full explanation in a footnote in each case.

9. This schedule should not include securities issued or assumed by respondent. (Dollars in Thousands)

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year (j)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
Book Value of Amount Held at Close of Year							
In sinking, insurance, and other funds (h)	Total book value (i)		Book value (k)	Selling price (l)	Rate (m)	Amount credited to income (n)	
\$	\$	\$	\$	\$	%	\$	
							1
							2
							3
	49				\$10.00		4
	19				per sh.	13	5
	4,552				\$2.27		6
	4,620				per sh.	382	7
						395	8
	1						9
	1						10
							11
	4,621						12
							13
	230				B	16	14
	230					16	15
							16
	236						17
							18
			18	18			19
	176						20
	10,000						21
	10,412		18	18			22
	7,614						23
	317				4	13	24
	2,657						25
	10,588					13	26
							27
	21,000		18	18		13	28
	25,851		18	18		424	29
							30
							31
							32
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							44
							45
							46
					</		

B - \$115,000 @ 6½% and \$115,000 7½% per annum



## 205. INVESTMENTS IN AFFILIATED COMPANIES—Continued

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and description of security held; also lien reference, if any	Extent of control	INVESTMENTS AT CLOSE OF YEAR	
						Book Value of Amount Held at Close of Year	
						Pledged	Unpledged
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
47				% \$	\$		
48							
49							
50							
51							
52							
53							
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## 205. INVESTMENTS IN AFFILIATED COMPANIES—Concluded

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year (j)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
Book Value of Amount Held at Close of Year							
In sinking, insurance, and other funds (h)	Total book value (i)		Book value (k)	Selling price (l)	Rate (m)	Amount credited to income (n)	
\$	\$	\$	\$	\$	%	\$	47
							48
							49
							50
							51
							52
							53
							54
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## 206. OTHER INVESTMENTS

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of others than affiliated companies, included in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; 722, "Other investments"; and 717, "Insurance and other funds." Investments included in accounts Nos. 715, 716 and 717 held by trustees in lieu of cash deposits required under the governing instrument are not to be reported.

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 27, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and

(c). Investment in U. S. Treasury obligations may be reported as one item.

3. 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.

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

5. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designa-

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company or government and description of security held; also lien reference, if any	INVESTMENTS AT CLOSE OF YEAR	
					Book Value of Amount Held at Close of Year	
					Pledged	Unpledged
(a)	(b)	(c)	(d)		(e)	(f)
					\$	\$
1						
2						
3						
4						
5	716	B-3	IX	These investments are held by Trustees in lieu of cash deposits required under the governing instrument.		
6						
7						
8						
9						
10						
11						
12	717	B-X	IX	These investments are held by Trustees in lieu of cash deposits required under the governing instrument.		
13						
14						
15						
16						
17	722	D-1	X	Becknell-Crace Coal Co., Inc.		14
18						14
19						
20						
21						
22						
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24						
25						
26						
27						
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46						

## 206. OTHER INVESTMENTS—Continued

tion mature serially, the date in column (d) may be reported as "Serially 19 \_\_\_\_ to 19 \_\_\_\_." In making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

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

7. Particulars of investments made, disposed of, or written down during the year should be given in columns (i) and (k). If the cost of any investment made during the year differs from the book value reported in

column (i), explain the matter in a footnote. By "cost" is meant the consideration given minus accrued interest or dividends included therein. If the consideration given or received for such investments was other than cash, describe the transaction in the footnote. Identify all entries in column (j) which represent a reduction in the book value of securities by symbol and give full explanation in a footnote in each case.

