

134500

ANNUAL REPORT 1977 CLASS 1 1 of 4

KANSAS CITY SOUTHERN RY, CO,

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R-1

CLASS I RAILROADS

INTERSTATE
COMMERCE COMMISSION
RECEIVED

OA APR 3 1978

ADMINISTRATIVE SERVICES
MAIL UNIT

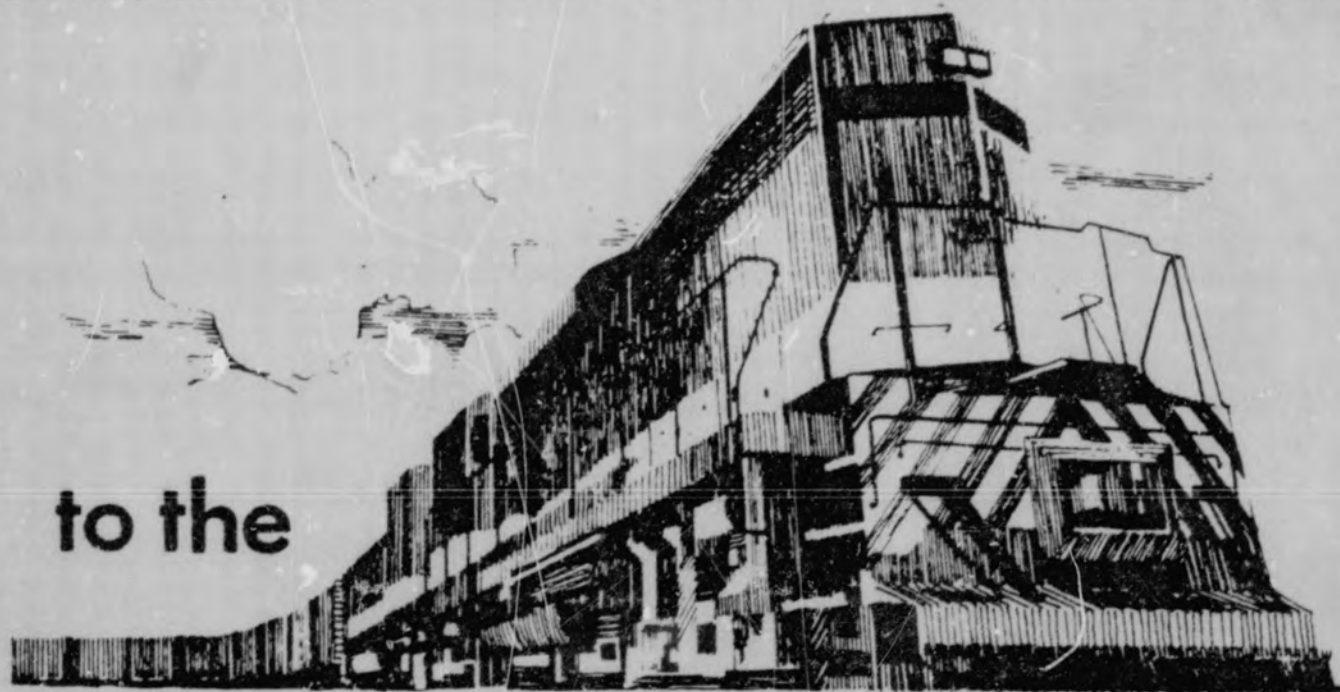
annual report

RC000352 KANSAS CITY 1 0 1 134500
KANSAS CITY SOUTHERN RY. CO.
AND CONTROLLED COMPA
114 WEST 11TH ST.
KANSAS CITY MO 64105

Correct name and address if different than shown.

Full name and address of reporting carrier.
(Use mailing label on original, copy in full or duplicate.)

to the



Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1977

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 tracks 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 KANSAS CITY SOUTHERN RAILWAY AND CONTROLLED COMPANIES

THE KANSAS CITY SOUTHERN RAILWAY COMPANY
THE MAYWOOD AND SUGAR CREEK RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY
THE ARKANSAS WESTERN RAILWAY COMPANY
FORT SMITH AND VAN BUREN RAILWAY COMPANY
CARLAND, INC.

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1977

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

(Name) T. A. Giltner (Title) Vice President and Comptroller

(Telephone number) 816 556 - 0303
(Area code) (Telephone number)

(Office address) 114 West 11th Street, Kansas City, Missouri 64105
(Street and number, city, State, and ZIP code)

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

Stock No. 025-000-31075-6 / Catalog No. IC 1.FORM R-1/977

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.

Pages 10, 11, 12, and 13: Schedule 200. Comparative General Balance Sheet

Provision has been made for reporting (1) noncurrent marketable equity securities; (2) reclassification of long term debt discount and premium; and, (3) capitalized lease obligations.

Page 2a: Schedule 204A. Working Capital Information

A new schedule has been added for reporting working capital information to eliminate the necessity for a separate filing of this data.

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SCHEDULE NO.	PAGE	SCHEDULE NO.	PAGE
Consumption Of Fuel By Motive-Power Units	571 128	Remunerations From National Railroad Passenger Corporation	600 131
Contracts, Agreements, Etc.	581 129	Verification, Oath, And Supplemental Oath	134
Competitive Bidding - Clayton Anti-Trust Act.....	585 130	Index	136

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.

and title in the space provided below.

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

2. Show below the pages excluded and indicate the schedule number

Page	Schedule No.	Title
30-31	205	Investments In Affiliated Companies, as schedule was completed on Pages 28 and 29.
34-35	206	Other Investments, as schedule was completed on Pages 32 and 33.
43	211B-1	Depreciation Base and Rates - Improvements To Road and Equipment Leased From Others.
44	211C	Depreciation Base And Rates - Road and Equipment Leased To Others.
45B	211E-1	Accrued Depreciation Reserve - Improvements To Road and Equipment Leased From Others.
46	211F	Depreciation Reserve - Road and Equipment Leased To Others.
51C	212C	Lessee Disclosure.
51E	212E	Income Impact - Lessee.
61	220	Interest On Income Bonds.
66		Notes and Remarks.
68	(229	Capital Stock Changes During The Year.
	(230	Stock Liability For Conversion Of Securities Of Other Companies.
100	413	Tracks Operated At Close Of Year. (For switching and terminal companies only)
103	415	Miles Of Tracks At Close Of Year - By States and Territories. (For switching and terminal companies only)
131)		
132)	600	Remunerations From National Railroad Passenger Corporation.
133)		

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 Kansas City Southern Railway Company

2. Date of incorporation March 19, 1900

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 Missouri

Article II Chapter XII Revised Statutes of Missouri 1899

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 During 1977

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

No Change During 1977

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)

Not Applicable

101. 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. N. Deramus III	Kansas City, Missouri	5-10-77	5-13-80	None
2	T. S. Carter	Kansas City, Missouri	5-13-75	5-09-78	"
3	Irvine O. Hockaday, Jr.	Kansas City, Missouri	5-10-77	5-13-80	"
4	E. M. Douthat	Kansas City, Missouri	5-10-77	5-13-80	"
5	G. E. Kellogg	Kansas City, Missouri	5-13-75	5-09-78	"
6	H. L. Oppenheimer	Kansas City, Missouri	5-13-75	5-09-78	"
7	E. T. McNally	Pittsburg, Kansas	5-10-77	5-13-80	"
8	John Hawkinson	Chicago, Illinois	5-13-75	5-09-78	"
9	Raymond Gary	Madill, Oklahoma	5-11-76	5-08-79	"
10	William H. Saunders, Jr.	New Orleans, Louisiana	5-11-76	5-08-79	"
11	Kirke Couch	Shreveport, Louisiana	5-13-75	5-09-78	"
12	J. Pat Beaird	Shreveport, Louisiana	5-11-76	5-08-79	650
13	Edwin Moore	Shreveport, Louisiana	5-11-76	5-08-79	None
14	J. R. Querbes, Jr.	Shreveport, Louisiana	5-11-76	5-08-79	"
15	N. H. Wheless, Jr.	Shreveport, Louisiana	5-10-77	5-13-80	"
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Give the names and titles of all officers of the Board of Directors in control of the respondent at the close of the year:

Chairman of board W. N. Deramus III; Secretary (or clerk) of board G. E. Kellogg

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 the committee:

I. O. Hockaday, Jr. (Chairman), W. N. Deramus III, T. S. Carter, J. Pat Beaird, E. M. Douthat, John Hawkinson, E. T. McNally, exercise same powers as Board of Directors when latter is not in session.

103. 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	Chairman of the Board	Executive	W. N. Deramus III	None	Kansas City, Missouri
2	Chairman - Executive				
3	Committee	Executive	I. O. Hockaday, Jr.	"	Kansas City, Missouri
4	President	Executive	T. S. Carter	"	Kansas City, Missouri
5	Senior Vice President				
6	and Secretary	Executive	G. E. Kellogg	"	Kansas City, Missouri
7	Vice President -				
8	Marketing	Executive	M. F. McClain	"	Kansas City, Missouri
9	Vice President	Personnel	J. L. Deveney	"	Kansas City, Missouri
10	Vice President	Traffic	L. J. Tamisiea	"	Kansas City, Missouri
11	Vice President and				
12	Comptroller	Accounting	T. A. Giltner	"	Kansas City, Missouri
13	Vice President -				
14	Management Inf.	Executive	R. L. Hines, Sr.	"	Kansas City, Missouri
15	Vice President - Law	Legal	R. E. Zimmerman	"	Kansas City, Missouri
16	General Manager	Operating	J. E. Gregg	"	Kansas City, Missouri
17	Treasurer	Treasury	V. C. Pragman	"	Kansas City, Missouri
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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	The Kansas and Missouri Railway				
2	and Terminal Company	Transportation	Stock Ownership	100%	None
3	Kansas City Southern Transport Co.	Transportation	Stock Ownership	100%	"
4	Landa Motor Lines	Transportation	Stock Ownership	100%	"
5	Louisiana, Arkansas & Texas				
6	Transportation Company	Transportation	Stock Ownership	100%	"
7	Joplin Union Depot Company	Transportation	Stock Ownership)		
8			and Management)	33 1/3%	"
9	Southern Development Company	Real Estate	Stock Ownership	100%	"
10	Tolmak, Inc.	Real Estate	Stock Ownership	100%	"
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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)
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1048. 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	Joplin Southern Corporation	Land Development Company	Indirect	51%	Southern Development Company
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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	Data-Sys-Tance, Inc.	Stock Transfer	Stock Ownership	81%	K.C. Southern Industries, Inc.
2	Mid-America Television Co.	Television Stations	Stock Ownership	100%	K.C. Southern Industries, Inc.
3	Oliver Advertising, Inc.	Advertising	Stock Ownership	80%	K.C. Southern Industries, Inc.
4	Pabtex, Inc.	Real Estate	Stock Ownership	100%	K.C. Southern Industries, Inc.
5	Veals, Inc.	Microwave Rental & Mtnc.	Stock Ownership	100%	K.C. Southern Industries, Inc.
6	Alfred Lindgren, Inc.	Construction	Stock Ownership	100%	K.C. Southern Industries, Inc.
7	The American-Coleman Company	Manufacturing	Stock Ownership	100%	K.C. Southern Industries, Inc.
8	Rice-Carden Corporation	Real Estate	Stock Ownership	100%	K.C. Southern Industries, Inc.
9	Carland, Inc.	Equipment Leasing	Stock Ownership	75%	K.C. Southern Industries, Inc.
10	Grasis Corporation	Manufacturing	Stock Ownership	80%	K.C. Southern Industries, Inc.
11	Rycom Instruments, Inc.	Mfg. Electronic Test Equip.	Stock Ownership	50%	K.C. Southern Industries, Inc.
12	American-Coleman Intl. Corp.	Export	Stock Ownership	100%	The American-Coleman Company
13	Grasis International Corp.	Export	Stock Ownership	100%	Grasis Corporation
14	Data-Sys-Tance Securities, Inc.	Investments	Stock Ownership	100%	Data-Sys-Tance, Inc.
15	Systec Data Management, Inc.	Computer Programming	Stock Ownership	100%	Data-Sys-Tance, Inc.
16	DST Credit Services, Inc.	Automated Credit Services	Stock Ownership	100%	Data-Sys-Tance, Inc.
17	DST-Computer-Services, S.A.	Computer Service	Stock Ownership	32%	Data-Sys-Tance, Inc.
18	Investors Fiduciary Trust Co.	Limited Trust Company	Stock Ownership	99%	Data-Sys-Tance, Inc.
19	Boston Financial Data Services	Record Keeping & Transfer	Stock Ownership	50%	Data-Sys-Tance, Inc.
20	Buckingham Financial Services	Record Keeping & Transfer	Stock Ownership	50%	Data-Sys-Tance, Inc.
21	Lindgren-White Constrn. Co.	Construction	Stock Ownership	100%	Alfred Lindgren, Inc.
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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	Kansas City Southern Industries, Inc.	Holding Company	Stock Ownership	94%
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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.

Road Initials:

year: 1977

KANSAS CITY SOUTHERN LINES CONSOLIDATED

7

NOTES AND REMARKS

109. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common, \$ Par per share; first preferred, \$ 50 per share; second preferred, \$ None 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 full 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 March 31, 1977 for purpose of holding annual stockholders meeting.

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. 1,439,198 votes, as of December 31, 1977

8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7, (Date) 230 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	Address of security holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED		
				Common	Stocks	
					Second	First
(a)	(b)	(c)	(d)	(e)	(f)	
1	KC Southern Industries, Inc.	114 W 11th, K.C., MO.	1,310,448	982,952		327,496
2	Equitable Life Assn. Soc.	1285 Ave of Amer, NY.	62,500			62,500
3	Louisiana & Arkansas Ry. Co.	114 W 11th, K.C., MO.	42,759	31,728		11,031
4	Manufacturers Hanover Tr.	40 Wall St, NY., NY.	4,000			4,000
5	First Penn Banking & Tr. Co.	Bx 8786, Phila., PA.	1,680			1,680
6	Frank J. Laird	905 Hmgbd, W Chstr, PA.	1,003	1,003		
7	The KC Southern Railway Co.	114 W 11th, K.C., MO.	956	916		40
8	Paul P. Ashley	4400 Stle 1st Bk, WA.	856			856
9	Wallace & Co. (J.P. Beaird)	Bx 21119, S'port, IA.	650	400		250
10	Ctl. Illinois Ntl Bk & Trust	TLk Bx H, Chicago, IL.	600			600
11	J.C. Thompson	1320W Short, Indep MO.	577			577
12	Peavy Wilson Land & Mnrl Crp	Bx 1103, S'port, IA.	500			500
13	H.B. Idleman	38 Rolng Hill, Chatman NJ	467			467
14	Honegan Bros.	111 Broadway, NY, NY.	400	400		
15	E.P. Derrick & P.I. Derrick	543E 4080 So 6D, UT.	400			400
16	Greater KC Union Pension Fnd	8301 State Line, KC MO	340			340
17	R. Mitchell	5900 Mison Mission KS	330			330
18	P. Dunn	15C11ff, Swampscott MA	300			300
19	Means & Co.	1 Wntrop Sq, Boston MA	300			300
20	R.C. Sisson	24 Skylrk, Larkspur CA	300			300
21	Batrus & Co.	Bx 706 Ch Stn, NY, NY.	300			300
22	J.F. Day	Rbt Hl, New Preston CT	250			250
23	Natl. Manhattan Co.	Bx 2408 GCS, NY, NY.	250			250
24	E.R. Frith	R1 Bx449, Liberty MO.	240			240
25	G.E. Rothenhoefer	8/13 76th Woodhvn NY.	230			230
26	W.H. Biggs	319 N 4, St Louis, MO.	200			200
27	Bolv & Co.	Bx 15427, Las Vegas NV.	200			200
28	John Dunn	Bx 190, Lansing, KS.	200			200
29	Law & Co.	Bx 2016, Boston, MA.	200			200
30	R.I. Meyers, Jr.	9701W 105 Tr, Ovld Pk, KS	200			200

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. 1,389,173
votes cast.
11. Give the date of such meeting. May 10, 1977
12. Give the place of such meeting. Kansas City, Missouri

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)
			\$	\$
	CURRENT ASSETS		(2,215)	(3,399)
1	(701) Cash			
2	(702) Temporary cash investments (p. 23)		5,725	2,460
3	(703) Special deposits (p. 23)		267	227
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		1,163	1
7	(707) Miscellaneous accounts receivable		2,289	1,782
8	(708) Interest and dividends receivable		134	58
9	(709) Accrued accounts receivable (p. 23)		11,635	11,517
10	(710) Working fund advances		747	747
11	(711) Prepayments (p. 23)		654	581
12	(712) Material and supplies		14,149	11,884
13	(713) Other current assets (p. 23)		50	64
14	(714) Deferred income tax charges (p. 87)			
15	Total current assets		34,598	25,922
	SPECIAL FUNDS			
		(a1) Total book assets at close of year	(a2) Respondent's own issues included in (a1)	
16	(715) Sinking funds (pp. 24 and 25)	9	None	9
17	(716) Capital and other reserve funds (pp. 24 and 25)	1,437	None	1,187
18	(717) Insurance and other funds (pp. 24 and 25)			105
19	Total special funds		1,557	1,300
	INVESTMENTS			
20	(721) Investments in affiliated companies (pp. 28-31)		19,538	16,123
21	Undistributed earnings from certain investments in account 721 (pp. 35A and 35B)		(1,264)	(1,417)
22	(722) Other investments (pp. 32-35)		6	6
23	(723) Reserve for adjustment of investment in securities—Credit (p. 27, Instruction 9)		40	(40)
24	(724) Allowance for net unrealized loss on noncurrent marketable equity securities—Cr.			
25	Total investments (accounts 721, 722, 723, and 724)		18,240	14,672
	PROPERTIES			
26	(731) Road and equipment property: Road		145,004	136,515
27	Equipment		169,482	162,901
28	General expenditures		3,111	3,126
29	Other elements of investment			
30	Construction work in progress		3,906	6,056
31	Total (pp. 38-41)		321,503	308,598
32	(732) Improvements on leased property: Road			
33	Equipment			
34	General expenditures			
35	Total (pp. 38-41)			
36	Total transportation property (accounts 731 and 732)		321,503	308,598
37	(733) Accrued depreciation—Improvements on leased property (p. 45 B)			
38	(735) Accrued depreciation—Road and equipment (pp. 45 and 46)		(90,662)	(87,285)
39	(736) Amortization of defense projects—Road and Equipment (p. 47)		(533)	(533)
40	Recorded depreciation and amortization (accounts 733, 735 and 736)		(91,195)	(87,818)
41	Total transportation property less recorded depreciation and amortization		230,308	220,780
42	(737) Miscellaneous physical property (pp. 52 and 53)		5,272	5,278
43	(738) Accrued depreciation—Miscellaneous physical property (pp. 52 and 53)		(886)	(800)
44	Miscellaneous physical property less recorded depreciation (account 737 less 738)		4,386	4,478
45	Total properties less recorded depreciation and amortization		234,694	225,258

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		\$	\$
46	(741) Other assets (p. 54)		72	263
47	(743) Other deferred charges (p. 54)		4,803	4,184
48	(744) Accumulated deferred income tax charges (p. 87)			
49	Total other assets and deferred charges		4,875	4,447
50	TOTAL ASSETS		293,964	271,599

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 \$ 2,367

(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 \$ 28,646

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

— Guideline lives since December 31, 1961, pursuant to Revenue Procedure 62-24.