(Dollars in Thousands)

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year (i)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
Book Value of Amount Held at Close of Year			Book value (j)	Selling price (k)	Rate (l)	Amount credited to income (m)	
In sinking, insurance, and other funds (g)	Total book value (h)						
\$	\$	\$	\$	\$	%	\$	
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
	14	1					16
	14	1					17
							18
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							46



## 206. OTHER INVESTMENTS—Continued

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company or government and description of security held; also lien reference, if any	INVESTMENTS AT CLOSE OF YEAR	
					Book Value of Amount at Close of Year	
					Pledged	Unpledged
	(a)	(b)	(c)	(d)	(e)	(f)
47					\$	\$
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
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## 206. OTHER INVESTMENTS—Concluded

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year (i)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
Book Value of Amount Held at Close of Year			Book value (j)	Selling price (k)	Rate (l)	Amount credited to income (m)	
In sinking, insurance, and other funds (g)	Total book value (h)				%	\$	
\$	\$	\$	\$	\$			47
							48
							49
							50
							51
							52
							53
							54
							55
							56
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**207. 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, which qualify for the equity method under instruction 6-2 in the Uniform System of Accounts for Railroad Companies.  
2. Enter in column (c) the amount necessary to retroactively adjust those investments qualifying for the equity method of

accounting in accordance with instruction 6-2 (b)(11) of the Uniform System of Accounts for Railroad Companies.  
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. See instruction 6-2 (b)(4).  
5. The total of column (g) must agree with column (b), line 21, schedule 200.  
6. For definitions of "carrier" and "noncarrier," see general instructions 6 and 7 on page 27.  
(DOLLARS IN THOUSANDS)

Line No.	Name of issuing company and description of security held. (a)	Balance at beginning of year (b)	Adjustment for investments qualifying for equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at Close of year (g)
	Carriers: (List specifics for each company)						
1	Chattanooga Station Company Common Stock	\$ (11)	\$	\$ (18)	\$	\$	\$ (29)
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
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19							
20							
21							
22							
23							
24							
25							
26							
27							
28							



207. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES (Continued)

Undistributed Earnings From Certain Investments in Affiliated Companies

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments qualifying for equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at Close of year (g)
	Carriers: (List specifics for each company).	\$	\$	\$	\$	\$	\$
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
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48							
49							
50							
51							
52							
53							
54							
55							
56							
57							
58							
59	Total	(11)		(18)			(29)
60	Noncarriers: (Show totals only for each column)	(105)		(81)			(186)
61	Total (lines 59 and 60)	(116)		(99)			(215)



**209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES**

1. Give particulars of investments represented by securities and advances (including securities issued or assumed by respondent), and of other intangible property, indirectly owned or controlled by respondent through any subsidiary which does

not report to the Commission under the provisions of Part 1 of the Interstate Commerce Act, without regard to any question of whether the company issuing the securities, or the obligor, is controlled by the subsidiary.

Line No.	Class No.	Name of issuing company and security or other intangible thing in which investment is made	Total book value of investments at close of year	Book value of investments made during year
	(a)	(b)	(c)	(d)
1			\$	\$
2				
3				
4				
5		None		
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
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**209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES—Continued**

2. This schedule should include all securities, open account advances, and other intangible property owned or controlled by nonreporting companies shown in schedules 104A, 104B, and 205, as well as those owned or controlled by any other organization or individual whose action respondent is able to determine.

3. Investments in U.S. Treasury obligations may be combined in a single item.

4. Column (a), Class No., should show classifications as provided in instructions 3 and 4, page B7.

(Dollars in thousands)

INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		Names of subsidiaries in connection with things owned or controlled through them	Line No.
Book value (e)	Selling price (f)		
\$	\$	(g)	
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
			12
			13
			14
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## 211. ROAD AND EQUIPMENT PROPERTY (See Instructions page 40)

Line No.	Account (a)	(Dollars in thousands) (b)	Balance at beginning of year (c)	Expenditures during the year for original road and equipment, and road extensions (d)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (e)
1	(1) Engineering	\$ 1,799	\$	\$	
2	(2) Land for transportation purposes	2,841			
3	(2 1/2) Other right-of-way expenditures	31			
4	(3) Grading	12,167			
5	(5) Tunnels and subways	12			
6	(6) Bridges, trestles, and culverts	8,570			
7	(7) Elevated structures				
8	(8) Ties	1,889			
9	(9) Rails	6,440			
10	(10) Other track material	6,345			
11	(11) Ballast	1,542			
12	(12) Track laying and surfacing	3,555			
13	(12) Fences, snowsheds, and signs	135			
14	(16) Station and office buildings	1,913			
15	(17) Roadway buildings	5			
16	(18) Water stations	22			
17	(19) Fuel stations	157			
18	(20) Shops and enginehouses	1,000			
19	(21) Grain elevators				
20	(22) Storage warehouses				
21	(23) Wharves and docks				
22	(24) Coal and ore wharves				
23	(25) TOFC/COFC terminals	449			
24	(26) Communication systems	1,368			
25	(27) Signals and interlockers	11,069			
26	(29) Power plants	3			
27	(31) Power-transmission systems	411			
28	(35) Miscellaneous structures	323			
29	(37) Roadway machines	1,147			
30	(38) Roadway small tools	23			
31	(39) Public improvements—Construction	1,986			
32	(43) Other expenditures—Road				
33	(44) Shop machinery	939			
34	(45) Power-plant machinery	83			
35	Other (specify and explain)				
36	Total expenditures for road	66,220			
37	(52) Locomotives	33,532			
38	(53) Freight-train cars	113,636			
39	(54) Passenger-train cars				
40	(55) Highway revenue equipment	3,730			
41	(56) Floating equipment				
42	(57) Work equipment	2,467			
43	(58) Miscellaneous equipment	673			
44	Total expenditures for equipment	154,039			
45	(71) Organization expenses	20			
46	(76) Interest during construction	403			
47	(77) Other expenditures—General	35			
48	Total general expenditures	458			
49	Total	220,716			
50	(80) Other elements of investment (p. 33)	(1,726)			
51	(90) Construction work in progress	2,335			
52	Grand Total	221,325			

## 211. ROAD AND EQUIPMENT PROPERTY (See Instructions page 40)

EXPENDITURES FOR ADDITIONS AND BETTERMENTS DURING THE YEAR		CREDITS FOR PROPERTY RETIRED DURING THE YEAR		Net changes during the year (i)	Balance at close of year (j)	Line No.
Made on owned property (e)	Made on leased property (f)	Owned property (g)	Leased property (h)			
\$	\$	\$	\$			
	312	14	2	296	2,095	1
25	3	77		(49)	2,792	2
					31	3
6	555	174		387	12,553 <sup>u</sup>	4
					12	5
2	123	94		31 32	8,601	6
						7
7 <sup>8</sup>	377	23		362	2,251	8
72	1,400	46		1,426	7,866	9
59 <sup>58</sup>	545	23	13	567	6,912	10
(4)	84	17		63	1,605	11
15	350	16		348 <sup>9</sup>	3,904	12
					135	13
	18		6	12	1,926 <sup>5</sup>	14
	4			4	9	15
					22	16
	8		1	7	164	17
	175			175	1,175	18
						19
						20
						21
					449	22
	43 <sup>u2</sup>	3	1	38	1,406	23
3	678	2	532	147	11,216	24
					3	25
	2		1	1	412	26
	114			114	437	27
					1,147	28
					23	29
	3	3			1,986	30
						31
					939	32
	22			22	105	33
						34
185	4,816 <sup>5</sup>	492	556	3,953 <sup>2</sup>	70,173 <sup>6</sup>	35
7		1,238		(1,232)	32,300	36
76		1,193		(1,116) <sup>7</sup>	112,520 <sup>7</sup>	37
		453		(453)	3,277	38
						39
2		(22)		24	2,491	40
7		22		(15)	658	41
92		2,885 <sup>4</sup>		(2,793)	151,246	42
					20	43
		15		(16)	387	44
		5		(5)	30	45
		20		(21)	437	46
277	4,816 <sup>5</sup>	3,398 <sup>6</sup>	556 <sup>7</sup>	1,140 <sup>54</sup>	221,856 <sup>9</sup>	47
					(1,726)	48
(25)	(1,329)			(1,354)	981 <sup>978</sup>	49
249 253 <sup>2</sup>	3,487 <sup>6</sup>	3,398 <sup>6</sup>	556 <sup>7</sup>	(214)	221,111	50
						51
						52

Note: Columns may not add due to rounding.



## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 211 ON PAGES 38 and 39

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in account No. 731, "Road and Equipment Property," and account No. 732, "Improvements on Leased Property," classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should, insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (h), inclusive. Column (j) is the aggregate of columns (b) to (h), inclusive. Grand totals of columns (b) and (j) should equal the sum of accounts 731 and 732 for the respective periods; if not, full explanation should be made in a footnote.

2. In column (c) are to be shown disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, and for the extension of old lines, as provided for in Instruction 2-1, "Items to be charged," of the Uniform System of Accounts for Railroad Companies, for such items.

3. In column (d) is to be shown the cost of a railway or portion thereof, acquired as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise.

4. In columns (c) and (f), should be included all entries covering expenditures for additions and betterments, as defined, whether replacing other property or not.

5. In column (f) show particulars for improvements made on property held under lease or other form of long-term contract and not charged to the owning company.

6. In columns (g) and (h) should be entered all credits representing property sold, abandoned, or otherwise retired.

7. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in the column in which the item was initially included; also the transfer of

prior years' debits or credits from investment in road and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment, or clearance should be fully explained when in excess of \$100,000.

8. 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.

9. Report on line 35 amounts not includible in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks," below. 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.

10. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired, and the date of acquisition, giving termini 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.

11. If an amount of less than \$1,500 is used as the minimum debit or credit for additions and betterments to property investment accounts as provided for in Instruction 2-2, of the Uniform System of Accounts for Railroad Companies, state in a footnote the amount used.

12. Show dollars in thousands.

## NOTES AND REMARKS

## 211A. OTHER ELEMENTS OF INVESTMENT

1. Give particulars and explanation of all entries in account No. 80, "Other elements of investment," during the year.
2. In column (b) show the account number to which the entries in column (c) were credited and the account number to which the entries in

column (d) were charged. If more than one contra account is involved in an item, the amount applicable to each account and total for the item should be shown.  
(Dollars in thousands)

Line No.	Item (a)	Contra account number (b)	Charges during the year (c)	Credits during the year (d)
1			\$	\$
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19	-- None --			
20				
21				
22				
23				
24				
25				
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				
	TOTALS	x x x		
	NET CHANGES	x x x		



## 211B. DEPRECIATION BASE AND RATES—ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS

1. Show in columns (b) and (e), for each primary account, the depreciation base used in computing the depreciation charges for the month of January and in columns (c) and (f) show the depreciation base used in computing the depreciation charges for the month of December; in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 29 and 37 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment, used but not owned, when the rents therefor are included in the rent for equipment accounts Nos. 536 to 540, inclusive. It should include the cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment accounts Nos. 503 to 507, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to

be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

2. All leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.

3. Show in columns (e), (f), and (g), data applicable to property, used but not owned, when the rent therefor is included in account 542.