— 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 \$ 15,842

(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 \$ N/A

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes \$ N/A

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax accrual \$ (N/A)

Other adjustments (indicate nature such as recapture on early disposition) \$ N/A

(iii) Show the amount of investment tax credit carryover at year end \$ N/A

(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 \$ 3,662

(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 \$ 163

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

Description of obligation	Year accrued	Account No.	Amount
			\$

Continued on following page

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

For instructions concerning 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 (a2) 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)
CURRENT LIABILITIES				
51	(751) Loans and notes payable (p. 63)		\$	\$
52	(752) Traffic, car service and other balances—Cr.		316	385
53	(753) Audited accounts and wages payable		6,736	3,279
54	(754) Miscellaneous accounts payable		1,224	1,231
55	(755) Interest matured unpaid		37	44
56	(756) Dividends matured unpaid		47	46
57	(757) Unmatured interest accrued		1,664	1,414
58	(758) Unmatured dividends declared		279	75
59	(759) Accrued accounts payable (p. 63)		12,763	10,045
60	(760) Federal income taxes accrued (p. 64)		245	173
61	(761) Other taxes accrued (p. 64)		2,309	1,868
62	(762) Deferred income tax credits (p. 87)			
63	(763) Other current liabilities (p. 63)		4,925	4,571
64	Total current liabilities (exclusive of long-term debt due within one year)		30,545	23,131
LONG-TERM DEBT DUE WITHIN ONE YEAR				
65	(764) Equipment obligations and other debt (pp. 56-59)	(a1) Total issued 10,263	(a2) Held by or for respondent None	10,263
LONG-TERM DEBT DUE AFTER ONE YEAR				
66	(765) Funded debt unmatured (pp. 56-59)	(a1) Total issued 37,088	(a2) Held by or for respondent 3,554	33,534
67	(766) Equipment obligations (pp. 56-59)	24,906	None	24,906
68	(766.5) Capitalized lease obligations	33,881	None	33,881
69	(767) Receivers' and Trustees' securities (pp. 56-59)			
70	(768) Debt in default (pp. 56-59)			
71	(769) Amounts payable to affiliated companies (p. 62)		515	470
72	(770.1) Unamortized discount on long-term debt			(109)
73	(770.2) Unamortized premium on long-term debt		70	83
74	Total long-term debt due after one year		92,906	89,334
RESERVES				
75	(771) Pension and welfare reserves (p. 65)			
76	(774) Casualty and other reserves (p. 65)		3,489	3,449
77	Total reserves		3,489	3,449
OTHER LIABILITIES AND DEFERRED CREDITS				
78	(781) Interest in default (p. 58)			
79	(782) Other liabilities (p. 65)		509	370
80	(784) Other deferred credits (p. 65)		1,747	1,731
81	(785) Accrued liability—Leased property (p. 45A)			
82	(786) Accumulated deferred income tax credits (p. 87)		30,450	26,075
83	Total other liabilities and deferred credits		32,706	28,176
SHAREHOLDERS' EQUITY				
Capital stock (Par or stated value)				
84	(791) Capital stock issued: Common stock (p. 67)	(a1) Total issued 36,010	(a2) Nominally issued securities	36,010
85	Preferred stock (p. 67)	21,000		21,000
86	Total	57,010		57,010
87	(792) Stock liability for conversion (p. 68)			
88	(793) Discount on capital stock			
89	Total capital stock		57,010	57,010
Capital surplus				
90	(794) Premiums and assessments on capital stock (p. 69)			
91	(795) Paid-in surplus (p. 69)		267	267
92	(796) Other capital surplus (p. 69)		4,782	4,645
93	Total capital surplus		5,049	4,912

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 begin- ning of year (c)
	<i>Retained income</i>		
94	(797) Retained income—Appropriated (p. 69)	\$ 1,994	\$ 1,647
95	(798) Retained income—Unappropriated (p. 20)	61,703	54,343
96	(798.1) Net unrealized loss on noncurrent marketable equity securities		
97	Total retained income	63,697	55,990
	<i>Treasury Stock</i>		
98	(798.5) Less: Treasury stock	1,701	1,466
99	Total shareholders' equity	124,055	116,446
100	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	293,964	271,599

200. COMPARATIVE GENERAL BALANCE SHEET-EXPLANATORY NOTES—Continued

3. 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. \$ 600

4. 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

5. (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: N/A

(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. None \$

(e) Is any part of pension plan funded? Specify. Yes No ☒ None

(i) If funding is by insurance, give name of insuring company None

(ii) If funding is by trust agreement, list trustee(s) None

Date of trust agreement or latest amendment

If respondent is affiliated in any way with the trustee(s), explain affiliation: None

(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?

6. 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 ☒

7. State separately amounts of deferred maintenance and delayed capital improvements as reported to the Commission in Ex Parte No. 305 as of close of year.

Deferred maintenance \$ 2,157

Delayed capital improvements \$ 41,247

EXPLANATORY NOTES ARE CONTINUED ON PAGE 14

COMPARATIVE GENERAL BALANCE SHEET-EXPLANATORY NOTES--Concluded

8. Marketable Equity Securities - to be completed by companies with \$10.0 million or more in gross operating revenues.

(a) Changes in Valuation Accounts

	Cost	Market	Dr. (Cr) to Income	Dr. (Cr) to Stockholders Equity
	\$	\$	\$	
(Current Yr.) Current Portfolio _____				XXXXXX
as of / / Noncurrent Portfolio _____			XXXXXX	\$
(Previous Yr.) Current Portfolio _____			XXXXXX	XXXXXX
as of / / Noncurrent Portfolio _____			XXXXXX	XXXXXX

(b) At / / , gross unrealized gains and losses pertaining to marketable equity securities were as follows:

	Gains	Losses
Current	\$ _____	\$ _____
Noncurrent	_____	_____

(c) A net unrealized gain (loss) of \$ _____ on the sale of marketable equity securities was included in net income for _____ (year). The cost of securities sold was based on the _____ (method) cost of all the shares of each security held at time of sale.

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to their filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

NOTE: / / - date - Balance sheet date of the current year unless specified as previous year.

NOTES AND REMARKS

Road Initials:

Year: 1977

KANSAS CITY SOUTHERN LINES CONSOLIDATED

15

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 or 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)
	ORDINARY ITEMS	\$	\$	\$
	OPERATING INCOME			
	Railway Operating Income			
1	(501) Railway operating revenues (p. 73)	163,375	147,393	
2	(531) Railway operating expenses (p. 74)	124,341	116,763	
3	Net revenue from railway operations	39,034	30,630	
4	(532) Railway tax accruals (p. 86)	12,155	12,487	
5	(533) Provision for deferred taxes (p. 87)	4,375	771	
6	Railway operating income	22,504	17,372	
	Rent Income			
7	(503) Hire of freight cars and highway revenue equipment—			
	Credit balance (p. 90)			
8	(504) Rent from locomotives (p. 91)	147	71	
9	(505) Rent from passenger-train cars (p. 91)			
10	(506) Rent from floating equipment			
11	(507) Rent from work equipment	3	4	
12	(508) Joint facility rent income	496	414	
13	Total rent income	646	489	
	Rents Payable			
14	(536) Hire of freight cars and highway revenue equipment—			
	Debit balance (p. 90)	10,710	10,680	
15	(537) Rent for locomotives (p. 91)	54	94	
16	(538) Rent for passenger-train cars (p. 91)			
17	(539) Rent for floating equipment			
18	(540) Rent for work equipment	179	189	
19	(541) Joint facility rents	865	820	
20	Total rents payable	11,808	11,783	
21	Net rents (lines 13, 20)	(11,162)	(11,294)	
22	Net railway operating income (lines 6, 21)	11,342	6,078	
	Other Income			
23	(502) Revenues from miscellaneous operations (p. 53)			
24	(509) Income from lease of road and equipment (p. 88)	84	63	
25	(510) Miscellaneous rent income (p. 88)	2,791	2,602	
26	(511) Income from nonoperating property (p. 53)	508	235	
27	(512) Separately operated properties—Profit (p. 89)			
28	(513) Dividend income (from investments under cost only)	48	48	
29	(514) Interest income	414	311	
30	(516) Income from sinking and other reserve funds	43	34	
31	(517) Release of premiums on funded debt	18	13	
32	(518) Contributions from other companies			
33	(519) Miscellaneous income (p. 94)	(a) 1,178	718	
34	Dividend income (from investments under equity only)	\$	x x x x	x x x x
35	Undistributed earnings (losses)	153	x x x x	x x x x
36	Equity in earnings (losses) of affiliated companies (lines 34, 35)	153	(159)	x x x x
37	Total other income	5,237	3,865	
38	Total income (lines 22, 37)	16,579	9,943	
	Miscellaneous Deductions From Income			
39	(534) Expenses of miscellaneous operations (p. 53)			
40	(535) Taxes on miscellaneous operating property (p. 53)			
41	(543) Miscellaneous rents (p. 93)	1,432	1,057	
42	(544) Miscellaneous tax accruals (p. 53)	8	8	
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 21, inclusive, should be analyzed in columns (d) 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 (b) on lines 17 to 21,

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)		
\$	\$	\$	\$	\$	\$		
163,375		163,375					1
124,341		124,341					2
x x x x x	x x x x x	39,034	x x x x x	x x x x x			3
12,155		12,155					4
4,375		4,375					5
x x x x x	x x x x x	22,504	x x x x x	x x x x x			6
							7
147		147					8
							9
							10
3		3					11
496		496					12
x x x x x	x x x x x	646	x x x x x	x x x x x			13
							14
10,710		10,710					15
54		54					16
							17
		179					18
865		865					19
x x x x x	x x x x x	11,808	x x x x x	x x x x x			20
x x x x x	x x x x x	(11,162)	x x x x x	x x x x x			21
x x x x x	x x x x x	11,342	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:

The Kansas City Southern Railway Company
 The Maywood and Sugar Creek Railway Company
 Louisiana & Arkansas Railway Company
 The Arkansas Western Railway Company
 Fort Smith and Van Buren Railway Company
 Carland, Inc.

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)	648	426	
47	Total miscellaneous deductions	2,088	1,491	
48	Income available for fixed charges (lines 38, 47)	14,491	8,452	
	Fixed Charges			
49	(542) Rent for leased roads and equipment (p. 92)	231	231	
	(546) Interest on funded debt:			
50	(a) Fixed interest not in default	5,852	5,731	
51	(b) Interest in default			
52	(547) Interest on unfunded debt	1		
53	(548) Amortization of discount on funded debt	11	14	
54	Total fixed charges	6,095	5,976	
55	Income after fixed charges (lines 48, 54)	8,396	2,476	
	Other Deductions			
	(546) Interest on funded debt:			
56	(c) Contingent interest			
	UNUSUAL OR INFREQUENT ITEMS			
57	(555) Unusual or infrequent items-Net-(Debit) credit*			
58	Income (loss) from continuing operations (lines 55-57)	8,396	2,476	
	DISCONTINUED OPERATIONS			
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)	8,396	2,476	
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES			
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)	8,396	2,476	

* Less applicable income taxes of:

\$

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

560 Income (loss) from operations of discontinued segments

562 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 69, 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 _____	\$ 55,760	\$ (1,417)
2	(601.5) Prior period adjustments to beginning retained income _____		
CREDITS			
3	(602) Credit balance transferred from income _____	8,243	153
4	(606) Other credits to retained income _____		
5	(622) Appropriations released _____	600	
6	Total _____	8,843	153
DEBITS			
7	(612) Debit balance transferred from income _____		
8	(616) Other debits to retained income _____		
9	(620) Appropriations for sinking and other reserve funds _____	600	
10	Transfer incentive per diem to appropriated _____	347	
11	(623) Dividends (p. 20) _____	689	
12	Total _____	1,636	
13	Net increase (decrease) during year (Line 6 minus line 12) _____	7,207	153
14	Balances at close of year (Lines 1, 2 and 13) _____	62,967	(1,264)
15	Balance from line 14(c) _____	(1,264)	x x x x x
16	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year _____	61,703	x x x x x
Remarks			
Amount of assigned Federal income tax consequences:			
17	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	Preferred Stock	1%		\$ 21,000	\$ 210	05-20-77	07-18-77
2	" "	1%		21,000	210	08-19-77	10-17-77
3	" "	1%		21,000	210	11-18-77	01-16-78
4					630		
5	Less intercompany held by						
6	Louisiana & Arkansas Ry. Co.				16		
7				20,449	614		
8							
9	Carland						
10	Common Stock	100 SH:		10	75	12-14-77	01-19-78
11							
12							
13	Total				689		

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).

Items listed in this schedule are not inclusive of all possible sources and applications of working capital. Other sources and applications should be included in the appropriate section of the schedule.

Line No.	Reference			Description (d) (Dollars in thousands)	Amount (e)
	Schedule (a)	Line (b)	Column (c)		
				SOURCES OF WORKING CAPITAL	\$
				Working capital provided by operations:	
1	300	62	(b)	Net income (loss) before extraordinary items	8,396
2	324	17	(b)	Add expenses not requiring outlay of working capital; (subtract) credits not generating working capital:	187
3	396	-	-	Retirement of nondepreciable property	
4	NOTE A	-	-	Loss (gain) on sale or disposal of tangible property	11,037
5	300	5	(b)	Add depreciation and amortization expenses	4,375
6	300	35	(a)	Net increase (decrease) in deferred income taxes	(153)
7	200	74,77	(b) - (c)	Net decrease (increase) in parent's share of subsidiary's undistributed income for the year	40
				Net increase (decrease) in noncurrent portion of estimated liabilities	
				Other (specify):	
8					
9				Increase in other liabilities and deferred credits	155
10					
11					
12					
13					
14					
15					
16					
17					
18				Total working capital from operations before extraordinary items	24,037

309-STATEMENT OF CHANGES IN FINANCIAL POSITION—Continued

Line No.	Reference			Description (d)	Amount (e)
	Schedule (a)	Line (b)	Column (c)		
					\$
19	300	68	(b)	Working capital provided by operations (Continued): 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	24,037
29				Total working capital from operations (lines 18 and 26)	
				Working capital from sources other than operating:	
30	-	-	-	Proceeds from issuance of long-term liabilities Account 766.5	11,863
31	-	-	-	Proceeds from sale/disposition of carrier operating property	1,897
32	-	-	-	Proceeds from sale/disposition of other tangible property	6
33	205	99	(i)	Proceeds from sale/repayment of investments advances	1,535
	206	99	(k)		
34	204	41	(f)	Net decrease in sinking and other special funds	
35	229	15	(e) + (f)	Proceeds from issue of capital stock	
			(-i)		
				Other (specify):	
36				Account 769 - Advance from Kansas and Missouri Railway and	
37				Terminal Company	140
38				Account 770 - Increase in discount and premium expense	91
39					
40					
41				Total working capital from sources other than operating	15,532
42				Total sources of working capital (lines 29 and 41)	39,569

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	8,427
44	303	10	(b)	Cash dividends	689
45	211	52	(e)	Purchase price of carrier operating property	22,563
46	-	-	-	Purchase price of other tangible property	
47	205	99	(j)	Purchase price of long-term investments and advances	4,950
	206	99	(i)		
48	204	41	(e)	Net increase in sinking or other special funds	257
49	229	15	(j)	Purchase price of acquiring treasury stock	98
	-	-	-	Other (specify):	
50				Increase in other assets and deferred charges	428
51				Account 769 refunded to Kansas and Missouri Railway and	
52				Terminal Company	95
53					
54					
55				Total application of working capital	37,507
56				Net increase (decrease) in working capital (line 42 less line 55) (show computations in Schedule 309S)	2,062

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	72	(b) - (c)
200	73	(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	\$ 3,510	\$ 939	\$ 2,571
2	200	4	(b)	Net receivables	654	581	73
3	200	11	(b)	Prepayments	14,149	11,284	2,265
4	200	12	(b)	Materials and supplies	16,285	12,518	3,767
5	-	-	-	Other current assets not included above			
6	200	51	(b)	Notes payable and matured obligations	12,763	10,045	(2,718)
7	200	59	(b)	Accounts payable	10,263	11,063	800
8	200	65	(b)	Current equipment obligations and other debt	17,782	13,086	(4,696)
9	-	-	-	Other current liabilities not included above			
10				Net increase (decrease) in working capital (= line 56, Schedule 309)	(6,210)	(8,272)	2,062

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 may 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. (a).	Item (b)	(Dollars in Thousands)	Amount (c)
				\$
1	702	Temporary Cash Investments		
2		Certificates of Deposit		700
3		Sears, Roebuck Accept. Corp. - Notes		400
4		Ford Motor Credit Co. - Notes		1,700
5		C.I.T. - Notes		950
6		Allis Chalmers - Notes		300
7		First National Bank Repurchase Agreement		700
8		Commercial Credit - Notes		600
9		United Missouri Bank - Certificate of Deposit		300
10		Johnson City, Tennessee - Revenue Bonds		75
11		Total Account 702		5,725
12				
13	704	Loans And Notes Receivable		None
14				
15	709	Accrued Accounts Receivable		
16		Unreported Freight Revenue In Transit		8,074
17		Construction Projects Due From Others		1,353
18		MILW-KCS Joint Agency Payroll Expense		466
19		Rack Rental Due From Trailer Train		135
20		Refundable Federal Excise Tax		33
21		Car Repair Bills - Receivable		170
22		Accrue Amount Due From Increased Switching Rates		454
23		Derailment Expense Due From Others		272
24		Freight Transportation Due From Others		239
25		Joint Facility Items With Other Railroads		362
26		Other Items, Each Less Than \$250,000		77
27		Total Account 709		11,635
28				
29	711	Prepayments		
30		Prepaid Insurance Premiums		514
31		Prepaid Rents		140
32		Total Account 711		654
33				
34	713	Other Current Assets		
35		Advance In Transit And Unadjusted Charges		50
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.

In January 1975, the Company obtained a \$5,000,000 bank line of credit. All loans under this arrangement will be at a rate of 1/2% over prime rate. This agreement includes a provision requiring compensating balances of 10% on the total amount of the commitment plus 10% on any borrowed portion of said commitment. During fiscal 1977 and 1976 no funds were borrowed on the above described line of credit and compensating balance requirements have been met with restricted funds included in other assets.

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	First Mortgage, 3-1/4% Bonds	12
3	Prior Bonds Called	3
4		
5		
6	Total	15
	Dividend special deposits:	
7		
8	Preferred and Common	2
9		
10		
11		
12	Total	2
	Miscellaneous special deposits:	
13		
14	American National Bank and Trust Co. of Chicago for	
15	lease of locomotives due 1-1-78	248
16	Insurance Deposit	2
17		
18	Total	250
	Compensating balances legally restricted:	
19	Held on behalf of respondent	
20	Held on behalf of others	
21	Total A/C 703	267

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 depositary
	(a)	(b)	(c)
1	715	Sinking Funds	
2			
3		Series C First Mortgage 3-1/4% Bonds	Chemical Bank - New York
4			
5			
6	716	Capital And Other Reserve Funds	
7			
8		Deposits for destroyed equipment	Chemical Bank - New York
9			
10		Mortgage property sold	Chemical Bank - New York
11			
12		Voting Trust Certificates	
13		Preferred Stock	Chemical Bank - New York
14		Common Stock	Chemical Bank - New York
15			
16		Incentive Per Diem	Chemical Bank - New York
17			
18			Total Account 716
19			
20			
21	717	Insurance And Other Funds	
22			
23		Barclays Bank	Nassau, Bahamas
24			
25		Insurance	
26			
27			Total Account 717
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			

¹Includes income of \$ _____ 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 (a₁) and (a₂), respectively, in the comparative general balance sheet statement. Entries in column (c) should be the sums of corresponding entries in columns (d) and (e), less use 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.¹ 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)	Book value		
					Securities issued or assumed by respondent (i)	Other securities and invested assets (j)	
\$							1
							2
8	1		9	9			3
							4
							5
							6
63		11	52	10		42	7
							8
50	117	167					9
							10
							11
2			2	2			12
4			4	4			13
							14
1,068	478	167	1,379	479		89	15
							16
1,187	595	345	1,437	495		2	17
							18
							19
							20
							21
105	5		110			110	22
							23
	1		1			1	24
							25
105	6		111			111	26
							27
							28
							29
							30
							31
							32
							33
							34
							35
							36
							37
							38
							39
							40
							41

(Budget Bureau No. 63-R 381
Approval Expires 12/31/78)

202A. WORKING CAPITAL INFORMATION

1. Report below the information requested with respect to account No. 712, "Material and supplies"; 707, "Miscellaneous accounts receivable"; 754, "Miscellaneous accounts payable"; 761, "Other taxes accrued"; and 532, "Railway tax accruals".
2. Give the amount of issues from stock during the year for lines 1 thru 5 as it pertains to account 712, "Material and supplies".
3. Report on lines 6 and 7 only the amount applicable to common-carrier transportation service included in accounts 707 and 754.
4. Report on lines 8 and 9 the amount included in account balances for 761 and 532 which represent state income taxes. (Do not include taxes levied in lieu of property taxes.)
5. Report dollars in thousands.