4. If the depreciation base for accounts 1, 2-1/2, 3, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.

5. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) effected.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS		
		Depreciation Base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)
		At beginning of year (b)	At close of year (c)		At beginning of year (e)	At close of year (f)	
		\$	\$	%	\$	\$	%
	<b>ROAD</b>						
1	(1) Engineering	135	121	1.46	1,243	1,243	1.88
2	(2-1/2) Other right-of-way expenditures	19	19	1.84	1	1	2.00
3	(3) Grading	1,048	879	.07	8,422	8,422	.06
4	(5) Tunnels and subways	12	12	.40	261	261	.40
5	(6) Bridges, trestles, and culverts	841	750	2.16	6,719	6,719	1.31
6	(7) Elevated structures						
7	(13) Fences, snowsheds, and signs	8	7	4.86	170	170	--
8	(16) Station and office buildings	289	289	2.75	1,288	1,288	2.17
9	(17) Roadway buildings	4	4	2.06	71	71	1.96
10	(18) Water stations				24	24	2.50
11	(19) Fuel stations	3	3	2.04	70	70	2.50
12	(20) Shops and enginehouses	133	133	1.77	47	47	2.78
13	(21) Grain elevators						
14	(22) Storage warehouses						
15	(23) Wharves and docks						
16	(24) Coal and ore wharves						
17	(25) TOFC/COFC terminals						
18	(26) Communications systems	182	176	3.80	200	200	2.86
19	(27) Signals and interlockers	272	274	2.65	437	437	3.27
20	(29) Power plants						
21	(31) Power transmission systems	44	44	3.60			
22	(35) Miscellaneous structures	19	19	2.00	6	6	2.00
23	(37) Roadway machines	1,147	1,147	8.15			
24	(39) Public improvements—Construction	125	122	.95	39	39	.98
25	(44) Shop machinery	761	761	2.00	19	19	2.74
26	(45) Power plant machinery	64	64	2.50	8	8	2.85
27	All other road accounts						
28	Amortization (other than defense projects)						
29	Total road	5,106	4,824	1.28	19,025	19,025	.90
	<b>EQUIPMENT</b>						
30	(52) Locomotives	32,979	31,747	4.33			
31	(53) Freight-train cars	113,998	112,315	3.23			
32	(54) Passenger-train cars						
33	(55) Highway revenue equipment	3,730	3,277	7.50			
34	(56) Floating equipment					-None-	
35	(57) Work equipment	2,384	2,407	3.00			
36	(58) Miscellaneous equipment	673	658	8.38			
37	Total equipment	153,764	150,404	3.58			
38	<b>GRAND TOTAL</b>	158,870	155,228	XX XX	19,025	19,025	XX XX

**211B-1 DEPRECIATION BASE AND RATES-IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS**

1. Show in column (b) for each primary account, the depreciation base used in computing the depreciation charges for the month of January and in column (c) show the depreciation base used in computing the depreciation charges for the month of December; in column (d) show the composite rates used in computing the depreciation charges for the month of December, and on lines 28 and 36 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to account 732, Improvements to Leased Property. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the

composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

2. All improvements to leased properties may be combined and one composite rate computed for each primary account or a separate schedule may be included for each such property.

3. If the depreciation base for accounts 1, 2-1/2, 3, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.

4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.

Line No.	(Dollars in thousands) Account (a)	Depreciation base		Annual composite rate (percent) (d)
		At beginning of year (b)	At close of year (c)	
		\$	\$	%
	<b>ROAD</b>			
1	(1) Engineering	1,662	1,660	1.03
2	(2-1/2) Other right-of-way expenditures	11	11	--
3	(3) Grading	11,118	11,121	.07
4	(5) Tunnels and subways			
5	(6) Bridges, trestles, and culverts	7,727	7,727	1.95
6	(7) Elevated structures			
7	(13) Fences, snowsheds, and signs	127	127	5.00
8	(16) Station and office buildings	1,625	1,625	2.07
9	(17) Roadway buildings	1	1	--
10	(18) Water stations	18	18	2.05
11	(19) Fuel stations	140	147	2.00
12	(20) Shops and enginehouses	774	774	2.29
13	(21) Grain elevators			
14	(22) Storage warehouses			
15	(23) Wharves and docks			
16	(24) Coal and ore wharves			
17	(25) TOFC/COFC terminals	449	449	2.72
18	(26) Communications systems	1,186	1,196	7.34
19	(27) Signals and interlockers	10,797	10,294	3.96
20	(29) Power plants	3	3	1.67
21	(31) Power transmission systems	362	363	3.30
22	(35) Miscellaneous structures	304	307	3.03
23	(37) Roadway machines			
24	(39) Public improvements—Construction	1,861	1,861	.98
25	(44) Shop machinery	178	178	2.00
26	(45) Power plant machinery	19	41	2.80
27	All other road accounts			
28	Amortization (other than defense projects)			
29	Total road	38,362	37,903	1.58
	<b>EQUIPMENT</b>			
30	(52) Locomotives			
31	(53) Freight-train cars			
32	(54) Passenger-train cars			
33	(55) Highway revenue equipment			
34	(56) Floating equipment		-None-	
35	(57) Work equipment			
36	(58) Miscellaneous equipment			
37	Total equipment			
38	<b>GRAND TOTAL</b>	38,362	37,903	XXXX