Line No.	Item (a)	Amount (b)
		\$ 5,352
1	Construction and additions and betterments _____	6,068
2	Common-carrier operating purposes _____	141
3	Used by other than respondent's lessor companies _____	11,561
4	Total _____	178
5	Portion of balance in the material and supplies account at end of year that represents scrap and obsolete material _____	2,639
6	Account 707 - Miscellaneous accounts receivable _____	1,187
7	Account 754 - Miscellaneous accounts payable _____	607
8	Account 761 - Other taxes accrued _____	436
9	Account 532 - Railway tax accruals _____	

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			Investments In Affiliated Companies	% \$	\$	
2							
3				Capital Stock			
4							
5	A-1	VII		Kansas City Terminal Railway Company	8-1/3	183	
6				Joplin Union Depot Company	33-1/3	10	
7				Louisiana, Arkansas & Texas Transpn. Co.	100		10
8				Landa Motor Lines	100		20
9				The Pullman Company	(Negligible)		10
10				Trailer Train Company	2.9		99
11							
12				Total Class A-1		193	139
13							
14	A-3	VI		Tolmak, Inc.	100		1,239
15		VI		Southern Development Company	100		10
16		X		Kansas City Southern Ind. - Preferred	3		1,038
17							
18				Total Class A-3			2,287
19				Total Class A		193	2,426
20							
21				Notes			
22							
23	D-1	VII		Railway Express Agency	(Negligible)		10
24	A-1	VII		Trailer Train Company	(Negligible)		154
25							
26				Total Notes			164
27							
28				Investment Advances			
29							
30	E-1	VII		Kansas City Terminal Railway Company	8-1/3		2,215
31				Joplin Union Depot Company	33-1/3		178
32				Kansas City Southern Transport Co., Inc.	100		595
33				Landa Motor Lines	100		194
34				Louisiana, Arkansas & Texas Transpn. Co.	100		600
35							
36				Total Class E-1			3,732
37							
38	E-3	VI		Southern Development Company	100		3,778
39		VI		Tolmak, Inc.	100		3,695
40		X		Kansas City Southern Industries, Inc.	3		5,500
41							
42				Total Class E-3			12,973
43				Total Class E			16,755
44							
45				Total Account 721		193	19,345
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 (h) 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			Book value (k)	Selling price (l)	Rate (m)	Amount credited to income (n)	
In sinking, insurance, and other funds (h)	Total book value (i)						
\$	\$	\$	\$	\$	%	\$	
							1
							2
							3
							4
	183						5
	10						6
	10						7
	20						8
	10						9
	99						10
							11
	332						12
							13
	1,239						14
	10						15
	1,038				\$1.00 Sh	48	16
							17
	2,287					48	18
	2,619					48	19
							20
							21
							22
	10						23
	154				6½-7½	11	24
							25
	164					11	26
							27
							28
							29
	2,215	250					30
	178						31
	595						32
	194						33
	600						34
							35
	3,782	250					36
							37
	3,778						38
	3,695		215	215			39
	5,500	4,700	1,320	1,320	7-8	246	40
							41
	12,973	4,700	1,535	1,535		246	42
	16,755	4,950	1,535	1,535		246	43
							44
	19,538	4,950	1,535	1,535		305	45
							46

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	715			<u>Sinking Funds</u>	\$	\$
2						
3		B-1	VII	Series C First Mortgage 3-1/4% Bonds		9
4						
5						
6	716			<u>Capital And Other Reserve Funds</u>		
7						
8		B-3	IX	Deposits For Destroyed Equipment		
9				U.S. Treasury Obligations		52
10						
11		C-3	X	Chemical Bank - Incentive Per Diem		1,379
12				Chemical Bank - Trustee - Cash		
13				Voting Trust Certificates -		
14				Preferred and Common		6
15						
16				Total Account 716		1,437
17						
18						
19	717			<u>Insurance And Other Funds</u>		
20						
21		C-3	VI	Insurance Value		1
22		C-3	VI	Barclays Bank - Nassau Bahamas		110
23						
24				Total Account 717		111
25						
26						
27	722			<u>Other Investments</u>		
28						
29		A-3	X	Greater Springhill Corporation		10 Shares
30				Club Memberships		1
31				Sallisaw Industrial Corporation		1
32				First Missouri Development Corporation		1
33						
34		D-3	X	KCS Employees Hospital Association Note		2
35						
36				Total Account 722		5
37						
38						
39						
40						
41						
42						
43						
44						
45						
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.

b. 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
	9	1					3
							4
							5
							6
							7
	52		11	11	Var.	2	8
							9
	1,379	478	167	167	5-7	34	10
		117	167	167			11
							12
	6						13
							14
	1,437	595	345	345		34	15
							16
							17
							18
							19
							20
	1	1					21
	110	5			8	7	22
							23
	111	6				7	24
							25
							26
							27
							28
	1						29
	1						30
	1						31
	1						32
							33
	2						34
							35
	6						36
							37
							38
							39
							40
							41
							42
							43
							44
							45
							46

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)(1) 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	Kansas City Southern Transport Co.,	\$	\$	\$	\$	\$	\$
2	Inc. Common Stock	(930)		32			(898)
3							
4	Landa Motor Lines Common Stock	1		(20)			(19)
5							
6	Louisiana, Arkansas & Texas						
7	Transportation Company Common Stock	(305)		4			(301)
8							
9	The Kansas and Missouri Railway						
10	and Terminal Company Common Stock	664		100			764
11							
12							
13							
14							
15							
16							
17							
18							
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							
42							
43							
44							
45							
46							
47							
48							
49							
50							
51							
52							
53							
54							
55							
56							
57							
58							
59	Total	(570)		116			(454)
60	Noncarriers: (Show totals only for each column)	(847)		37			(810)
61	Total (lines 59 and 60)	(1,417)		153			(1,264)

Road Initials:

Year: 1977

KANSAS CITY SOUTHERN LINES CONSOLIDATED

35B

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	A-1	The Kansas City Southern Railway Company	\$	\$
2		- Common Stock	9	
3				
4	A-3	Lake Mena, Inc. - Capital Stock		
5		1,028 Shares	25	
6				
7	A-3	Joplin Southern Corporation - Capital		
8		Stock	114	
9				
10	A-3	Pittsburg Industrial Corp. - Capital		
11		Stock		
12		200 Shares	10	
13				
14		Total	158	
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
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38				
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40				
41				
42				
43				
44				
45				
46				
47				
48				
49				

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 27

(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)		
\$	\$		1
		Tolmak, Inc.	2
			3
			4
		Southern Development Company	5
			6
			7
		Southern Development Company	8
			9
			10
			11
		Southern Development Company	12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25
			26
			27
			28
			29
			30
			31
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			33
			34
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			49

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	\$ 2,201	\$	\$	
2	(2) Land for transportation purposes	5,835			
3	(2 1/2) Other right-of-way expenditures	186			
4	(3) Grading	20,588			
5	(5) Tunnels and subways				
6	(6) Bridges, trestles, and culverts	15,695			
7	(7) Elevated structures				
8	(8) Ties	7,837			
9	(9) Rails	14,931			
10	(10) Other track material	11,577			
11	(11) Ballast	9,886			
12	(12) Track laying and surfacing	7,308			
13	(13) Fences, snowsheds, and signs	554			
14	(16) Station and office buildings	8,950			
15	(17) Roadway buildings	314			
16	(18) Water stations	112			
17	(19) Fuel stations	614			
18	(20) Shops and enginehouses	6,149			
19	(21) Grain elevators				
20	(22) Storage warehouses				
21	(23) Wharves and docks				
22	(24) Coal and ore wharves				
23	(25) TOFC/COFC terminals	474			
24	(26) Communication systems	2,459			
25	(27) Signals and interlockers	6,803			
26	(29) Power plants	33			
27	(31) Power-transmission systems	696			
28	(35) Miscellaneous structures	224			
29	(37) Roadway machines	8,592			
30	(38) Roadway small tools	40			
31	(39) Public improvements—Construction	2,726			
32	(43) Other expenditures—Road	27			
33	(44) Shop machinery	1,559			
34	(45) Power-plant machinery	145			
35	Other (specify and explain)				
36	Total expenditures for road	136,515			
37	(52) Locomotives	52,978			
38	(53) Freight-train cars	104,338			
39	(54) Passenger-train cars				
40	(55) Highway revenue equipment				
41	(56) Floating equipment				
42	(57) Work equipment	2,785			
43	(58) Miscellaneous equipment	2,800			
44	Total expenditures for equipment	162,901			
45	(71) Organization expenses	503			
46	(76) Interest during construction	2,623			
47	(77) Other expenditures—General				
48	Total general expenditures	3,126			
49	Total	302,542			
50	(80) Other elements of investment (p. 33)				
51	(90) Construction work in progress	6,056			
52	Grand Total	308,598			

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)	Owmed property (g)	Leased property (h)			
\$ 102	\$	\$ 12	\$	\$ 90	\$ 2,291	1
(20)		105		(125)	5,710	2
15				15	201	3
585		71		514	21,102	4
						5
1,349		104		1,245	16,940	6
						7
246		25		221	8,058	8
2,295		30		2,265	17,196	9
825		35		790	12,367	10
116		29		87	9,973	11
214		37		177	7,485	12
16		2		14	568	13
959		262		697	9,647	14
		(3)		3	317	15
		14		(14)	98	16
(2)				(2)	612	17
32		28		4	6,153	18
						19
						20
						21
					474	22
57		35		22	2,481	23
1,804		102		1,702	8,505	24
		7		(7)	26	25
					696	26
					224	27
1,487		875		612	9,204	28
					40	29
164		11		153	2,879	30
					27	31
15		(18)		33	1,592	32
		7		(7)	138	33
						34
10,259		1,770		8,489	145,004	35
131		428		(297)	52,681	36
13,212		7,127		6,085	110,423	37
						38
						39
						40
		3		(3)	2,782	41
1,111		315		796	3,596	42
14,454		7,873		6,581	169,482	43
		3		(3)	510	44
		12		(12)	2,611	45
						46
		15		(15)	3,111	47
24,713		9,658		15,055	317,597	48
						49
(2,150)				(2,150)	3,906	50
22,563		9,658		12,905	321,503	51
						52

Column (j) includes capitalized leases. A/C 16 781 A/C 52 12,590
A/C 37 1,718 A/C 53 35,221

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				
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	TOTALS	x x x		
51	NET CHANGES	x x x	None	None

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)	(Dollars in thousands)			OWNED AND USED			LEASED FROM OTHERS		
		Depreciation Base			Depreciation base			Depreciation base		
		At beginning of year (b)	At close of year (c)	Annual composite rate (percent) (d)	At beginning of year (e)	At close of year (f)	Annual composite rate (percent) (g)	At beginning of year (e)	At close of year (f)	Annual composite rate (percent) (g)
	ROAD	\$	\$	%	\$	\$	%			
1	(1) Engineering	2,192	2,283	.71	5	5	.25			
2	(2-1/2) Other right-of-way expenditures	186	201	2.00						
3	(3) Grading	14,705	14,725	.09	28	28	.12			
4	(5) Tunnels and subways									
5	(6) Bridges, trestles, and culverts	15,685	16,963	1.71	7	7	3.45			
6	(7) Elevated structures									
7	(13) Fences, snowsheds, and signs	555	571	2.13	1	1	2.00			
8	(16) Station and office buildings	7,995	8,685	4.52						
9	(17) Roadway buildings	314	317	2.49						
10	(18) Water stations	112	98	3.99						
11	(19) Fuel stations	614	612	2.83						
12	(20) Shops and enginehouses	6,150	6,154	2.22						
13	(21) Grain elevators									
14	(22) Storage warehouses									
15	(23) Wharves and docks									
16	(24) Coal and ore wharves									
17	(25) TOFC/COFC terminals	473	473	3.98						
18	(26) Communications systems	2,355	2,355	3.91						
19	(27) Signals and interlockers	6,433	8,132	3.48						
20	(29) Power plants	33	26	1.34						
21	(31) Power transmission systems	696	696	2.58						
22	(35) Miscellaneous structures	224	224	3.03						
23	(37) Roadway machines	4,430	5,867	13.32						
24	(39) Public improvements—Construction	2,721	2,875	2.49	4	4	4.28			
25	(44) Shop machinery	1,560	1,565	2.97						
26	(45) Power plant machinery	145	145	3.12						
27	All other road accounts									
28	Amortization (other than defense projects)									
29	Total road	67,578	72,367	2.96	45	45	1.08			
	EQUIPMENT									
30	(52) Locomotives	52,056	51,906	5.12						
31	(53) Freight-train cars	102,660	109,283	5.22						
32	(54) Passenger-train cars									
33	(55) Highway revenue equipment									
34	(56) Floating equipment									
35	(57) Work equipment	1,927	1,928	6.21						
36	(58) Miscellaneous equipment	1,398	1,794	20.27						
37	Total equipment	158,041	164,911	5.37						
38	GRAND TOTAL	225,619	237,878	XX XX	45	45	XX XX			

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 (c) 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)	
	ROAD	\$	\$	\$	\$	\$	\$
1	(1) Engineering	160	15		12		163
2	(2-1/2) Other right-of-way expenditures	120	4				124
3	(3) Grading	299	19		51		267
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	6,589	278		87		6,780
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs	508	13		3		518
8	(16) Station and office buildings	2,745	337		223		2,859
9	(17) Roadway buildings	80	8		2		86
10	(18) Water stations	(12)	4		10		(18)
11	(19) Fuel stations	168	17				185
12	(20) Shops and enginehouses	1,604	137		24		1,717
13	(21) Grain elevators						
14	(22) Storage warehouses						
15	(23) Wharves and docks						
16	(24) Coal and ore wharves						
17	(25) TOFC/COFC terminals	148	19		(1)		168
18	(26) Communication systems	465	89		30		524
19	(27) Signals and interlockers	3,423	230		98		3,555
20	(29) Power plants				7		(7)
21	(31) Power-transmission systems	356	18		1		373
22	(35) Miscellaneous structures	128	6				134
23	(37) Roadway machines	6,435	585		710		6,310
24	(39) Public improvements—Construction	1,345	67		2		1,410
25	(44) Shop machinery*	286	47			(17)	350
26	(45) Power-plant machinery*	51	4			10	45
27	All other road accounts						
28	Amortization (other than defense projects)	8					8
29	Total road	24,906	1,897		1,259	(7)	25,551
	EQUIPMENT						
30	(52) Locomotives	23,236	2,664		353		25,547
31	(53) Freight-train cars	34,630	5,807		5,681		34,756
32	(54) Passenger-train cars						
33	(55) Highway revenue equipment						
34	(56) Floating equipment						
35	(57) Work equipment	1,604	268		2		1,870
36	(58) Miscellaneous equipment	2,909	363		334		2,938
37	Total equipment	62,379	9,102		6,370		65,111
38	GRAND TOTAL	87,285	10,999		7,629	(7)	90,662

*Chargeable to account 305

Column (g) includes capitalized leases.

A/C 16 71

A/C 37 134

A/C 52 3,497

A/C 53 14,748

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)	
	ROAD	\$	\$	\$	\$	\$	\$
1	(1) Engineering						
2	(2-1/2) Other right-of-way expenditure:						
3	(3) Grading						
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts						
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs						
8	(16) Station and office buildings						
9	(17) Roadway buildings						
10	(18) Water stations						
11	(19) Fuel stations						
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						
	EQUIPMENT						
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						
35	(58) Miscellaneous equipment						
36	Total equipment						
37	GRAND TOTAL	None					None

*Chargeable to account 305

211G. AMORTIZATION OF DEFENSE PROJECTS—ROAD AND EQUIPMENT OWNED AND LEASED FROM OTHERS

1. Show in columns (b) to (e) the amount of base of road and equipment property for which amortization reserve is provided in account No. 736, "Accrued amortization of defense projects—Road and Equipment" of the respondent. If the amortization base is other than the ledger value stated in the investment account, a full explanation should be given.

2. Show in columns (f) to (i) the balance at the close of the

year and all credits and debits during the year in reserve account No. 736, "Accrued amortization of defense projects—Road and Equipment."

3. The information requested for "Road" by columns (b) through (i) may be shown by projects amounting to \$100,000 or more, or by single entries as "Total road" in line 22. If reported by projects, each project should be briefly described, stating

kind, location, and authorization date and number. Projects amounting to less than \$100,000 should be combined in a single entry designated "Minor items, each less than \$100,000."

4. Any amounts included in columns (b) and (f), and in column (h) affecting operating expenses, should be fully explained. (Dollars in thousands)

Line No.	Description of property or account (a)	BASE				RESERVE			
		Debits during year (b)	Credits during year (c)	Adjustments (d)	Balance at close of year (e)	Credits during year (f)	Debits during year (g)	Adjustments (h)	Balance at close of year (i)
	ROAD: Certificate Numbers	\$	\$	\$	\$	\$	\$	\$	\$
1									
2	Leesville								
3	Yard Tracks WD-29641				19				19
4									
5	Block Signals NC-416				104				104
6									
7	Centralized Traffic								
8	Control				282				282
9									
10	11 Passing Tracks				38				38
11									
12	Minor Items, each less								
13	than \$100,000				87				87
14									
15									
16									
17									
18									
19									
20									
21	TOTAL ROAD				530				530
22	EQUIPMENT:								
23	(52) Locomotives				3				3
24	(53) Freight-train cars								
25	(54) Passenger-train cars								
26	(55) Highway revenue equipment								
27	(56) Floating equipment								
28	(57) Work equipment								
29	(58) Miscellaneous equipment				3				3
30	TOTAL EQUIPMENT				3				3
	GRAND TOTAL				533				533

NOTES AND REMARKS

2111. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR

1. Give particulars as requested, separately, for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of report, the units should be omitted, but reference to the number of units omitted should be given in a footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased, (P); built or rebuilt by contract in outside railroad shops, (C); or built or rebuilt in company or system shops, (S).

2. In column (a) list each class or type of locomotive unit, car, or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars or other equipment, adopted by the Association of American Railroads; and should include physical characteristics requested by Schedule 417; locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit; such as Multiple purpose diesel locomotive A units (B-B), 2500 HP; and cars should be identified as to

special construction or service characteristics such as Aluminum covered hopper cars, LO: Steel boxcars—special service, XAP, etc.; for TOFC/COFC show type of equipment as enumerated in Schedule 417, lines 74-84 and type of construction.

3. In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.

4. The cost should be the complete cost as entered on the ledger, including, foreign line freight charges and handling charges.

5. Data for this schedule should be confined to the units reportable in columns (c), (e), (p), and (r) of schedule 417, showing returns for new units in the upper section of this schedule and showing returns for rebuilt units acquired and rebuilt units rewritten into respondent's property investment account in the lower section. The term "new" as used herein shall refer to and mean a unit or units placed in service for the first time on any railroad.

6. All unequipped box cars acquired in whole or in part with incentive per diem funds should be reported on separate lines and appropriately identified by footnote or sub-heading.
(Dollars in thousands)

NEW UNITS

Line No.	Class of equipment (a)	Number of units (b)	Total weight (tons) (c)	Total cost (d)	Method of acquisition (see instructions) (e)
1	Lease - Equivalent Of Purchase			\$	
2					
3	60 Ft. 100 Ton Box Cars B309				
4	XM Cars	150	5 745	5,009	Lease
5					
6	50 Ft. 100 Ton Box Cars B209				
7	XM Cars	200	6 950	6,231	Lease
8					
9	50 Ft. 100 Ton Box Cars A230				
10	XL Cars	100	3 793	3,561	Lease
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	TOTAL	450	x x x x	14,801	x x x x

REBUILT UNITS

1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13	TOTAL		x x x x		x x x x
14	GRAND TOTAL	450	x x x x	14,801	x x x x

211N-1 INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE (SEE INSTRUCTION 2)

1. Give particulars, as requested, of the investment in transportation property at the close of the year, as related to "Net railway operating income," of the respondent for the year.

2. The term "Investment in railway property used in transportation service" means the aggregate of property owned, and property not owned but used by the respondent, in transportation service. (a) the investment in which is represented in accounts 731 and 732 of the respondent, including operating, lessor, and inactive railroads, (b) road and equipment property leased to or from others, the rentals of which are included in accounts 509 and 542, (c) equipment owned or leased, the lease-rental from which is included in accounts 503 to 507, inclusive, of the respondent, minus (d) investment in property leased to others the lease-rental from which is included in account 509. It does not include investment of others in equipment used by the respondent, rent for which is included in accounts 536 to 540, inclusive, nor does it include investment of other carriers in property jointly used by the respondent, such as trackage rights, rent for which is included in account 541 of the respondent. In column (a), classify each company in this schedule as respondent (R), lessor railroad (L), inactive or proprietary company (P), and other leased properties (O).

3. In columns (a) to (e), inclusive, first show the data requested for the respondent (R); next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of

the respondent. Show a total for each class of company. Then show, as deductions, data for transportation property leased to carriers and others, rentals from which are included in account 509.

4. In column (c) line-haul carriers should report the miles of road used in line-haul service, and switching and terminal companies should report the miles of all tracks owned.

5. In column (d) show the amount applicable in accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanation should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 33, on the asset side of the comparative general balance sheet of each individual railway should be explained in a footnote. Book value included in accounts 731 and 732 of the owner should be reported in column (d) in reference to the investment of the respondent in the securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 percent or otherwise) value of property of private owners, or portions of property of other carriers, should be explained.

6. In column (e) show the amount of depreciation and amortization accrued as of the close of the year in accounts 735, 736, and 785 that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

(Dollars in thousands)

Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road owned (See Ins. 4) (c)	Investment in property (See Ins. 5) (d)	Depreciation and amortization of defense projects (See Ins. 6) (e)
1	R	The Kansas City Southern Railway Company	842.83	233,289	67,889
2	R	The Arkansas Western Railway Company	33.02	502	42
3	R	Fort Smith and Van Buren Railway Co. (Okla.)	20.14	312	23
4	R	Louisiana & Arkansas Railway Company	633.26	67,842	7,425
5				301,945	75,379
6					
7	P	The Maywood and Sugar Creek Railway Company	1.54	124	29
8					
9	O	Fort Smith and Van Buren Railway Co. (Ark.)		111	10
10	O	Carland, Inc.		19,323	15,777
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39		TOTAL ♦	1,530.79	321,503	91,195

211N-2. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE—Continued

1. In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.

2. The amounts for respondent and for each group or class of companies and properties on line 33 hereina, should correspond with the amount for respondent and with the aggregate amounts for each class of company and properties shown in schedule 211N-1 on page 50. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in this schedule.

3. Report on line 35 amounts representing capitalization of rentals for leased property based on 6 percent per year where property is not classified by accounts by non-carrier owners, or where cost of property leased from other carriers is not ascertainable. Identify non-carrier owners, and briefly explain methods of estimating value of property of non-carriers or property of other carriers under "Notes and Remarks," page 48.

4. Report on line 36 amounts not includable in the accounts shown, or in line 35. The items reported should be briefly identified and explained under "Notes and Remarks," page 48. 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.

5. Report dollars in thousands.

Line No.	Account (a)	Respondent	Lessor railroads		Inactive (proprietary) companies (d)	Other leased properties	
		(b) KCS	LA PSVB	(c) AW Okla.	MSC	FSVB (e) Carland	Ark.
1	(1) Engineering	\$ 1,576	\$ 706		\$ 4	\$ 5	
2	(2) Land for transportation purposes	4,092	1,573		32	12	
3	(2 1/2) Other right-of-way expenditures	139	129				
4	(3) Grading	14,052	6,480		26	28	
5	(5) Tunnels and subways						
6	(6) Bridges, trestles, and culverts	11,046	5,874		13	7	
7	(7) Elevated structures						
8	(8) Ties	4,956	308		9	13	
9	(9) Rails	9,540	764		7	12	
10	(10) Other track material	7,290	5,061		5	12	
11	(11) Ballast	6,343	3,623		2	5	
12	(12) Track laying and surfacing	4,223	3,245		5	12	
13	(13) Fences, snowsheds, and signs	327	238		3		
14	(16) Station and office buildings	4,582	3,135		3	1,928	
15	(17) Roadway buildings	278	40				
16	(18) Water stations	52	46				
17	(19) Fuel stations	526	86				
18	(20) Shops and enginehouses	5,020	1,134				
19	(21) Grain elevators						
20	(22) Storage warehouses						
21	(23) Wharves and docks						
22	(24) Coal and ore wharves						
23	(25) TOFC/COFC terminals	184	288				
24	(26) Communication systems	1,416	746			318	
25	(27) Signals and interlockers	7,650	854		1		
26	(29) Power plants	3	23				
27	(31) Power-transmission systems	353	343				
28	(33) Miscellaneous structures	176	48				
29	(37) Roadway machines	2,066	265			6,873	
30	(38) Roadway small tools	29	10				
31	(39) Public improvements—Construction	2,145	715		14	4	
32	(43) Other expenditures—Road	25	2				
33	(44) Shop machinery	1,482	111				
34	(45) Power-plant machinery	105	33				
35	Leased property capitalized rentals (explain)						
36	Other (specify & explain)	448	9647				
37	Total expenditures for road	90,124	45,527		124	9,229	
38	(52) Locomotives	42,234	8,554			1,893	
39	(53) Freight-train cars	94,603	12,702			3,118	
40	(54) Passenger-train cars						
41	(55) Highway revenue equipment						
42	(56) Floating equipment						
43	(57) Work equipment	869	279			1,634	
44	(58) Miscellaneous equipment	32	5			3,559	
45	Total expenditures for equipment	137,738	21,540			10,204	
46	(71) Organization expenses	380	120				
47	(76) Interest during construction	1,956	655			1	
48	(77) Other expenditures—General						
49	Total general expenditures	2,336	775			1	
50	Total	230,198	67,842		124	19,434	
51	(80) Other elements of investment						
52	(90) Construction work in progress	3,091	815,214				
53	Grand Total	233,289	68,656		124	19,434	

Schedule 212A.—RENTAL EXPENSE OF LESSEE

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) if gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Otherwise, show total rental expense (reduced by rentals from subleases) entering into the determination of results of operations for each period for which an income statement is presented. Rental payments under short-term leases for a month or less which are not expected to be renewed need not be included. Contingent rentals, such as those based on usage or sales, shall be reported separately from the basic or minimum rentals.

Line No.	Type of lease (a)	Current year (b)	Preceding year (c)
	Financing leases:	\$	\$
1	Minimum rentals		
2	Contingent rentals	()	()
3	Sublease rentals		
4	Total financing leases		
	Other leases:		
5	Minimum rentals	1,801	1,740
6	Contingent rentals Includes Accounts 536 and 537	11,373	9,323
7	Sublease rentals	()	()
8	Total other leases	13,174	11,063
9	Total rental expense of lessee	13,174	11,063

NOTE: As used in schedules 212A through 212E, a "financing lease" is defined as a lease which, during the noncancellable lease period, either (a) covers 75% or more of the economic life of the property or (b) has terms which assure the lessor a full recovery of the fair market value (which would normally be represented by his investment) of the property at the inception of the lease plus a reasonable return on the use of the assets invested subject only to limited risk in the realization of the residual interest in the property and the credit risks generally associated with secured loans.

Schedule 212B.—MINIMUM RENTAL COMMITMENTS

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Show the minimum rental commitments under all noncancellable leases, as of the date of the latest balance sheet presented, in the aggregate (with disclosure of the amounts applicable to noncapitalized financing leases) for (a) each of the five succeeding fiscal years; (b) each of the next three five-year periods; and, (c) the remainder as a single amount. The amounts so determined should be reduced by rentals to be received from existing noncancellable subleases (with disclosure of the amounts of such rentals). For purposes of this rule, a noncancellable lease is defined as one that has an initial or remaining term of more than one year and is noncancellable, or is cancellable only upon the occurrence of some remote contingency or upon the payment of a substantial penalty.

Line No.	Year ended (a)	A			B	
		Financing leases (b)	Other Leases (c)	Total (d)	Sublease rentals*	
					Financing leases (e)	Other leases (f)
1	1978	\$	1,220	\$	\$	\$
2	1979		1,105			
3	1980		936			
4	1981		913			
5	1982		670			
6	1983-1987		1,641			
7	1988-1992		440			
8	1993-1997		312			
9	1998- +					

* The rental commitments reported in Part A of this schedule have been reduced by these amounts.

Schedule 212D.—LEASE COMMITMENTS—PRESENT VALUE

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) if the present value of the minimum lease commitments are more than five percent of the sum of the long-term debt, stockholders' equity and the present value of the minimum lease commitments, or if the impact on net income (as computed in schedule 212E, Income impact—Lessee) is three percent or more of the average net income for the most recent three years.

Show all noncapitalized financing leases, the present value of the minimum lease commitments in the aggregate and by major categories of properties. Present values shall be computed by discounting net lease payments (after subtracting, if practicable, estimated, or actual amounts, if any, applicable to taxes, insurance, maintenance and other operating expenses) at the interest rate implicit in the terms of each lease at the time of entering into the lease.

Show either the weighted average interest rate (based on present value) and range of rates or specific interest rates for all lease commitments.

Line No.	Asset category (a)	Present value		Range		Weighted average	
		Current year (b)	Preceding year (c)	Current year (d)	Preceding year (e)	Current year (f)	Preceding year (g)
		\$	\$	%	%	%	%
1	Structures						
2	Revenue equipment						
3	Shop and garage equipment						
4	Service cars and equipment						
5	Noncarrier operating property						
	Other (Specify)						
6							
7							
8							
9							
10	Total						

Not Applicable. All finance type leases have been capitalized.

NOTES AND REMARKS

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KANSAS CITY SOUTHERN RY, CO.

214. MISCELLANEOUS PHYSICAL PROPERTY

1. Give particulars of all investments of the respondent in physical property includible in account No. 737. "Miscellaneous physical property," together with the revenue, income, expenses, taxes, and depreciation data on such property, as requested.

2. Show in column (a) a description and location of the physical property, and, if operated, the kind of business in which engaged, stating whether the respondent's title is that of ownership or whether the property is held under lease or other incomplete title. All peculiarities of title should be explained. Each item of property investment amounting to \$1,000,000 or more should be separately stated and each item whose net profit or net loss for the year (as per column (i)), regardless of amount of investment) is \$50,000 or more should also be separately stated. All other

items may be combined in a single entry designated "All other items."

3. If any of the individual items of property shown in column (a) were acquired in consideration of stocks, or of bonds or other evidence of debt, or in exchange for other property, enter in column (e) only the amount at which carried in respondent's books and in a footnote give a full description of the consideration actually paid. Also if the actual money cost to respondent is different from that shown in column (c), give particulars in a footnote.

4. If any property investment includible in this schedule, amounting to \$250,000 or more, was disposed of during the year, give particulars in a footnote.

Line No.	Item (Kind and location of property, and nature of business, if any) (a)	A. INVESTMENT (ACCOUNT 737)			Balance at close of year (See ins. 3) (e)
		Year of acquisition (b)	Charges during the year (c)	Credits during the year (d)	
1	The Kansas City Southern Railway Co.		\$	\$	\$
2					
3	Missouri			5	950
4	Kansas			1	248
5	Oklahoma				13
6	Arkansas				24
7	Louisiana				1,930
8	Texas				1,775
9	Total KCS			6	4,940
10					
11	Louisiana & Arkansas Railway Company				234
12					
13	The Arkansas Western Railway Company				1
14					
15	Fort Smith and Van Buren Railway Co.				97
16					
17					
18					
19					
20					
21					
22	Total	x x x x		6	5,272

NOTES AND REMARKS

214. MISCELLANEOUS PHYSICAL PROPERTY—Continued

5. In section B include in column (f) the gross amount of revenue or income included in accounts 502 and 511, in column (g) the gross amount of expenses (including depreciation) charged to accounts 511 and 534, in column (h) the amount of taxes charged to accounts 535 and 544 for the year, and in column (i) the net profit or loss of columns (f) minus (g) and (h).

6. Any differences between the total of column (h) and the totals of accounts 535 and 544, and differences between the total of column (i) and the net total of accounts 502, 511, 534, 535, and 544, of such accounts in Schedule 300, "Income Account for the Year," should be explained in a footnote.

7. In section C give an analysis of account 738, "Accrued depreciation—Miscellaneous physical property," for each item shown in column (a). Show in column (n) the percentage or composite rate used by the respondent for computing the amount of depreciation credited to the account during the year. Any adjustments of importance included in columns (j) and (k) should be fully explained in a footnote.

8. The word "item" as herein used means a unit or composite of an investment in or operation of property such as a powerplant, a mine, an amusement park, etc., together with ancillary property or operations.
(Dollars in thousands)

B. REVENUES, INCOME, EXPENSES AND TAXES CREDITED AND DEBITED TO ACCOUNTS 502, 511, 534, 535 AND 544 DURING THE YEAR

C. DEPRECIATION RESERVE (ACCOUNT 738)

Revenues or income (f)	Expenses (g)	Taxes (h)	Net profit for year after taxes (L loss) (i)	Credits during the year (j)	Debits during the year (k)	Balance at close of year (l)	Base (m)	Rates (n)	Line No.
\$	\$	\$	\$	\$	\$	\$	\$	%	1
									2
66	70		(4)	40		310	405		3
313	17	1	295						4
1			1			2	5		5
2		1	1						6
155	28	5	122	24		248	688		7
98	20		78	19		307	993		8
635	135	7	493	83		867	2,091	3.97	9
									10
11	3	1	7			18	148	1.90	11
									12
				None	None	1	None		13
									14
				None	None	None	None		15
									16
									17
									18
									19
									20
646	138	8	500	83		886	2,239	XXXXX	21
									22

NOTES AND REMARKS

216. OTHER ASSETS AND DEFERRED CHARGES

Give description and particulars for each item or class of items of like description in accounts Nos. 741, "Other assets," and 743, "Other deferred charges," at the close of the year. Show debtor (or class of debtors) for deferred assets and appropriate description for items or class of items of deferred charges. Show the three largest items regardless of the dollar amount and all other items (or the aggregate of a class of items of like description) amounting to \$250,000 or more. Each item or class of items of like description amounting to less than \$250,000 may be com-

bined 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.

(Dollars in thousands)

Line No.	Account No. (a)	Item (b)	Amount (c)
			\$
1	741	Other Assets	
2			
3		Salvage on retired equipment	8
4		Bills for collection, deferred	39
5		Retirement of tracks	20
6		Other items, each less than \$250,000	5
7			
8		Total Account 741	72
9			
10			
11	743	Other Deferred Charges	
12			
13		Agents relief claims unadjusted	664
14		Foreign road claims	8
15		Freight and express charges on company material	150
16		Engineering charges	36
17		Cost related to long term debt	99
18		Ballast in suspense	146
19		Work performed at dredging site	473
20		Advance to MILW - KCS Joint Agency	1,036
21		Accrued amount for traction motors not used	111
22		Personal injury claims	40
23			
24		Cost of improvements, additions and betterments to leased	
25		facilities of Texas and Pacific Ry. Co. pending amortization	
26		to rent accounts over contract period:	
27			
28		Improvements T&P Tracks Torres to New Roads, LA.	1,454
29		Construction T&P Tracks Lobdell, IA.	1
30		A & B Relay T&P Tracks Simmesport, LA.	1
31		Improvements T&P Tracks Morganza, LA.	11
32			
33		Other items, each less than \$250,000	573
34			
35		Total Account 743	4,803
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 218 ON PAGES 56, 57, 58 AND 59

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

In column (a) show the symbol and name, and account number of each bond or other obligation according to the following designations in the numerical order given, and give a total for each such numerical alphabetical and each numerical group and for each account.

- (1) MORTGAGE BONDS:
 - (a) With fixed interest.
 - (b) With contingent interest.
- (2) COLLATERAL TRUST BONDS:
 - (a) With fixed interest.
 - (b) With contingent interest.
- (3) UNSECURED BONDS (Debentures):
 - (a) With fixed interest.
 - (b) With contingent interest.
- (4) EQUIPMENT OBLIGATIONS:
 - (a) Equipment securities (Corporation).
 - (b) Equipment securities (Receivers' and Trustees').
 - (c) Conditional or deferred payment contracts.
- (5) MISCELLANEOUS OBLIGATIONS.
- (6) RECEIVERS' AND TRUSTEES' SECURITIES (Other than equipment obligations).
- (7) SHORT-TERM NOTES IN DEFAULT.

Columns (f), (g), (h), (i), and (j) are intended further to classify the obligations of the company and are to be answered "yes" or "no."

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

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

In column (m) enter the amount of debt both nominally and actually issued up to the date of the report and not the amount authorized. In the event debt is assumed, column (m) should include the amount of debt issued by the original debtor.

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

For definitions of "nominally issued," "nominally outstanding," "actually issued," and "actually outstanding," see schedule 228.

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

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

The grand totals of columns (n) and (r), when combined, should equal the sum of the amounts stated in short column (a₂) for accounts Nos. 764, 765, 766, 767, and 768 in schedule 200, "Comparative General Balance Sheet—Liabilities and Shareholders' Equity."

On page 59 give particulars of changes during the year in funded debt and other obligations. In column (z), state whether issued for construction of new properties, for additions and betterments, for purchase of railroad or other property, for conversion, for acquisition of securities, for reorganization, or for other corporate purposes. Also, give the number and date of authorization by the public authority under whose control such issue was made, naming such authority. For nominally issued securities, show returns in columns (z) and (aa) only.

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

Particulars concerning the reacquirement of securities that were actually outstanding should be reported on pages 58 and 59 columns (a), (dd), and (ee). Include those securities that have been called for payment during the year for which liability has been transferred to account No. 763, "Other current liabilities."

Show dollars in thousands.

NOTES AND REMARKS

218. FUNDED DEBT AND OTHER OBLIGATIONS (Dollars in thousands)

Line No.	Name and character of obligation	Nominal date of issue	Date of maturity	INTEREST PROVISIONS		DOES OBLIGATION PROVIDE FOR— (Answer "Yes" or "No")			IS OTHER PROPERTY (REAL OR PERSONAL OR LEASEHOLD) SUBJECT TO LIEN OF THE OBLIGATION? (Answer "Yes" or "No")		APPROXIMATE NUMBER OF MILES OF LINE DIRECTLY SUBJECT TO—	
				Rate percent per annum (current year)	Dates due	Con-version	Call prior to maturity, other than for sinking fund	Sinking fund			First lien	Junior to first lien
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	<u>The Kansas City Southern Railway Company</u>											
2												
3	(1)(a) 1st Mtg Sr C Bonds	12-1-54	12-1-84	3-1/4	6 & 12	No	Yes	Yes	Yes		860	
4	SBA Loan	3-20-75	7-22-80	5	Monthly	No	No	No	No			
5	SBA Loan	10-6-76	7-06-77	6-5/8	Monthly	No	No	No	No			
6												
7	<u>Equipment Obligations - 4C Equipment Purchase Agreements</u>											
8	Manufacturers Ntl. Bk.	6-01-62	6-15-77	4-3/8	6 & 12	No	No	No	Yes			
9	Manufacturers Ntl. Bk.	6-01-62	6-15-77	4-3/8	6 & 12	No	No	No	Yes			
10												
11	Chemical Bank	5-15-62	5-15-77	4-1/2	5 & 11	No	No	No	Yes			
12												
13	Chemical Bank	7-15-63	7-15-78	4.45	1 & 7	No	No	No	Yes			
14												
15	Chemical Bank	5-15-65	5-15-80	4.65	5 & 11	No	No	No	Yes			
16												
17	Chemical Bank	4-15-66	10-15-81	5-1/2	4 & 10	No	No	No	Yes			
18												
19	Chemical Bank	3-15-67	3-15-77	6-3/4	3 & 9	No	No	No	Yes			
20												
21	Chemical Bank	5-15-67	5-15-82	6-1/4	5 & 11	No	No	No	Yes			
22												
23	Chemical Bank	5-02-68	8-01-78	7-1/4	2 & 8	No	No	No	Yes			
24												
25	Chemical Bank	5-03-68	8-01-83	7	2 & 8	No	No	No	Yes			
26												
27	Chemical Bank	1-01-70	1-15-85	9-3/4	1 & 7	No	No	No	Yes			
28	(Principal starting 1-15-76)											
29												
30	Chemical Bank	1-01-72	2-01-87	6-1/2	2 & 8	No	No	No	Yes			
31				7-5/8								
32	United Missouri Bank	5-15-72	2-02-78	6-3/4	2 & 8	No	No	No	Yes			
33												
34	Chemical Bank	11-1-72	11-1-78	7-1/4	5 & 11	No	No	No	Yes			
35				7-3/4								
36	United Missouri Bank	3-01-73	8-15-78	8	2 & 8	No	No	No	Yes			
37												
38	Chemical Bank	3-15-73	5-15-88	7-1/4	5 & 11	No	No	No	Yes			
39				7-3/4								
40	Chemical Bank	1-15-74	2-15-89	8-1/4	2 & 8	No	No	No	Yes			
41												
42	Total KCS Ry. Equipment Obligations											
43												
44	<u>Louisiana & Arkansas Railway Company</u>											
45												
46	Chemical Bank	5-01-64	5-01-79	4.60	5 & 11	No	No	No	No			
47												
48	Total KCS and L&A Equipment Obligations											
49												
50												
51	Forward Totals To Pages 56A and 57A											

218. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Total amount nominally and actually issued (m)	AMOUNT NOMINALLY ISSUED AND—		Total amount actually issued (p)	AMOUNT REACQUIRED AND—		TOTAL AMOUNT ACTUALLY OUTSTANDING			Line No.
	Held in special funds or in treas- ury or pledged (Identify pledged securities by symbol "P"; matured by symbol "M") (n)	Canceled (o)		Canceled through sinking fund or otherwise canceled (Identify canceled through sinking fund by symbol "S") (q)	Held in special funds or in treas- ury or pledged (Identify pledged securities by symbol "P"; matured by symbol "M") (r)	Unmatured (accounts 765, 766, and 767) (s)	Unmatured (account 764) (t)	Matured and no provision made for payment (account 768) (u)	
\$	\$	\$	\$	\$	\$	\$	\$	\$	1
									2
50,000			50,000	15,407	3,554	31,039	None		3
1,942			1,942	949		555	438		4
77			77	77					5
52,019			52,019	16,433	3,554	31,594	438		6
									7
3,431	x		3,431	3,431					8
1,166	x		1,166	1,166					9
									10
2,130	x		2,130	2,130					11
									12
5,932			5,932	5,537		None	395		13
									14
4,350			4,350	3,480		580	290		15
									16
4,440			4,440	3,256		888	296		17
									18
8,090	x		8,090	8,090					19
									20
4,097			4,097	2,732		1,092	273		21
									22
5,255			5,255	4,729		None	526		23
									24
4,413			4,413	2,648		1,471	294		25
									26
10,148			10,148	2,029		7,104	1,015		27
									28
									29
5,151			5,151	1,717		3,091	343		30
									31
2,144			2,144	1,896		None	248		32
									33
3,426			3,426	1,142		2,056	228		34
									35
2,710			2,710	2,168		None	542		36
									37
6,055			6,055	1,816		3,835	404		38
									39
6,570			6,570	1,533		4,599	438		40
									41
79,508			79,508	49,500		24,716	5,292		42
									43
									44
									45
2,844			2,844	2,465		189	190		46
									47
82,352			82,352	51,965		24,905	5,482		48
									49
									50
134,371			134,371	68,398	3,554	56,499	5,920		51

218. FUNDED DEBT AND OTHER OBLIGATIONS (Dollars in thousands)

Line No.	Name and character of obligation	Nominal date of issue	Date of maturity	INTEREST PROVISIONS		DOES OBLIGATION PROVIDE FOR— (Answer "Yes" or "No")			IS OTHER PROPERTY (REAL OR PERSONAL OR LEASEHOLD) SUBJECT TO LIEN OF THE OBLIGATION? (Answer "Yes" or "No")		APPROXIMATE NUMBER OF MILES OF LINE DIRECTLY SUBJECT TO—	
				Rate percent per annum (current year)	Dates due	Con- version	Call prior to maturity, other than for sinking fund (g)	Sinking fund (h)	First lien (i)	Junior to first lien (j)	First lien (k)	Junior to first lien (l)
1	Capitalized Leases											
2												
3	The Kansas City Southern Railway Company											
4												
5	Itel	1-77	1-85	5.93)	1-7							
6	KCS Industries			6.73)								
7	Ford											
8	Manuf. Natl. Bank	7-77	7-92	5.74	1-7							
9	Edgartown Car											
10	Contl. Illinois	6-67	9-82	4.34	Semi-Anl							
11	Woodland											
12	Chemical Bank	10-68	10-83	5.13	4-10							
13	Vineyard											
14	Bankers Trust	6-70	6-85	7.34	6-12							
15	Mellon and											
16	Chemical Bank	5-71	5-86	7.54	5-11							
17	American National											
18	Bank	1-76	1-91	7.70	1-7							
19												
20											Total NCS Leases	
21												
22												
23	Louisiana & Arkansas Railway Company											
24												
25	American National											
26	Bank No. 1	1-77	1-92	6.26	1-7							
27												
28	American National											
29	Bank No. 2	4-77	4-92	6.82	4-10							
30												
31											Total L&A Leases	
32												
33												
34											Grand Total Leases	
35												
36												
37	Carland, Inc.											
38	Funded Debt Notes	1974	1982	6 3/4-12	Monthly							
39												
40												
41												
42												
43												
44												
45												
46												
47												
48												
49												
50												
51											Grand Total	xxxx xxx xxx xxx

218. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Total amount nominally and actually issued (f)	AMOUNT NOMINALLY ISSUED AND—		Total amount actually issued (p)	AMOUNT REACQUIRED AND—		TOTAL AMOUNT ACTUALLY OUTSTANDING			Line No.
	Held in special funds or in treas- ury or pledged (Identify pledged securities by symbol "P"; matured by symbol "M") (n)	Canceled (o)		Canceled through sinking fund or otherwise canceled (Identify canceled through sinking fund by symbol "S") (q)	Held in special funds or in treas- ury or pledged (Identify pledged securities by symbol "P"; matured by symbol "M") (r)	Unmatured (accounts 765, 766, and 767) (s)	Unmatured (account 764) (t)	Matured and no provision made for payment (account 768) (u)	
\$	\$	\$	\$	\$	\$	\$	\$	\$	1
									2
									3
									4
2,750			2,750	285		2,171	294		5
									6
									7
14,801			14,801	1,578		12,647	576		8
									9
17,000			17,000	10,816		5,036	1,148		10
									11
4,292			4,292	2,325		1,679	288		12
									13
3,924			3,924	933		2,680	311		14
									15
5,064			5,064	1,037		3,674	353		16
									17
1,248			1,248	189		1,012	47		18
									19
49,079			49,079	17,163		28,899	3,017		20
									21
									22
									23
									24
									25
4,022			4,022	537		3,332	153		26
									27
									28
2,000			2,000	278		1,649	73		29
									30
6,022			6,022	815		4,981	226		31
									32
									33
55,101			55,101	17,978		33,880	3,243	(5)	34
									35
									36
									37
4,858			4,858	1,817		1,941	1,100	(5)	38
									39
									40
									41
									42
									43
									44
									45
									46
									47
									48
									49
									50
194,330			194,330	88,193	3,554	92,320	10,263		51

218. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Line No.	Name and character of obligation (List on same lines and in same order as on page 56)	AMOUNT OF INTEREST ACCRUED DURING YEAR		Amount of interest paid during year	Total amount of interest in default
		Charged to income	Charged to investment accounts		
	(a)	(v)	(w)	(x)	(y)
1	The Kansas City Southern Railway Company	\$	\$	\$	\$
2					
3	1st Mortgage Series C 3-1/4% Bonds	1,034		1,042	
4	SBA Loan 3-20-75	58		59	
5	SBA Loan 10-06-76	1		1	
6		1,093		1,102	
7	Equipment Purchase Agreements				
8	Manufacturers National Bank 6-01-62	2		2	
9	Manufacturers National Bank 6-01-62	1		1	
10					
11	Chemical Bank 5-15-62	2		3	
12					
13	Chemical Bank 7-15-63	22		30	
14					
15	Chemical Bank 5-15-65	45		47	
16					
17	Chemical Bank 4-15-66	74		77	
18					
19	Chemical Bank 3-15-67	11		27	
20					
21	Chemical Bank 5-15-67	92		94	
22					
23	Chemical Bank 5-02-68	60		76	
24					
25	Chemical Bank 5-03-68	136		145	
26					
27	Chemical Bank 1-01-70	795		841	
28					
29					
30	Chemical Bank 1-01-72	264		273	
31					
32	United Missouri Bank 5-15-72	28		41	
33					
34	Chemical Bank 11-01-72	191		194	
35					
36	United Missouri Bank 3-01-73	56		73	
37					
38	Chemical Bank 3-15-73	346		349	
39					
40	Chemical Bank 1-15-74	429		443	
41					
42	Total KCS Ry. Co. - Equipment	2,554		2,716	
43					
44	Louisiana & Arkansas Railway Company				
45					
46	Chemical Bank 5-01-64	20		21	
47					
48	Total KCS and L&A - Equipment	2,574		2,737	
49					
50					
51	Forward Totals To Page 58A	3,667		3,839	

218. FUNDED DEBT AND OTHER OBLIGATIONS—Concluded

SECURITIES ISSUED OR ASSUMED DURING YEAR				SECURITIES REACQUIRED DURING YEAR		Line No.
Purpose of the issue and authority (z)	Par value (aa)	Net proceeds received for issue (cash or its equivalent) (bb)	Expense of issuing securities (cc)	AMOUNT REACQUIRED		
				Par value (dd)	Purchase price (ee)	
	\$	\$	\$	\$	\$	
1st Mortgage Bonds				907	599	2
SBA Loan 3-15-75				418	418	3
SBA Loan 10-06-76				59	59	4
				1,384	1,076	5
Equip. Contract Date						6
22725 6-01-62				114	114	7
22750 6-01-62				29	29	8
						9
22675 5-15-62				142	142	10
						11
22971-2-3 7-15-63				395	395	12
						13
23724 5-15-65				290	290	14
						15
24026 4-15-66				296	296	16
						17
24337 3-15-67				809	809	18
						19
24384 5-15-67				274	274	20
						21
24723 5-02-68				526	526	22
						23
24724 5-03-68				294	294	24
						25
25092 1-01-70				1,015	1,015	26
						27
						28
25650 1-01-72				343	343	29
						30
25734 5-15-72				472	472	31
						32
25820 11-01-72				228	228	33
						34
25908 3-01-73				542	542	35
						36
25944 3-15-73				404	404	37
						38
26120 1-15-74				438	438	39
						40
Total KCS Equipment				6,611	6,611	41
						42
						43
						44
8761 5-01-64				190	190	45
						46
Total KCS & L&A Equipment				6,801	6,801	47
						48
						49
Forward Totals To Page 59A				8,185	7,877	50

218. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Line No.	Name and character of obligation (List on same lines and in same order as on page 56)	AMOUNT OF INTEREST ACCRUED DURING YEAR		Amount of interest paid during year	Total amount of interest in default
		Charged to income	Charged to investment accounts		
	(a)	(v)	(w)	(x)	(y)
1	Capitalized Leases	\$	\$	\$	\$
2					
3	The Kansas City Southern Railway Company				
4					
5	Itel	128		63	
6					
7					
8	Ford	444		117	
9					
10	Edgartown	289		306	
11					
12	Woodland	108		112	
13					
14	Vineyard	235		236	
15					
16	Mellon and Chemical	319		322	
17					
18	American National	82		84	
19					
20	Total KCS Leases	1,605		1,240	
21					
22					
23	Louisiana & Arkansas Railway Company				
24					
25					
26	American National No. 1	221		187	
27					
28					
29	American National No. 2	120		96	
30					
31	Total L&A Leases	341		283	
32					
33					
34	Grand Total Leases	1,946		1,523	
35					
36					
37					
38	Carland, Inc.	239		240	
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51	Grand Total	5,852		5,602	

218. FUNDED DEBT AND OTHER OBLIGATIONS—Concluded

SECURITIES ISSUED OR ASSUMED DURING YEAR				SECURITIES REACQUIRED DURING YEAR		Line No.
Purpose of the issue and authority (z)	Par value (aa)	Net proceeds received for issue (cash or its equivalent) (bb)	Expense of issuing securities (cc)	AMOUNT REACQUIRED		
				Par value (dd)	Purchase price (ee)	
Capitalized Leases	\$	\$	\$	\$	\$	1
						2
						3
						4
Itel 5.93	2,750	2,750		34	34	5
						6
						7
Ford 5.74	14,801	14,801		98	98	8
						9
Edgartown 4.34	17,000			1,113	1,113	10
						11
Woodland 5.12	4,292			274	274	12
						13
Vineyard 7.34	2,924			290	290	14
						15
Mellon & Chemical 7.54	5,064			328	328	16
						17
American National 2.70	1,248			44	44	18
						19
av. 5.58 49,079	17,551	17,551		2,181	2,181	20
						21
						22
						23
						24
						25
American National No. 1 6.24	4,022			134	134	26
						27
						28
American National No. 2 6.82	2,010			78	78	29
						30
av. 6.45 6,022				212	312	31
						32
						33
Grand Total Leases 5.56	17,551	17,551		2,393	2,393	34
						35
						36
						37
Carland, Inc. 6.75	1,845	1,845		1,417	1,417	38
						39
						40
av. 5.76 (5) 59,959						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
Grand Total	19,396	19,396		11,995	11,687	51

219. EQUIPMENT COVERED BY EQUIPMENT OBLIGATIONS

Give the particulars called for regarding the equipment obligations included in schedule 218, "Funded Debt and Other Obligations" (accounts Nos. 764, "Equipment obligations and other debt due within 1 year" and 766, "Equipment obligations") at the close of the year. In column (a) show the name by which the equipment obligation is designated and in column (b) show the classes of equipment and the number of units cov-

ered by the obligation. In column (c) show the contract price to the original debtor; in column (d) show the cash paid on acceptance of equipment by the original debtor; do not report the price paid on a subsequent sale and assumption of balance of debt.

(Dollars in thousands)

Line No.	Designation of equipment obligation (List names in the same order as in schedule 218)	Description of equipment covered	Contract price of equipment acquired	Cash paid on acceptance of equipment
	(a)	(b)	(c)	(d)
1	The Kansas City Southern Railway Company		\$	\$
2				
3	Chemical 7-15-63	210 Cars and 10 Locomotives	5,932	None
4				
5	Chemical 5-15-65	117 Cars and 16 Passenger Cars	4,350	None
6				
7	Chemical 4-15-66	18 Locomotives	4,466	26
8				
9	Chemical 5-15-67	250 Cars	4,097	None
10				
11	Chemical 5-02-68	462 Cars	5,256	1
12				
13	Chemical 5-03-68	22 Locomotives	4,413	None
14				
15	Chemical 1-01-70	500 Cars	10,148	None
16				
17	Chemical 1-01-72	20 Locomotives	5,151	None
18				
19	United Mo. 5-15-72	311 Cars	2,144	None
20				
21	Chemical 11-01-72	10 Locomotives	3,426	None
22				
23	United Mo. 3-01-73	330 Cars	2,803	93
24				
25	Chemical 3-15-73	300 Cars	6,055	None
26				
27	Chemical 1-15-74	20 Locomotives	6,570	None
28				
29				
30	Louisiana & Arkansas Railway Company			
31				
32	Chemical 5-01-64	180 Cars	2,854	10
33				
34				
35				
36			67,535 (40)	67,665
37				130
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

219. EQUIPMENT COVERED BY EQUIPMENT OBLIGATIONS

Give the particulars called for regarding the equipment obligations included in schedule 210, "Funded Debt and Other Obligations" (accounts Nos. 764, "Equipment obligations and other debt due within 1 year" and 766, "Equipment obligations") at the close of the year. In column (a) show the name by which the equipment obligation is designated and in column (b) show the classes of equipment and the number of units cov-

ered by the obligation. In column (c) show the contract price to the original debtor; in column (d) show the cash paid on acceptance of equipment by the original debtor; do not report the price paid on a subsequent sale and assumption of balance of debt.

(Dollars in thousands)

Line No.	Designation of equipment obligation (List names in the same order as in schedule 218)	Description of equipment covered	Contract price of equipment acquired	Cash paid on acceptance of equipment
	(a)	(b)	(c)	(d)
1	Capitalized Leases		\$	\$
2				
3	Ford			
4	Manuf. Natl. 7-77	450 Box Cars	14,801	
5				
6	Edgartown Car			
7	Contl. Ill. 6-67	960 Freight Cars	17,000	
8				
9	Woodland	200 Freight Cars	3,945	
10	Chemical Bank 10-68	10 Cabooses	347	
11				
12	Vineyard	75 Freight Cars	2,188	
13	Bankers Trust 6-70	2 Cabooses	71	
14		6 Locomotives	1,665	
15				
16	Mellon and			
17	Chemical Bank 5-71	22 Locomotives	5,064	
18				
19	American National			
20	Bank 1-76	4 Switch Locomotives	1,248	
21				
22	American National			
23	Bank 1-77	7 Locomotives	4,022	
24				
25	American National	3 Locomotives	1,641	
26	Bank 4-77	7 Cabooses	359	
27				
28	Itel	Roadway Machines and Computer		
29	KCS Industries 1-77	Equipment	2,750	
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

222. AMOUNTS PAYABLE TO AFFILIATED COMPANIES

Give full particulars of amounts payable by the respondent to affiliated companies, as defined in connection with account No. 769. "Amounts payable to affiliated companies," in the Uniform System of Accounts for Railroad Companies. If any such amounts are evidenced by notes, each note should be separately shown in column (a). Entries in columns (e) and

(f) should include interest accruals and interest payments on debt retired during the year, even though no portion of the debt remained outstanding at the close of the year. Show, also, in a footnote, particulars of interest charged to cost of property.
(Dollars in thousands)

Line No.	Name of creditor company (a)	Rate of interest (b)	Balance at beginning of year (c)	Balance at close of year (d)	Interest accrued during year (e)	Interest paid during year (f)
		%	\$	\$	\$	\$
1						
2	The Kansas and Missouri					
3	Railway and Terminal Co.	None	470	515	None	None
4						
5						
6						
7						
8						
9						
10	TOTAL		470	515	None	None

NOTES AND REMARKS

223. ITEMS IN SELECTED CURRENT LIABILITY ACCOUNTS

Give description and particulars for each item or class of items of like description in accounts Nos. 751, "Loans and notes payable"; 759, "Accrued accounts payable"; and 763, "Other current liabilities," at the close of the year. Show character of loans and notes, with name of creditor (or class of creditors), dates of issue and maturity, and appropriate description for each class of accrued accounts payable and for the other current liabilities. Show (1) all items (or the aggregate of a class of items of like description) amounting to \$250,000, or more; however, if the carrier has no items amounting to \$250,000, or more, show the three largest individual items of \$100,000, or more.

Show (2) each other item or class of items of like description amounting to less than \$250,000, or \$100,000, as applicable, combined into a single entry designated "other items, each less than \$250,000, or \$100,000, as applicable." 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.

Report dollars in thousands.

Line No.	Account No. (a)	Item (b)	Amount (c)
1	751	Loans And Notes Payable	\$ None
2			
3			
4	759	Accrued Accounts Payable	
5			
6		Vacation earned 1977, payable in 1978	2,776
7		Accruals - Per diem due foreign lines	1,469
8		Reserve for damage to foreign line equipment	1,946
9		Invoices not paid as of December 31, 1977	1,208
10		Incentive compensation	906
11		Operating expense due MILW - KCS Joint Agency	724
12		Casualty claims	728
13		Loss and damage claims	352
14		Overcharge claims	310
15		Accruals - Switching	427
16		Estimated ballast	214
17		Estimated joint facility expense due other railroads	282
18		Other items, each less than \$250,000	1,421
19			
20		Total Account 759	12,763
21			
22			
23	763	Other Current Liabilities	
24			
25		Prepaid charges in transit unadjusted	4,884
26		Unpaid funds	41
27			
28		Total Account 763	4,925
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

224. FEDERAL INCOME AND OTHER TAXES ACCRUED

Give the particulars called for with respect to the balances at close of year in accounts Nos. 760. "Federal income taxes accrued" and 761.