## 211C. DEPRECIATION BASE AND RATES—ROAD AND EQUIPMENT LEASED TO OTHERS

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in account No. 509.

2. Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not includible in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Commission's Bureau of Accounts, brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.

3. In column (d) show the composite rates used in computing the depreciation for the month of December and on lines 28 and 36 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary accounts composite rates to the depreciation base used in computing the depreciation for December and dividing the total so computed by the depreciation base.

4. If the depreciation base for accounts 1, 2-1/2, 3, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.

5. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account (s) affected.

Line No.	Account (a)	DEPRECIATION BASE		Annual composite rate (percent) (d)
		Beginning of year (b)	Close of year (c)	
	<b>ROAD</b>	\$	\$	
1	(1) Engineering			
2	(2-1/2) Other right-of-way expenditures			
3	(3) Grading			
4	(5) Tunnels and subways			
5	(6) Bridges, trestles, and culverts			
6	(7) Elevated structures			
7	(13) Fences, snowsheds, and signs			
8	(16) Station and office buildings			
9	(17) Roadway buildings			
10	(18) Water stations			
11	(19) Fuel stations	-None-		
12	(20) Shops and enginehouses			
13	(21) Grain elevators			
14	(22) Storage warehouses			
15	(23) Wharves and docks			
16	(24) Coal and ore wharves			
17	(25) TOFC/COFC terminals			
18	(26) Communication systems			
19	(27) Signals and interlockers			
20	(29) Power plants			
21	(31) Power transmission systems			
22	(35) Miscellaneous structures			
23	(37) Roadway machines			
24	(39) Public improvements—Construction			
25	(44) Shop machinery			
26	(45) Power-plant machinery			
27	All other road accounts			
28	Total road			
	<b>EQUIPMENT</b>			
29	(52) Locomotives			
30	(53) Freight-train cars			
31	(54) Passenger-train cars			
32	(55) Highway revenue equipment			
33	(56) Floating equipment			
34	(57) Work equipment		-None-	
35	(58) Miscellaneous equipment			
36	Total equipment			
7	<b>GRAND TOTAL</b>			X X X X

## 211D. DEPRECIATION RESERVE—ROAD AND EQUIPMENT OWNED AND USED

1. Give the particulars called for hereunder with respect to credits and debits to account No. 735, "Accrued depreciation—Road and Equipment," during the year relating to road and equipment owned and used. This schedule should not include any entries for depreciation of equipment, used but not owned, when the rents therefor are included in the rent for equipment accounts Nos. 536 to 540, inclusive. It should include entries for depreciation of equipment owned but not used when the rents therefrom are included in the rent for equipment accounts Nos. 503 to 507, inclusive. (See schedule 211F for the reserve relating to road and equipment owned but not used by the respondent.) If any entries are

made for "Other credits" or "Other debits," state the facts occasioning such entries. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."