"Other taxes accrued."
(Dollars in thousands)

Line No.	Kind of tax (a)	Previous years (b)	Current year (c)	Balance at close of year (d)
1	Federal income taxes _____ Total (account 760)	\$ 20	\$ 225	\$ 245
2	Railway property State and local taxes (532) _____		1,409	1,409
3	Old-age retirement (532) _____		628	628
4	Unemployment insurance (532) _____		272	272
5	Miscellaneous operating property (535) _____			
6	Miscellaneous tax accruals (544) _____			
7	All other taxes _____			
8	Total (account 761)		2,309	2,309

NOTES AND REMARKS

225. ITEMS IN SELECTED RESERVE AND OTHER LIABILITY ACCOUNTS

Give description and particulars for each item or class of items of like description in accounts Nos. 771, "Pension and welfare reserves" 774, "Casualty and other reserves"; 782, "Other liabilities"; and 784 "Other deferred credits," at the close of the year. Show creditor (or class of creditors) for deferred liabilities, and appropriate description of each class of operating reserve and for items of deferred credits. Show the three largest items regardless of the dollar amount and all other items (or the aggregate of a class of items of like description)

amounting to \$250,000 or more. Each item or class of items of like description amounting to less than \$250,000 may 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. (Dollars in thousands)

Line No.	Account No. (a)	Item (b)	Amount (c)
1	771	Pensions And Welfare Reserve	\$ None
2			
3			
4	774	Casualty And Other Reserves	
5			
6		Casualty Reserve	1,840
7		Livestock Reserve	31
8		Property Reserve	87
9		Foreign Line Equipment Reserve	696
10		Loss And Damage Claims	668
11		Overcharge Claims	167
12			
13		Total Account 774	3,489
14			
15			
16	782	Other Liabilities	
17			
18		Deposits On Industrial Tracks	387
19		Depreciation On Retired Property	101
20		Deferred Directors Fees	21
21			
22		Total Account 782	509
23			
24			
25	784	Other Deferred Credits	
26			
27		Prepaid Rents	28
28		Property Abandoned	240
29		Estimated Repairs To Mississippi River Bridge	373
30		Passenger Train Operation Loss	292
31		Sale Of Scrap And Cars	134
32		Deposits On Road Construction	411
33		Amount Received From Kaw Valley Drainage Dist.	118
34		Other Items, each less than \$250,000	151
35			
36		Total Account 784	1,747
37			
38			
39			
40			
41			
42			
43			
44			
45			

228. CAPITAL STOCK

Give particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.

In the second section list particulars of the various issues on the same lines and in the same order as in the first section.

Identify the entries in columns (m) to (s), inclusive, in a manner which will indicate whether par value or the number of shares is shown.

In stating the date of an authorization the date of the latest assent or ratification necessary to its validity should be shown; e. g., in case an authorization is required to be ratified by stockholders after action by the board of directors, but is not required to be approved by any State or other governmental board or officer, give the date of approval by stockholders; if the assent of

a State railroad commission or other public board or officer is necessary, give the date of such assent, or if subsequent to such assent notice has to be filed with a secretary of state or other public officer and a tax or other fee has to be paid as a condition precedent to the validity of the issue, give the date of such payment. In case some condition precedent has to be complied with after the approval and ratification of the stockholders has been obtained, state, in a footnote, the particulars of such condition and of the respondent's compliance therewith.

For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued

when sold to a bona fide purchaser for a valuable consideration, and such purchaser holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent under such circumstances as require them to be considered as held alive, and not canceled or retired, they are considered to be nominally outstanding.

Column (d) refers to the initial preference dividend payable before any common dividend; columns (k) and (h) to participations in excess of initial preference dividend; at a specified percentage or amount (nonpar stock) (column (k)) or a percentage or proportion of the profits (column (h)).

(Dollars in thousands)

Line No.	Class of stock	Date issue was authorized	Par value per share (if non-par, so state)	Dividend rate specified in contract	Total amount of accumulated dividends	PREFERRED STOCK						
						Cumulative		Noncumulative ("Yes" or "No")	Other Provisions of Contract			
						To extent earned ("Yes" or "No")	Fixed \$ rate or percent specified by contract		Convertible ("Yes" or "No")	Callable or redeemable ("Yes" or "No")	Participating Dividends	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	Fixed amount or percent (Specify)	Fixed ratio with common (Specify)
1	Common	5-22-39	\$ Non-Par	XXXXX	XXX XXX	XXXXX	XXXXXX	XXXXX	XXXXX	XXXXXX	XXXXXX	XXXXXX
2		4-11-53		XXXXX	XXX XXX	XXXXX	XXXXXX	XXXXX	XXXXX	XXXXXX	XXXXXX	XXXXXX
3	Carland - Common	1-13-64	100	XXXXX	XXX XXX	XXXXX	XXXXXX	XXXXX	XXXXX	XXXXXX	XXXXXX	XXXXXX
4				XXXXX	XXX XXX	XXXXX	XXXXXX	XXXXX	XXXXX	XXXXXX	XXXXXX	XXXXXX
5	Preferred	3-19-1900	50	None	None	No	None	Yes	No	No	None	None
6												
7												
8	Debtenture											
9	Receipts outstanding for installments paid*											
10	TOTAL			XXXXX	XXXXX	XXXXX	XXXXXX	XXXXX	XXXXX	XXXXXX	XXXXXX	XXXXXX

Line No.	PAR VALUE OF PAR-VALUE STOCK OR NUMBER OF SHARES OF NONPAR STOCK							STOCK ACTUALLY OUTSTANDING AT CLOSE OF YEAR		
	Authorized	Authenticated	Nominally Issued and		Actually issued	Reacquired and		Number of shares	Par value of par-value stock	Book value of stock without par value
			Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P")	Canceled		Canceled	Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P")			
	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)
1	SH 1,260,000	SH 1,260,000	None	None	SH 1,020,000	None	SH 802	987,470	\$	\$ 34,850
2						Held by L&A	SH 31,728			
3										
4	SH 1,000	SH 100			10				10	
5										
6	\$ 21,000	\$ 21,000	None	None	\$ 21,000	Held by L&A	SH 11,031	408,969	20,449	
7										
8										
9										
10	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	1,396,439	20,459	34,850

*State the class of capital stock covered by the receipts.

Year 1977

KANSAS CITY SOUTHERN LINES CONSOLIDATED

231. CAPITAL SURPLUS

Give an analysis in the form called for below of capital surplus accounts. In column (a) give a brief description of the item added or deducted and in column (b) insert the contra account number to which the

amount stated in column (c), (d) or (e) was charged or credited. (Dollars in thousands)

Line No.	Item (a)	Contra account number (b)	ACCOUNT NO.		
			794. Premiums and Assessments on Capital Stock (c)	795. Paid-In Surplus (d)	796. Other Capital Surplus (e)
1	Balance at beginning of year _____	x x x	\$	\$ 267	\$ 4,645
2	Additions during the year (describe): Intercompany items in preparation				
3	of consolidated balance sheet				137
4					
5					
6	Total additions during the year _____	x x x			137
7	Deductions during the year (describe):				
8					
9					
10	Total deductions _____	x x x			
11	Balance at close of year	x x x		267	4,782

232. RETAINED INCOME—APPROPRIATED

Give an analysis in the form called for below of account No. 797, "Retained income—Appropriated." (Dollars in thousands)

Line No.	Class of appropriation (a)	Credits during year (b)	Debits during year (c)	Balance at close of year (d)
		\$	\$	\$
1	Additions to property through retained income _____			
2	Funded debt retired through retained income _____	600	600	600
3	Sinking fund reserves _____			
4	Incentive per diem funds _____	347		1,394
5	Miscellaneous fund reserves _____			
6	Retained income—Appropriated not specifically invested _____			
7	Other appropriations (specify):			
8				
9				
10				
11				
12				
13				
14				
15				
16	TOTAL	947	600	1,994

233. CONTINGENT ASSETS AND LIABILITIES

1. Give particulars with respect to contingent assets and liabilities at the close of the year, in accordance with Instruction 6-6 in the Uniform System of Accounts for Railroad Companies, that are not reflected in the accounts of the respondent. Show the three largest items regardless of the dollar amount and all other items amounting to \$250,000, or more. If an actual monetary amount is not known and an estimate of the amount of any item involved is not feasible, disclosure should be made describing the contingency and explaining why an estimate is not determinable.

Examples of contingent liabilities are items which may become obliga-

tions as a result of pending or threatened litigation, assessments or possible assessments of additional taxes and agreements or obligations to repurchase securities or property.

2. Information concerning the guaranties and suretyships are to be shown in other schedules provided for those items and not in this schedule.

3. In column (a) give a description of each item of contingent assets and liabilities under an inserted caption "CONTINGENT ASSETS" or "CONTINGENT LIABILITIES," as appropriate, and in column (b) show the amount of each item.

(Dollars in thousands)

Line No.	Item (a)	Amount (b)
1	REA Express, Inc. or its trustee in bankruptcy, have filed	\$
2	several antitrust suits against a large group of railroads	
3	including this Company. The suits have not progressed far	
4	enough for a reliable assessment of their impact, but management	
5	is of the opinion, based on information presently available, that	
6	the Company's exposure is not significant.	
7		
8		
9	The Company participates in a service interruption insurance	
10	policy, and guarantees jointly with other unaffiliated railway	
11	companies conditional sales agreements of Trailer Train Company,	
12	and up to 25% of the principal and interest on guaranteed Senior	
13	Notes of Kansas City Terminal Railway Company (\$19,250,000	
14	outstanding at December 31, 1977). Prepayments by the Company	
15	of its portion of the principal amount of these Notes in the	
16	years 1975 through 1983 have been and will continue to be	
17	accounted for as additional investment (held for operating	
18	purposes). During each of 1977 and 1976, the Company paid	
19	\$250,000 pursuant to the terms of this joint guarantee and it is	
20	not anticipated that future such annual payments will exceed	
21	\$250,000.	
22		
23		
24		
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234. GUARANTIES AND SURETYSHIPS

1. If the respondent was under obligation as guarantor or surety for the performance by any other corporation or other association of any agreement or obligation, show the particulars of each contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year.

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after date of issue. (Dollars in thousands)

Line No.	Names of all parties principally and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)
1	Kansas City Terminal	Guaranteed Senior Notes 10% and		
2		10 1/2% due December 15, 1975		
3		through December 15, 1984.		
4		Finance Docket 14637. The KCS		
5		Ry. Co. is guarantor of 1/11th	19,250	Joint
6				
7				
8				
9	City of New Orleans	Jointly and severally liable for		
10		principal and interest for New		
11		Orleans Union Passenger Terminal		
12		Revenue Bonds 1-1-48 to 1-1-98		
13		Finance Docket 15920. The L&A		
14		Ry. Co. is guarantor of their		
15		portion of	6,111	Joint
16				
17				
18				
19	Trailer Train Company	Jointly and severally liable for		
20		certain conditional sale agree-		
21		ments of Trailer Train Co.		
22		maturing serially. Various ICC		
23		recordation numbers assigned to		
24		the conditional sale agreements.		
25		The KCS Ry. Co. is one of		
26		thirty-four owning companies.	7,723	Joint
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				

2. If any corporation or other association was under obligation as guarantor or surety for the performance by the respondent of any agreement or obligation, show for each such contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year, the particulars called for hereunder.

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

Line No.	Finance Docket number, title, maturity date and concise description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount of contingent liability of guarantors (c)	Sole or joint contingent liability (d)
1			\$	
2				
3				
4				
5				
6				
7				
8				
9				

235. PROPRIETARY COMPANIES

Give particulars called for regarding inactive proprietary companies, as defined in Schedule No. 411, page 94. The separation of accounts 731 and 732 into the various subdivisions shown below should be estimated, if not

actually shown on respondent's books. Enter brief designations of the several proprietary companies at the heads of their respective columns. (Dollars in thousands)

Line No.	Item				
	Mileage owned:				
1	Road, State of _____				
2	Road, State of _____				
3	Road, State of _____				
4	Second and additional main tracks _____				
5	Passing tracks, cross-overs, and turn-outs _____				
6	Way switching tracks _____				
7	Yard switching tracks _____				
	Road and equipment property:	\$	\$	\$	\$
8	Road _____				
9	Equipment _____				
10	General expenditures _____				
11	Other property accounts* _____				
12	Total (account 731) _____				
	Improvements on leased property:				
13	Road _____				
14	Equipment _____				
15	General expenditures _____				
16	Total (account 732) _____				
17	Depreciation and amortization (accounts 735, 736, and 785) _____				
18	Capital stock (account 791) _____				
19	Funded debt unmatured (account 765) _____				
20	Debt in default (account 768) _____				
21	Amounts payable to affiliated companies (account 769) _____				

Line No.	Item				
	Mileage owned:				
1	Road, State of _____				
2	Road, State of _____				
3	Road, State of _____				
4	Second and additional main tracks _____				
5	Passing tracks, cross-overs, and turn-outs _____				
6	Way switching tracks _____				
7	Yard switching tracks _____				
	Road and equipment property:	\$	\$	\$	\$
8	Road _____				
9	Equipment _____				
10	General expenditures _____				
11	Other property accounts* _____				
12	Total (account 731) _____				
	Improvements on leased property:				
13	Road _____				
14	Equipment _____				
15	General expenditures _____				
16	Total (account 732) _____				
17	Depreciation and amortization (accounts 735, 736, and 785) _____				
18	Capital stock (account 791) _____				
19	Funded debt unmatured (account 765) _____				
20	Debt in default (account 768) _____				
21	Amounts payable to affiliated companies (account 769) _____				

*Includes account Nos. 80, "Other elements of investment," and 90, "Construction work in progress."

310. RAILWAY OPERATING REVENUES

1. State the railway operating revenues of the respondent for the year classifying them in accordance with the Uniform System of Accounts for Railroad Companies and distribute the amounts among the classes of service as indicated. In the absence of records separating revenues between freight and passenger trains, the distribution should be estimated on the basis of the best data available.

2. Assign rail-line revenues, including revenues from water transfers and highway motor vehicle operations, to "Freight service" or to "Passenger and allied services" according to the type of train (or other equipment) by which the traffic moved.

3. Incidental revenues should be assigned as provided for in the schedule.

4. Revenues which are not assignable to freight service or to passenger and allied services are includible in column (e) only in cases where the related operating expenses are reportable in column (i) of schedule No. 320. If the expenses are assigned to the classes of service mentioned, the revenues, likewise, should be distributed on an equitable basis.

5. Any unusual accruals involving substantial amounts included in column (b) should be fully explained in a footnote.
(Dollars in thousands)

Line No.	Class of railway operating revenues (a)	Amount of revenue for the year (b)	RAIL-LINE REVENUES, INCLUDING WATER TRANSFERS		Other revenues not assignable to freight or to passenger and allied services		Remarks (f)	
			Assignable to freight service (c)	Assignable to passenger and allied services (d)	(e)			
	Transportation—Rail-Line	\$	\$	\$	\$			
1	(101) Freight*	154,222	154,222			XX XX		
2	(102) Passenger*					XX XX		
3	(103) Baggage					XX XX		
4	(104) Sleeping car					XX XX		
5	(105) Parlor and chair car					XX XX		
6	(108) Other passenger-train†					XX XX		
7	(109) Milk					XX XX		
8	(110) Switching*	6,340	6,340					
9	(113) Water transfers							
10	Total rail-line transportation revenue	160,562	160,562					
	Incidental							
11	(131) Dining and buffet					XX XX		
12	(132) Hotel and restaurant							
13	(133) Station, train, and boat privileges							
14	(135) Storage—Freight			XX XX	XX XX	XX XX		
15	(137) Demurrage	2,202	2,202	XX XX	XX XX	XX XX		
16	(138) Communication							
17	(139) Grain elevator			XX XX	XX XX	XX XX		
18	(141) Power							
19	(142) Rents of buildings and other property	169	169					
20	(143) Miscellaneous	213	213					
21	Total incidental operating revenue	2,584	2,584					
	Joint Facility							
22	(151) Joint facility—Cr	229	229					
23	(152) Joint facility—Dr							
24	Total joint facility operating revenue	229	229					
25	Total railway operating revenues	163,375	163,375					
26	*Report hereunder the charges in these accounts representing payments made to others for—							
	Terminal collection and delivery services when performed in connection with line-haul transportation of freight on the basis of freight tariff rates: \$ 554							
	(a) Of the amount reported for item A.1. _____% (to nearest whole number) represents payments for collection and delivery of LCL freight either in TOFC trailers or otherwise. The percentage reported is (check one): Actual (), Estimated ().							
27	Switching services when performed in connection with line-haul transportation of freight on the basis of switching tariffs and allowances out of freight rates, including the switching of empty cars in connection with a revenue movement: \$ 3,357							
	Substitute highway motor service in lieu of line-haul rail service performed under tariffs published by rail carriers (does not include traffic moved on joint rail-motor rates): \$ None							
28	(a) Payments for transportation of persons: \$ 337							
29	(b) Payments for transportation of freight shipments: \$							
30	†Governmental aid for providing passenger commuter or other passenger-train service included in account 108, as provided in item (d) of that account: \$ None							
	NOTE.—Gross charges for protective services to perishable freight, without deduction for any proportion thereof credited to account No. 101, "Freight" (not required from switching and terminal companies):							
31	Charges for service for the protection against heat: \$ 1							
32	Charges for service for the protection against cold: \$ 7							

320. RAILWAY OPERATING EXPENSES

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and analyzing them in accordance with the Commission's rules governing the separation of operating expenses between

freight and passenger service; railroads. The returns to accounts 202-221 should be classified as provided for by instructions pertaining to those accounts in the effective rules. The designations shown in column (a) for these accounts are defined as follows:

Line No.	Name of railway operating expense account (a)	Amount of operating expenses for the year (b)
	Maintenance of Way and Structures	\$
1	(201) Superintendence	2,482
2	(202) Roadway maintenance—Yard switching tracks	64
3	Roadway maintenance—Way switching tracks	31
4	Roadway maintenance—Running tracks	698
5	(206) Tunnels and subways—Yard switching tracks	
6	Tunnels and subways—Way switching tracks	
7	Tunnels and subways—Running tracks	
8	(208) Bridges, trestles, and culverts—Yard switching tracks	68
9	Bridges, trestles, and culverts—Way switching tracks	60
10	Bridges, trestles, and culverts—Running tracks	1,008
11	(219) Elevated structures—Yard switching tracks	
12	Elevated structures—Way switching tracks	
13	Elevated structures—Running tracks	
14	(212) Ties—Yard switching tracks	281
15	Ties—Way switching tracks	178
16	Ties—Running tracks	4,051
17	(214) Rails—Yard switching tracks	143
18	Rails—Way switching tracks	89
19	Rails—Running tracks	2,302
20	(216) Other track material—Yard switching tracks	206
21	Other track material—Way switching tracks	103
22	Other track material—Running tracks	2,478
23	(218) Ballast—Yard switching tracks	65
24	Ballast—Way switching tracks	34
25	Ballast—Running tracks	788
26	(220) Track laying and surfacing—Yard switching tracks	532
27	Track laying and surfacing—Way switching tracks	274
28	Track laying and surfacing—Running tracks	6,042
29	(221) Fences, snowfences, and signs—Yard switching tracks	2
30	Fences, snowfences, and signs—Way switching tracks	2
31	Fences, snowfences, and signs—Running tracks	41
32	(227) Station and office buildings	180
33	(229) Roadway buildings	6
34	(231) Water stations	2
35	(233) Fuel stations	18
36	(235) Shops and engine houses	150
37	(237) Grain elevators	
38	(239) Storage warehouses	
39	(241) Wharves and docks	
40	(243) Coal and ore wharves	
41	(244) TOFC/COFC terminals	236
42	(247) Communication systems	653
43	(249) Signals and interlockers	1,211
44	(253) Power plants	
45	(257) Power-transmission systems	4
46	(265) Miscellaneous structures	1
47	(266) Road property—Depreciation (p. 82)	1,848
48	(267) Retirements—Road (p. 82)	187
49	(263) Roadway machines	2,279

320. RAILWAY OPERATING EXPENSES—Continued

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

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

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

Any unusual accruals involving substantial amounts included in column (h) should be fully explained in a footnote.
(Dollars in thousands)

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS						Other expenses not related to either freight or to passenger and allied services (i)	Line No.
Expenses related solely to freight service (c)	Common expenses apportioned to freight service (d)	Total freight expense (e)	Related solely to passenger and allied services (f)	Common expenses apportioned to passenger and allied services (g)	Total passenger expense (h)		
\$	\$	\$	\$	\$	\$	\$	
		2,482					1
		64					2
		31					3
		698					4
							5
							6
		68					7
		60					8
		1,008					9
							10
							11
							12
		281					13
		178					14
		4,051					15
		143					16
		89					17
		2,302					18
		206					19
		103					20
		2,478					21
		65					22
		34					23
		788					24
		532					25
		274					26
		6,042					27
		2					28
		2					29
		41					30
		180					31
		6					32
		2					33
		18					34
		150					35
							36
							37
							38
							39
		236					40
		653					41
		1,211					42
							43
		4					44
		1					45
		1,848					46
		187					47
		2,279					48
							49

320. RAILWAY OPERATING EXPENSES—Continued

Line No.	Name of railway operating expense account (a)	Amount of operating expenses for the year (b)
	Maintenance of Way and Structures—Continued	\$
50	(270) Dismantling retired road property	13
51	(271) Small tools and supplies	797
52	(272) Removing snow, ice, and sand	27
53	(273) Public improvements—Maintenance	283
54	(274) Injuries to persons	415
55	(275) Insurance	208
56	(276) Stationery and printing	25
57	(277) Employees' health and welfare benefits	696
58	(281) Right-of-way expenses	
59	(282) Other expenses	154
60	(278) Maintaining joint tracks, yards, and other facilities—Dr	464
61	(279) Maintaining joint tracks, yards, and other facilities—Cr	1,821
62	Total—All road property depreciation (account 266)	1,848
63	Total—All other maintenance of way and structures accounts	28,210
64	Total maintenance of way and structures	30,058
	Maintenance of Equipment	
65	(301) Superintendence	766
66	(302) Shop machinery	75
67	(304) Power-plant machinery	
68	(305) Shop and power-plant machinery—Depreciation (p. 84)	51
69	(306) Dismantling retired shop and power-plant machinery	
70	(311) Locomotives—Repairs, Diesel locomotives—Yard	1,305
71	Locomotives—Repairs, Diesel locomotives—Other	6,006
72	Locomotives—Repairs, Other than Diesel—Yard	
73	Locomotives—Repairs, Other than Diesel—Other	
74	(314) Freight-train cars—Repairs*	6,934
75	(317) Passenger-train cars—Repairs	
76	(318) Highway revenue equipment—Repairs	96
77	(323) Floating equipment—Repairs	
78	(326) Work equipment—Repairs	10
79	(328) Miscellaneous equipment—Repairs	328
80	(329) Dismantling retired equipment	
81	(330) Retirements—Equipment (p. 84)	(5)
82	(331) Equipment—Depreciation (p. 84)	9,103
83	(332) Injuries to persons	269
84	(333) Insurance	381
85	(334) Stationery and printing	32
86	(335) Employees' health and welfare benefits	632
87	(339) Other expenses	3
88	(336) Joint maintenance of equipment expenses—Dr	82
89	(337) Joint maintenance of equipment expenses—Cr	137
90	Total—All equipment depreciation (accounts 305 and 331)	9,154
91	Total—All other maintenance of equipment accounts	16,778
92	Total maintenance of equipment	25,932
93	*Includes charges for work done by others of	\$ 4,102
94	and credits for work charged to others in the amount of	\$ 4,799

320. RAILWAY OPERATING EXPENSES—Continued

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS							Line No.
Expenses related solely to freight service (c)	Common expenses apportioned to freight service (d)	Total freight expense (e)	Related solely to passenger and allied services (f)	Common expenses apportioned to passenger and allied services (g)	Total passenger expense (h)	Other expenses not related to either freight or to passenger and allied services (i)	
\$	\$	\$	\$	\$	\$	\$	
		13					50
		797					51
		27					52
		283					53
		415					54
		208					55
		25					56
		696					57
							58
		154					59
		464					60
		1,821					61
		1,848					62
		28,210					63
		30,058					64
		766					65
		75					66
							67
		51					68
							69
		1,306					70
		6,006					71
							72
		6,934					73
							74
		96					75
							76
		10					77
		328					78
							79
		(5)					80
		9,103					81
		269					82
		381					83
		32					84
		632					85
		3					86
		82					87
		137					88
		9,154					89
		16,778					90
		25,932					91
							92

320. RAILWAY OPERATING EXPENSES—Continued

Line No.	Name of railway operating expense account (a)	Amount of operating expenses for the year (b)
	Traffic	\$
95	(351) Superintendence	802
96	(352) Outside agencies	3,624
97	(353) Advertising*	57
98	(354) Traffic associations	283
99	(355) Fast freight lines	3
100	(356) Industrial and immigration bureaus	
101	(357) Insurance	244
102	(358) Stationery and printing	88
103	(359) Employees' health and welfare benefits	
104	(360) Other expenses	5,101
105	Total traffic	
	Transportation—Rail Line	
106	(371) Superintendence	1,867
107	(372) Dispatching trains	335
108	(373) Station employees	2,790
109	(374) Weighing, inspection, and demurrage bureaus	131
110	(375) Coal and ore wharves	
111	(376) Station supplies and expenses	535
112	(377) Yardmasters and yard clerks	2,641
113	(378) Yard conductors and brakemen	7,834
114	(379) Yard switch and signal tenders	80
115	(380) Yard enginemen	3,345
116	(382) Yard switching fuel	1,185
117	(383) Yard switching power produced	
118	(384) Yard switching power purchased	441
119	(388) Servicing yard locomotives	378
120	(389) Yard supplies and expenses	4,016
121	(392) Train enginemen	8,777
122	(394) Train fuel	
123	(395) Train power produced	
124	(396) Train power purchased	565
125	(400) Servicing train locomotives	7,708
126	(401) Trainmen	2,724
127	(402) Train supplies and expenses**	
128	(403) Operating sleeping cars	214
129	(404) Signal and interlocker operation	27
130	(405) Crossing protection	134
131	(406) Drawbridge operation	793
132	(407) Communication system operation	
133	(408) Operating floating equipment	1,639
134	(409) Employees' health and welfare benefits	314
135	(410) Stationery and printing	
136	*Value of transportation issued in exchange for advertising	None
	**Includes gross charges and credits for heater and refrigerator service as follows:	
137	Freight train cars: Refrigerator-Charges	29
138	-Credits	1
139	Heater-Charges	2
140	-Credits	7
141	TOFC trailers: Refrigerator-Charges	None
142	-Credits	None
143	Heater-Charges	None
144	-Credits	None

320. RAILWAY OPERATING EXPENSES—Continued

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS

Expenses related solely to freight service (c)	Common expenses apportioned to freight service (d)	Total freight expense (e)	Related solely to passenger and allied services (f)	Common expenses apportioned to passenger and allied services (g)	Total passenger expense (h)	Other expenses not related to either freight or to passenger and allied services (i)	Line No.
\$	\$	\$ 802	\$	\$	\$	\$	95
		3,624					96
		57					97
		283					98
		3					99
							100
		244					101
		88					102
							103
		5,101					104
							105
		1,867					106
		335					107
		2,790					108
		131					109
							110
		535					111
		2,641					112
		7,834					113
		80					114
		3,345					115
		1,185					116
							117
		441					118
		378					119
		4,016					120
		8,777					121
							122
							123
							124
		565					125
		7,708					126
		2,724					127
							128
		214					129
		27					130
		134					131
		793					132
							133
		1,639					134
		314					135

320. RAILWAY OPERATING EXPENSES—Continued

Line No.	Name of railway operating expense account (a)	Amount of operating expenses for the year (b)
	Transportation—Rail Line	\$
145	(411) Other expenses	128
146	(414) Insurance	764
147	(415) Clearing wrecks	762
148	(416) Damage to property	324
149	(417) Damage to livestock on right of way	30
150	(418) Loss and damage—Freight	1,372
151	(419) Loss and damage—Baggage	
152	(420) Injuries to persons	1,200
153	(421) TOFC/COFC terminals	322
154	(422) Other highway transportation expenses	
155	(390) Operating joint yards and terminals—Dr	576
156	(391) Operating joint yards and terminals—Cr	381
157	(412) Operating joint tracks and facilities—Dr	122
158	(413) Operating joint tracks and facilities—Cr	99
159	Total transportation—Rail line	53,593
	Miscellaneous Operations	
160	(441) Dining and buffet service	
161	(442) Hotels and restaurants	58
162	(443) Grain elevators	
163	(445) Producing power sold	
164	(446) Other miscellaneous operations	
165	(449) Employees' health and welfare benefits	
166	(447) Operating joint miscellaneous facilities—Dr	6
167	(448) Operating joint miscellaneous facilities—Cr	
168	Total miscellaneous operations	64
	General	
169	(451) Salaries and expenses of general officers	2,930
170	(452) Salaries and expenses of clerks and attendants	2,894
171	(453) General office supplies and expenses	1,933
172	(454) Law expenses	977
173	(455) Insurance	22
174	(456) Employees' health and welfare benefits	188
175	(457) Pensions	161
176	(458) Stationery and printing	217
177	(460) Other expenses*	225
178	(461) General joint facilities—Dr	49
179	(462) General joint facilities—Cr	3
180	Total general expenses	9,593
181	Grand total railway operating expenses	124,341
182	Operating ratio (ratio of operating expenses to operating revenues) percent. (Two decimal places required)	76.11 %
183	Amount of employee compensation † (applicable to the current year) chargeable to operating expenses	\$ 53,211

*Give description and amount of charges to account No. 460, "Other expenses," for severance payments made to employees. This includes payments made as a result of agreements with employee organizations and awards pursuant to decisions of arbitration boards or by specific orders of this Commission or by voluntary action on the part of respondent. This also includes severance payments in cases relating to mergers and situations involving reduction in employees because of abandonment or consolidation of facilities.

Description of payments

Amount

\$

\$ None

†Includes "straight time paid for" in train and engine service, and "time actually worked and paid for at straight time rates" in other services; all overtime in train and engine service, and overtime paid for at punitive rates in other services; and "constructive allowances, including vacations and holidays" in train and engine service and "vacations, holidays, and other allowances" in other services. (Compensation chargeable to operating expenses applicable to prior years, which was paid or is payable under labor awards of the current year or for other reasons, should be reported under Instruction 6, ICC Wage Statistics Forms A and B, Monthly Report of Employees, Service and Compensation, and not included in Schedule 320.)

320. RAILWAY OPERATING EXPENSES—Concluded

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS						Other expenses not related to either freight or to passenger and allied services (i)	Line No.
Expenses related solely to freight service (c)	Common expenses apportioned to freight service (d)	Total freight expense (e)	Related solely to passenger and allied services (f)	Common expenses apportioned to passenger and allied services (g)	Total passenger expense (h)		
\$	\$	\$	\$	\$	\$	\$	
		128					145
		764					146
		762					147
		324					148
		30					149
		1,372					150
							151
		1,200					152
		322					153
							154
		576					155
		381					156
		122					157
		99					158
		53,593					159
							160
		58					161
							162
							163
							164
		6					165
							166
		64					167
							168
		2,930					169
		2,894					170
		1,933					171
		977					172
		22					173
		188					174
		161					175
		217					176
		225					177
		49					178
		3					179
		9,593					180
		124,341					181

322. ROAD PROPERTY—DEPRECIATION

Give the particulars called for with respect to the amount charged to account 266, "Road property—Depreciation," for the year.

Line No.	Subaccount (Dollars in thousands)		Amount of operating expenses for the year
	(a)	(b)	
		\$	
1	(1) Engineering _____		16
2	(2 1/2) Other right-of-way expenditures _____		4
3	(3) Grading _____		19
4	(5) Tunnels and subways _____		
5	(6) Bridges, trestles, and culverts _____		278
6	(7) Elevated structures _____		
7	(13) Fences, snowsheds, and signs _____		12
8	(16) Station and office buildings _____		338
9	(17) Roadway buildings _____		8
10	(18) Water stations _____		4
11	(19) Fuel stations _____		17
12	(20) Shops and enginehouses _____		137
13	(21) Grain elevators _____		
14	(22) Storage warehouses _____		
15	(23) Wharves and docks _____		
16	(24) Coal and ore wharves _____		
17	(25) TOFC/COFC terminals _____		19
18	(26) Communication systems _____		89
19	(27) Signals and interlockers _____		230
20	(29) Power plants _____		
21	(31) Power _____		18
22	(35) Miscellaneous structures _____		7
23	(37) Roadway machines _____		585
24	(39) Public improvements—Construction _____		67
25	All other road accounts _____		
26	Total (account 266) _____		1,848

324. RETIREMENTS—ROAD

Give the particulars called for with respect to the amount included in account 267, "Retirements—Road," for the year.

Line No.	Subaccount (Dollars in thousands)		Amount of operating expenses for the year
	(a)	(b)	
		\$	
1	(1) Engineering _____		
2	(2 1/2) Other right-of-way expenditures _____		
3	(3) Grading _____		21
4	(5) Tunnels and subways _____		
5	(8) Ties _____		14
6	(9) Rails _____		60
7	(10) Other track material _____		28
8	(11) Ballast _____		25
9	(12) Track laying and surfacing _____		25
10	(38) Roadway small tools _____		
11	(39) Public improvements—Construction _____		
12	(43) Other expenditures—Road _____		1
13	(76) Interest during construction _____		12
14	(77) Other expenditures—General _____		
15	(80) Other elements of investment _____		
16	All other road accounts _____		1
17	Total (account 267) _____		187

322. ROAD PROPERTY--DEPRECIATION

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS							Line No.
Expenses related solely to freight service (c)	Common expenses apportioned to freight service (d)	Total freight expense (e)	Related solely to passenger and allied services (f)	Common expenses apportioned to passenger and allied services (g)	Total passenger expense (h)	Other expenses not related to either freight or to passenger and allied services (i)	
\$	\$	\$ 16	\$	\$	\$	\$	1
		4					2
		19					3
							4
		278					5
							6
		12					7
		338					8
		8					9
		4					10
		17					11
		137					12
							13
							14
							15
							16
		19					17
		89					18
		230					19
							20
		18					21
		7					22
		585					23
		67					24
							25
		1,848					26

324. RETIREMENTS—ROAD

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS							Line No.
Expenses related solely to freight service (c)	Common expenses apportioned to freight service (d)	Total freight expense (e)	Related solely to passenger and allied services (f)	Common expenses apportioned to passenger and allied services (g)	Total passenger expense (h)	Other expenses not related to either freight or to passenger and allied services (i)	
\$	\$	\$	\$	\$	\$	\$	1
							2
		21					3
							4
		14					5
		60					6
		28					7
		25					8
		25					9
							10
							11
		1					12
		12					13
							14
							15
		1					16
		187					17

326. SHOP AND POWER-PLANT MACHINERY—DEPRECIATION

Give the particulars called for with respect to the amount charged to account 305, "Shop and power-plant machinery—Depreciation," for the year.

Line No.	Subaccount (a)	(Dollars in thousands)	Amount of operating expenses for the year (b)
			\$
1	(44) Shop machinery _____		46
2	(45) Power-plant machinery _____		5
3	Total (account 305) _____		51

328. RETIREMENTS—EQUIPMENT

Give the particulars called for with respect to the amount included in account 330, "Retirements—Equipment," for the year.

Line No.	Subaccount (a)	(Dollars in thousands)	Amount of operating expenses for the year (b)
			\$
1	(52) Locomotives _____		
2	(53) Freight-train cars _____		(5)
3	(54) Passenger-train cars _____		
4	(55) Highway revenue equipment _____		
5	(56) Floating equipment _____		
6	(57) Work equipment _____		
7	(58) Miscellaneous equipment _____		
8	(76) Interest during construction _____		
9	(77) Other expenditures—General _____		
10	(80) Other elements of investment _____		(5)
11	Total (account 330) _____		

330. EQUIPMENT—DEPRECIATION

Give the particulars called for with respect to the amount charged to account 331, "Equipment—Depreciation," for the year.

Line No.	Subaccount (a)	(Dollars in thousands)	Amount of operating expenses for the year (b)
			\$
1	(52) Locomotives-Yard _____		475
2	(52) Locomotives-Other _____		2,190
3	(53) Freight-train cars _____		5,807
4	(54) Passenger-train cars _____		
5	(55) Highway revenue equipment _____		
6	(56) Floating equipment _____		
7	(57) Work equipment _____		267
8	(58) Miscellaneous equipment _____		364
9	Total (account 331) _____		9,103

326. SHOP AND POWER-PLANT MACHINERY—DEPRECIATION—Continued

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS							Line No.
Expenses related solely to freight service (c)	Common expenses apportioned to freight service (d)	Total freight expense (e)	Related solely to passenger and allied services (f)	Common expenses apportioned to passenger and allied services (g)	Total passenger expense (h)	Other expenses not related to either freight or to passenger and allied services (i)	
\$	\$	\$ 46	\$	\$	\$	\$	1
		5					2
		51					3

328. RETIREMENTS-EQUIPMENT—Continued

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS							Line No.
Expenses related solely to freight service (c)	Common expenses apportioned to freight service (d)	Total freight expense (e)	Related solely to passenger and allied services (f)	Common expenses apportioned to passenger and allied services (g)	Total passenger expense (h)	Other expenses not related to either freight or to passenger and allied services (i)	
\$	\$	\$	\$	\$	\$	\$	1
		(5)					2
							3
							4
							5
							6
							7
							8
							9
							10
		(5)					11

330. EQUIPMENT-DEPRECIATION—Continued

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS							Line No.
Expenses related solely to freight service (c)	Common expenses apportioned to freight service (d)	Total freight expense (e)	Related solely to passenger and allied services (f)	Common expenses apportioned to passenger and allied services (g)	Total passenger expense (h)	Other expenses not related to either freight or to passenger and allied services (i)	
\$	\$	\$ 475	\$	\$	\$	\$	1
		2,190					2
		5,807					3
							4
							5
							6
		267					7
		364					8
		9,103					9

350. RAILWAY TAX ACCRUALS

1. In Sections A and B show the particulars called for with respect to net accruals of taxes on railroad property, and U.S. Government taxes charged to account 532, "Railway tax accruals" of the respondent's In-

come account for the year.

2. In Section C show an analysis and distribution of Federal income taxes. (Dollars in thousands)

A. Other than U.S. Government Taxes					
Line No.	State (a)	Amount (b)	State (a)	Amount (b)	Line No.
		\$		\$	
1	Alabama		South Dakota		41
2	Alaska		Tennessee		42
3	Arizona		Texas	258	43
4	Arkansas	489	Utah		44
5	California		Vermont		45
6	Colorado		Virginia		46
7	Connecticut		Washington		47
8	Delaware		West Virginia		48
9	Florida		Wisconsin		49
10	Georgia		Wyoming		50
11	Hawaii		District of Columbia		51
12	Idaho				
13	Illinois		Other		
14	Indiana		Canada		52
15	Iowa		Mexico	3	53
16	Kansas	144	Puerto Rico		54
17	Kentucky				55
18	Louisiana	1,783	Total-Other than U.S. Government Taxes	3,765	56
19	Maine				
20	Maryland		B. U.S. Government Taxes		
21	Massachusetts		Kind of tax (a)	Amount (b)	
22	Michigan				
23	Minnesota			\$	
24	Mississippi		Income taxes:		
25	Missouri	690	Normal tax and surtax	(660)	57
26	Montana		Excess profits		58
27	Nebraska		Total-Income taxes	(660)	59
28	Nevada		Old-age retirement*	7,891	60
29	New Hampshire		Unemployment insurance	1,159	61
30	New Jersey		All other United States Taxes		62
31	New Mexico		Total-U.S. Government taxes	8,390	63
32	New York		Grand Total-Railway Tax Accruals (account 532)	12,155	64
33	North Carolina				
34	North Dakota				
35	Ohio				
36	Oklahoma	398	*Includes taxes for hospital insurance (Medicare) and supplemental annuities as follows:		
37	Oregon				
38	Pennsylvania		Hospital insurance	\$ 375	65
39	Rhode Island		Supplemental annuities	897	66
40	South Carolina				

350. RAILWAY TAX ACCRUALS—Continued

Changes Approved by GAO
8-160230 (R0399)

C. Analysis of Federal Income Taxes

1. In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption "Other", including State and other taxes deferred if computed separately. Minor items each less than \$100,000 may be combined in a single entry under "Other".

2. Indicate in column (b) the beginning of the year total of accounts 714, 744, 762 and 786 applicable to each particular item in column (a).

3. Indicate in column (c) the net change in accounts 714, 744, 762 and 786 for the net tax effect of timing differences originating and reversing in the current accounting period.

4. Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or restate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or a loss carry-back.

5. The total of line 10 in columns (c) and (d) should agree with the total of the contra charges (credits) to account 533, provision for deferred taxes, and account 591, provision for deferred taxes - extraordinary items, for the current year.