2. If there is any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses, a full explanation should be given.

3. All credits or debits to the reserve representing amortization other than for defense projects, if a general amortization program has been authorized, should be entered on line 28.

(Dollars in thousands)

Line No.	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the Year		DEBITS TO RESERVE During the Year		Balance at close of year (g)
			Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)	
		\$	\$	\$	\$	\$	\$
	<b>ROAD</b>						
1	(1) Engineering	39	2		3		38
2	(2-1/2) Other right-of-way expenditures	6	1				7
3	(3) Grading	23	1		2		22
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	290	16		94		212
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs	6					6
8	(16) Station and office buildings	262					262
9	(17) Roadway buildings	2					2
10	(18) Water stations						
11	(19) Fuel stations	1					1
12	(20) Shops and enginehouses	35	2				37
13	(21) Grain elevators						
14	(22) Storage warehouses						
15	(23) Wharves and docks						
16	(24) Coal and ore wharves						
17	(25) TOFC/COFC terminals						
18	(26) Communication systems	57	7		3		61
19	(27) Signals and interlockers	101	7				108
20	(29) Power plants						
21	(31) Power-transmission systems	44					44
22	(35) Miscellaneous structures	1					1
23	(37) Roadway machines	1,028	8				1,036
24	(39) Public improvements—Construction	27	1				28
25	(44) Shop machinery*	606	15				621
26	(45) Power-plant machinery*	11	2				13
27	All other road accounts						
28	Amortization (other than defense projects)						
29	Total road	2,539	62		102		2,499
	<b>EQUIPMENT</b>						
30	(52) Locomotives	24,484	1,421		960		24,945
31	(53) Freight-train cars	39,634	3,623		667	35	42,555
32	(54) Passenger-train cars						
33	(55) Highway revenue equipment	2,527	259		383		2,403
34	(56) Floating equipment						
35	(57) Work equipment*	1,651	62	35	54		1,694
36	(58) Miscellaneous equipment	264	55		19		300
37	Total equipment	68,560	5,420	35	2,083	35	71,897
38	<b>GRAND TOTAL</b>	71,099	5,482	35	2,185	35	74,396

\*Chargeable to account 305.

NOTES: Lines 31 and 35, Columns (d) & (f) represent transfer of equipment between Freight-Train Cars and Work Equipment.



**211E. ACCRUED LIABILITY—LEASED PROPERTY**

1. Give full particulars called for hereunder with respect to credits and debits to account No. 785, "Accrued liability—Leased property," during the year relating to road and equipment leased from others.
2. Show in column (c) amounts which were charged to operating expenses, and in column (f) show payments made to the lessor in settlement thereof. A full explanation should be given of all entries in columns (d) and (f).
3. Any inconsistency between the credits to the account as shown in column (c) and the charges to operating expenses should be fully explained.
4. Show in column (e) the debits to the account arising from retirements.
5. If settlement for depreciation is made currently between lessee and lessor, and no debits or credits to account No. 785 are made by the accounting company, show in column (c) the charges to operating expenses and in column (f) show payments made to the lessor in settlement thereof.

(Dollars in thousands)

Line No.	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNT During the Year		DEBITS TO ACCOUNT During the year		Balance at close of year (g)
			Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)	
	<b>ROAD</b>	\$	\$	\$	\$	\$	\$
1	(1) Engineering	123	23				146
2	(2-1/2) Other right-of-way expenditures						
3	(3) Grading	78	5				83
4	(5) Tunnels and subways	74	1				75
5	(6) Bridges, trestles, and culverts	1,950	88	128			2,166
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs	163					163
8	(16) Station and office buildings	383	28			2	409
9	(17) Roadway buildings	5	1				6
10	(18) Water stations	9	1				10
11	(19) Fuel stations	24	2				26
12	(20) Shops and enginehouses	13	1				14
13	(21) Grain elevators						
14	(22) Storage warehouses						
15	(23) Wharves and docks						
16	(24) Coal and ore wharves						
17	(25) TOFC/COFC terminals						
18	(26) Communication systems	39	6				45
19	(27) Signals and interlockers	31	14				45
20	(29) Power plants						
21	(31) Power-transmission systems						
22	(35) Miscellaneous structures	3					3
23	(37) Roadway machines						
24	(39) Public improvements—Construction	4					4
25	(44) Shop Machinery*	1	1				2
26	(45) Power-plant machinery*	2					2
27	All other road accounts						
28	Total road	2,902	171	128		2	3,199
	<b>EQUIPMENT</b>						
29	(52) Locomotives						
30	(53) Freight-train cars						
31	(54) Passenger-train cars						
32	(55) Highway revenue equipment				-None-		
33	(56) Floating equipment						
34	(57) Work equipment						
35	(58) Miscellaneous equipment						
36	Total equipment						
37	<b>GRAND TOTAL</b>	2,902	171	128		2	3,199

\*Chargeable to account 305.

NOTE: Column (d) prior year adjustment.  
Column (c) even dollar adjustment.

**211E-1 ACCRUED DEPRECIATION RESERVE—IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS**

1. Give full particulars called for hereunder with respect to credits and debits to account 733, "Accrued Depreciation; Improvements on Leased Property" during the year relating to improvements made on road and equipment property leased from others, the depreciation charges for which are includible in operating expenses of the respondent. This schedule should only include entries for depreciation of road and equipment property includible in account 732, Improvements on Leased Property.

2. If any entries are made for column (d) "Other credits or column (f) "Other debits" state the facts occasioning such entries. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."

3. Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained.

4. Show in column (e) the debits to the reserve arising from retirements.

(Dollars in thousands)

Line No.	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the Year		DEBITS TO RESERVE During the Year		Balance at close of year (g)
			Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)	
	<b>ROAD</b>	\$	\$	\$	\$	\$	\$
1	(1) Engineering _____	218	15		9	2	222
2	(2-1/2) Other right-of-way expenditures _____	4					4
3	(3) Grading _____	87	7				94
4	(5) Tunnels and subways _____					135	2,294
5	(6) Bridges, trestles, and culverts _____	2,321	108				
6	(7) Elevated structures _____						118
7	(13) Fences, snow sheds, and signs _____	117	1				734
8	(16) Station and office buildings _____	698	39		3		
9	(17) Roadway buildings _____						7
10	(18) Water stations _____	6		1			46
11	(19) Fuel stations _____	44	3		1		89
12	(20) Shops and enginehouses _____	71	17	1			
13	(21) Grain elevators _____						
14	(22) Storage warehouses _____						
15	(23) Wharves and docks _____						
16	(24) Coal and ore wharves _____						135
17	(25) TOFC/COFC terminals _____	123	12				729
18	(26) Communication systems _____	713	17		1		4,145
19	(27) Signals and interlockers _____	4,328	335		518		1
20	(29) Power plants _____	1					205
21	(31) Power-transmission systems _____	195	11		1		98
22	(35) Miscellaneous structures _____	89	9				
23	(37) Roadway machines _____						444
24	(39) Public improvements—Construction _____	423	21				17
25	(44) Shop Machinery* _____	13	4				
26	(45) Power-plant machinery* _____						
27	All other road accounts _____						
28	Total road _____	9,451	599	2	533	137	9,382
	<b>EQUIPMENT</b>						
29	(52) Locomotives _____						
30	(53) Freight-train cars _____						
31	(54) Passenger-train cars _____						
32	(55) Highway revenue equipment _____						
33	(56) Floating equipment _____				-None-		
34	(57) Work equipment _____						
35	(58) Miscellaneous equipment _____						
36	Total equipment _____						
37	<b>GRAND TOTAL</b>	9,451	599	2	533	137	9,382

\*Chargeable to account 305.

NOTE: Columns (d) &amp; (f) prior year and even dollar adjustments.