6. Indicate in column (e) the cumulative total of columns (b), (c), and (d). The total of column (e) must agree with the total of accounts 714, 744, 762 and 786.

Report dollars in thousands.

Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21	25,279	3,367		28,646
2	Accelerated amortization of facilities Sec. 168 I.R.C.	2,617	(250)		2,367
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.	3,800	(138)		3,662
4	Amortization of rights of way, Sec. 185 I.R.C.	557	(394)		163
5	Other (Specify) <u>Claims Reserve</u>	(811)	(54)		(865)
6	<u>Reacquisition of 1st Mortgage Bonds</u>	720	181		901
7	<u>Future Benefits of Capitalized Leases</u>	(1,622)	(97)		(1,719)
8	<u>Provision for contingencies</u>	1,615	648		2,263
9	Investment tax credit*	(6,080)	1,748	(636)	(4,968)
10	TOTALS	26,075	5,011	(636)	30,450

Distribution of tax expense:

11	(532) Railway tax accruals (Schedule 350(A), line 64)	12,155
12	(544) Miscellaneous tax accruals	8
13	(590) Income taxes on extraordinary items	
14	Other (specify):	
15		
16		
17		
18	Total tax expense for year	12,163

* Footnotes:

19 Indicate method elected by carrier, as provided in the Revenue Act of 1971, to account for the investment tax credit:

Flow-through X; Deferral

20 If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit \$ 2,562

21 If deferral method was elected, indicate amount of investment tax credit utilized as a reduction of tax liability for current year \$ -

22 Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes Credit-Carryover of prior years ITC \$(1,748)

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

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

25 Total decrease in current year's tax accrual resulting from use of investment tax credits \$ 4,310

371. INCOME FROM LEASE OF ROAD AND EQUIPMENT

1. Give particulars called for with respect to road and equipment leased to others during the year, the rent of which is includible in account No. 509, "Income from lease of road and equipment".

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

ticulars in a footnote. Show the three largest items regardless of the dollar amount and all other items amounting to \$250,000 or more. Each item less than \$250,000 may be combined into a single entry designated "Other items, each less than \$250,000."

(Dollars in thousands)

Line No.	Description of property (a)	Name of lessee (b)	Total rent accrued during year (account 509) (c)
1	Rental Henning Street Yard at	Chicago and North Western	\$
2	Kansas City, Missouri	Transportation Company	84
3			
4			
5		Total	84

371A. ABSTRACT OF TERMS AND CONDITIONS OF LEASES

Give brief abstracts of the terms and conditions of the leases under which the above-stated rents are derived, showing particularly (1) the date of the grant, (2) the chain of title (in case of assignment or subletting) and dates of transfer connecting the original parties with the present parties, (3) the basis on which the amount of the annual rent is determined, and (4) the date when the lease will terminate, or, if the date of termination has not yet been fixed, the provisions governing the termination of the lease. Also give reference to the Interstate Commerce Commission's authority for the lease, if any. If none, state the reasons therefor. Only

changes during the year are required.—Indicate the year in which reference was made to the original lease, and also the year or years in which any change in lease was mentioned.

Copies of leases may be filed in lieu of abstracts above called for. References to copies filed in prior years should be specific.

If the respondent has any reversionary interest in railroad property from which it derives no rent, give the particulars hereunder; if it has no such reversionary interest, state that fact.

372. MISCELLANEOUS RENT INCOME

Give particulars of rents receivable accrued for use of all properties not otherwise specified under rents receivable. This account is for rent income from property not operated by the respondent but the cost of which is properly included in cost of road and equipment. It should not be confused with operating revenue account No. 142, "Rents of buildings and other property", which is for rent revenue from operated property in road and equipment the cost of operation of which cannot be separately

stated.

Show amount of rent from three properties producing largest income regardless of amount, and all properties producing income of \$250,000 or more. Other properties whose income is less than \$250,000 may be combined into a single entry designated "Other items, each less than \$250,000 per annum."

Report dollars in thousands.

Line No.	Description of Property		Name of lessee (c)	Amount of rent (d)
	Name (a)	Location (b)		
1	Rentals of various pieces			\$
2	of road and equipment			
3	property by Carland,			
4	Inc.	Various	Various Companies	2,222
5				
6	Rental of Land	Port Arthur, Texas	Gulfport Shipbuilding Co.	10
7	Rental of Freight House	New Orleans, LA.	J. E. Koerner Co., Inc.	22
8	Rental of Land	Alexandria, LA.	Frost Whited Company	13
9	Other items, each less			
10	than \$250,000			524
11			Total	2,791

375. SEPARATELY OPERATED PROPERTIES - PROFIT OR LOSS

Give particulars of the several separately operated properties of companies having a corporate existence separate and distinct from that of the respondent, the profits or losses resulting from the operation of which are receivable or payable in whole or in part by the respondent, and for each such separately operated property state the amount of such profits or losses accrued to the respondent during the year. Show the three largest

items regardless of the dollar amount and all other items amounting to \$250,000 or more. Each item less than \$250,000 may be combined into a single entry designated "Other items, each less than \$250,000". No dividends or other returns on securities held by or for the respondent should be shown hereunder nor any interest on construction advances or other loans. (Dollar in thousands)

Line No.	Description of property operated (a)	Location of property (b)	Name of operator (c)	ACCRUED TO RESPONDENT	
				Profit (d)	Loss (e)
				\$	\$
1					
2					
3					
4					
5					
6					
7					
8					
9					
10			Total		

INSTRUCTIONS CONCERNING RETURNS IN SCHEDULE 376. HIRE OF FREIGHT CARS, PAGE 90

1. Show a recapitulation of the total amounts credited and charged during the year to hire of freight cars on account of freight cars leased, freight cars interchanged, private and individual cars, auto racks and highway trailers. The difference between the total amount receivable and the total amount payable should be entered as a balance, receivable or payable as the case may be, and should be consistent with the entry for hire of freight cars in the Income Account, schedule 300.

2. In column (b) show the total car-miles, both loaded and empty whether paid for on loaded and empty basis or loaded basis only. Car-miles, loaded and empty, reported in column (b), lines 1 through 4, relate to total car-miles incurred on lines of respondent by cars rented on a mileage basis, for which payments are reported in columns (d) and (f). Exclude from lines 1 through 4, data applicable to TOFC and COFC cars and cars rented on a combination mileage and per diem* basis. These exclusions should be reported in lines 5 and 6 through 16.

3. On line 5, column (b), enter the total miles, loaded plus empty, incurred on lines of respondent by TOFC and COFC cars for which payments are reported in columns (d) and (f). In columns (c) through (f), as applicable, enter the rentals paid for TOFC and COFC cars regardless of basis for charges.

4. On lines 6, 7, and 8 report data applicable to all cars the rentals for

which are charged only on a combination mileage and per diem* basis. Car-miles loaded and empty, reported in column (b), lines 6, 7, and 8, relate to total car-miles incurred on lines of respondent by cars rented on a combination mileage and time basis* for which payments are reported in columns (d) and (f). Exclude from lines 6, 7, and 8, data reported on lines 1 through 5 and 9 through 16.

5. On lines 9 through 14 report the per diem (time portion) charges applicable to cars rented on a combination mileage and per diem* basis for which the mileage portion was reported on lines 6, 7, and 8. Report on line 15, columns (c) and (d), the car-days paid for and for which payments were received applicable to the unequipped boxcar charges reported on lines 9 through 12. Report on line 16, columns (c) and (d), the car-days paid for and for which payments were received applicable to cars, other than unequipped box cars, for which charges are reported on line 13.

6. Amounts payable to insurance companies and to other non-carrier companies for lease rental of cars should be included on line 17, column (f). Amounts receivable from railroads or other carriers for per diem rental of these cars should be reported on lines 6 through 16, column (c).

7. Line 21 refers to the auto racks separate and apart from the cars on which the racks are installed.

Combination mileage and per diem refers to cars moving at rates per mile and per day prescribed by the Commission in Docket No. 31358 or updated computations thereof.

Schedule 376.—HIRE OF FREIGHT CARS AND HIGHWAY REVENUE EQUIPMENT

(Dollars in thousands)

Line No.	Item (a)	Car-miles (loaded and empty) See instructions 2, 3, and 4 (b)	CARS OF RESPONDENT OR OTHER CARRIERS (Excluding cars of private car lines)		CARS OF INDIVIDUALS AND COMPANIES NOT CARRIERS (Including cars of private car lines)	
			Gross amount receivable (c)	Gross amount payable (d)	Gross amount receivable (e)	Gross amount payable (f)
	FREIGHT CARS		\$	\$	\$	\$
	Mileage Basis:					
1	Tank cars	38,687,518				4,268
2	Refrigerator cars	2,613,536				206
3	All other cars	23,296,587		4		1,170
4	Total (Lines 1-3)	64,597,641		4		5,644
5	TOFC and/or COFC Cars	7,422,883	29	83		1,264
	Combination Mileage and Per Diem Basis:					
	Mileage Portion:					
6	Unequipped box cars	23,948,315	1,155	697		31
7	All other per diem cars	55,290,768	1,052	2,130		
8	Total (Lines 6 and 7)	79,239,083	2,207	2,827		31
	Per Diem Portion:					
	Unequipped Box Cars:					
	U.S. Ownership:					
9	Basic		2,794	1,550		184
10	Incentive		1,299	714		
	Canadian Ownership:					
11	Basic		XXXXXXXXXX	24		
12	Incentive		XXXXXXXXXX	6		
13	All Other Per Diem Cars		4,329	7,852		
14	Total Per Diem Portion (Lines 9-13)		8,422	10,146		184
15	Leased Rental-Railroad, Insurance and Other Companies		21			1,043
16	Other Basis		62	65		
	CAR-DAYS PAID FOR (Lines 6 through 14)					
17	Unequipped Box Cars		566,891	359,242		
18	All Other Per Diem Cars		572,091	1,288,917		
	OTHER FREIGHT CARRYING EQUIPMENT					
19	Refrigerated Highway Trailers					2
20	Other Highway Trailers		344	342		441
21	Auto Racks		61	35	507	252
22	GRAND TOTAL (Lines 4, 5, 8, 14-16 & 19-21)		11,146	13,502	507	8,861
23	NET BALANCE CARRIED TO INCOME ACCOUNT: CREDIT \$			or DEBIT \$	10,710	

Lines 6 and 9 in Column (f) apply to American Rail Box Car Company.

377. LOCOMOTIVE RENTALS

Give an analysis as requested of amounts credited to account 504, "Rent from locomotives," and amounts charged to account 537, "Rent for locomotives," on account of locomotives leased or otherwise rented. (Dollars in thousands)

Line No.	Item (a)	Amount receivable (b)	Amount payable (c)	Remarks (d)
	Locomotives of respondent or other carriers:	\$	\$	
1	Mileage basis _____			
2	Per diem basis _____	147		
3	Other basis _____			
	Locomotives of individuals and companies not carriers:			
4	Mileage basis _____			
5	Per diem basis _____			
6	Lease rental—insurance and other companies _____		54	
7	Other basis _____			
8	Total _____	147	54	

378. PASSENGER-TRAIN CAR RENTALS

Show a recapitulation of the total amounts credited to account 505, "Rent from passenger-train cars," and amounts charged to account 538, "Rent for passenger-train cars," on account of passenger cars leased, passenger cars interchanged, and private or individual cars. (Dollars in thousands)

Line No.	Item (a)	Amount receivable (b)	Amount payable (c)	Remarks (d)
	Cars of respondent or other carriers:	\$	\$	
1	Mileage basis _____			
2	Per diem basis _____			
3	Other basis _____			
	Cars of individuals and companies not carriers:			
4	Mileage basis _____			
5	Per diem basis _____			
6	Lease rental—insurance and other companies _____			
7	Other basis _____			
8	Total _____	None	None	

383. RENT FOR LEASED ROADS AND EQUIPMENT

1. Give particulars called for with respect to roads and equipment leased from others during the year, the rent for which is includible in account No. 542, "Rent for leased roads and equipment."

2. Rents payable which are not classifiable under one of the three headings provided should be explained in a footnote.

3. If the respondent held under lease during all or any part of the year any road upon which no rent payable accrued, or if any portion of the

charge shown hereunder is for construction on a line in which the respondent's leasehold interest will soon expire, give full particulars in a footnote.

4. Show the three largest items regardless of the dollar amount and all other items amounting to \$250,000 or more. Each item less than \$250,000 may be combined into a single entry designated "Other items, each less than \$250,000." (Dollars in thousands)

Line No.	Name of lessor or reversioner and description of property (a)	Total rent accrued during year (Acct. 542) (b)	Classification of Amount Column (b)		
			Interest on bonds (c)	Dividends on stocks (d)	Cash (e)
1	Rental track, Tolmak, Inc.	\$ 207	\$	\$	\$ 207
2	Rental track, Beaumont Port	7			7
3	Rental track, Rice Carden Corp.	5			5
4	Rental track, Port Arthur	2			2
5	Rental track, Baton Rouge Port	10			10
6					
7					
8					
9					
10	Total	231			231

383A. ABSTRACTS OF LEASEHOLD CONTRACTS

1. Give brief abstracts of the terms and conditions of the leases under which the respondent holds the properties above named, showing particularly (1) the date of the lease, (2) the chain of title and dates of transfers connecting the original lessee with the respondent in case of assignment or subletting, (3) the basis on which the amount of the annual rent is determined, and (4) the date when the lease is to terminate, or, if such date has not yet been determined, the provisions governing its determination.

Also give reference to the Interstate Commerce Commission's authority for the lease, if any. If none, state the reasons therefore. Only changes during the year are required.

2. In lieu of the abstracts here called for, the respondent may file copies of lease agreements and give specific references to copies heretofore filed with the Commission. Agreements being filed should be addressed to the Bureau of Accounts.

384. MISCELLANEOUS RENTS

Give particulars of all properties the rents on which were charged by the respondent during the year to Income, under the heading "Miscellaneous rents," showing for each item the total charge therefor to Income. Show the three largest items regardless of the dollar amount and all other

items amounting to \$250,000 or more. Each item less than \$250,000 may be combined into a single entry designated "Other items, each less than \$250,000." (Dollars in thousands)

Line No.	Description of Property		Name of lessor (c)	Amount charged to Income (d)
	Name (a)	Location (b)		
1	Rental Equipment	Various	Carland, Inc.	\$ 1,381
2				
3	Rental Computers	Various	Mercantile Safe Deposit	26
4				
5	Lease Roadway Equipment	Various	KCS Industries, Inc.	25
6				
7				
8				
9				
10			Total	1,432

396. ITEMS IN SELECTED INCOME AND RETAINED INCOME ACCOUNTS FOR THE YEAR

Give a brief description for all items, regardless of amount, included during the year in accounts 570, "Extraordinary items"; 590, "Income taxes on extraordinary items"; 606, "Other credits to retained income"; 616, "Other debits to retained income"; 620, "Appropriations for sinking and other reserve funds"; 621, "Appropriations for other purposes"; and 622, "Appropriations released." Give a brief description of the three largest items regardless of the dollar amount and all other items amounting to

\$250,000 or more included during the year in accounts 519, "Miscellaneous income", and 551, "Miscellaneous income charges." Items less than \$250,000 may be combined into a single entry designated "Other items, each less than \$250,000." The entries for each account shall be listed and the total of each account shall be shown corresponding to the amounts in Schedules 300 and 305, as appropriate. 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. (Dollars in thousands)

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)
1	519	Miscellaneous Income	\$	\$
2		Profit from sale of property		293
3		Bonus and royalties on natural resources		10
4		Gain on retirement of 1st Mortgage Bonds		685
5		Other items, each less than \$250,000		190
6		Total Account 519		1,178
7				
8	551	Miscellaneous Income Charges		
9		Penalties and fines		57
10		Contributions		35
11		Accruals for uncollectible bills		355
12		Other items, each less than \$250,000		201
13		Total Account 551		648
14				
15	570	Extraordinary Items	None	
16	590	Income Tax On Extraordinary Items		None
17	606	Other Credits To Retained Income		None
18	616	Other Debits To Retained Income	None	
19				
20	620	Appropriations For Sinking And Other Reserve Funds		
21		Retirement of 1st Mortgage Bonds	600	
22				
23	621	Appropriations For Other Purposes	None	
24				
25	622	Appropriations Released		
26		First Mortgage Bonds Redeemed		600
27				
28				
29				
30				

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED INCOME ACCOUNTS

Road Initials:

Year: 1977

KANSAS CITY SOUTHERN LINES CONSOLIDATED

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NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS IN SCHEDULE 411

State particulars of all tracks operated by the respondent at the close of the year, according to the following classification:

- (1) Line owned by respondent;
- (2) Line owned by proprietary companies;
- (3) Line operated under lease for a specified sum, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with respondent;
- (4) Line operated under contract or agreement for contingent rent, owner being (A) an affiliated corporation, or (B) independent or not affiliated with respondent;
- (5) Line operated under trackage rights.

Give subtotals for each of the several numbered classes, in the order listed above, as well as the total for all classes.

Lengths of track should be reported to the nearest WHOLE mile adjusted to accord with footings, i.e.: counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

In column (a) insert the figure (and letter, if any) indicating its class in accordance with the preceding classification.

In column (b) give the various proportions of each class owned or leased by respondent, listing each proportion once in any grouping. Canadian mileage should be segregated and identified on separate lines in the various groupings. For each listing, in column (d) give its entire length (the distances between termini of single or first main track), and in the following columns the lengths of second main track; all other main tracks; passing tracks, cross-overs and turn-outs; way switching tracks; and yard switching tracks. These classes of tracks are defined as follows:

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

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

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

The returns in columns (h) and (i) should include tracks serving industries, such as mines, mills, smelters, factories, etc., not classifiable under "branch lines" as defined below. Tracks belonging to an industry for which no rent is payable should not be included.

Tracks leading to and in gravel and sand pits and quarries, the cost of which is chargeable to a clearing account and which are used in getting out material for the respondent's use, should not be included.

Class (1) includes all lines operated by the respondent at the close of the year to which it has title in perpetuity.

In classifying the line between main and branch (column (c)), use the distinction usually followed by respondent. Branch lines are distinguished from industrial tracks or yard tracks and sidings in that branch lines serve one or more stations beyond the point of junction with the main line or another branch line and to or from which stations train service, or its equivalent, is performed.

Class (2) includes each line full title to which is in an inactive proprietary corporation of the respondent (i.e., one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation). It may also include such line when the actual title to all of the outstanding stocks or obligations rest in a corporation controlled by or controlling the respondent; but in the case of any such inclusion, the facts of the relation to the respondent of the corporation holding the securities should be fully set forth in a footnote. 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.

Class (3) includes all tracks operated under a lease or formal conveyance of less than the grantor's interest in the property, with a specific and unconditional rent reserved. The fact that the lessor does or does not maintain an independent organization for financial purposes is immaterial in this connection.

Class (4) is the same as class (3) except that the rent reserved is conditional upon earnings or other fact.

Class (5) includes all tracks operated and maintained by others but over which the respondent has the right to operate some or all of its trains. In the road of this class the respondent has no proprietary rights but only the rights of a licensee. Include in this class, also, all main tracks, industrial tracks and sidings owned by noncarrier companies and individuals when the respondent operates over them but does not have exclusive possession of them.

Road held by the respondent as joint or common owner or a joint lessee or under any joint arrangement should be shown in its appropriate class and the entry of length should be of the entire length of the portion jointly held. The class symbol should have the letter (J) attached.

Road operated by the respondent as agent for another carrier should not be included in this schedule.

411. MILEAGE OPERATED AT CLOSE OF YEAR (For other than switching and terminal companies)

Line No.	Class	Proportion owned or leased by respondent (b)	Main (M) or branch (B) line (c)	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks (h)	Miles of yard switching tracks (i)	Total (j)
				Miles of road (d)	Miles of second main track (e)	Miles of all other main tracks (f)	Miles of passing tracks, cross-overs, and turn-outs (g)			
1	1	100%	M	1,475	9		206	164	305	2,159
2										
3	1J	50%	M		4		11		60	75
4	1J	33-1/3%	M						1	1
5	1J	66-2/3%	M						1	1
6	Total 1J Main		M		4		11		62	77
7										
8	Total 1 & 1J Main		M	1,475	13		217	164	367	2,236
9										
10										
11	1	100%	B	56			4	25	5	90
12										
13	1J	50%	B				1	15		16
14	1J	33-1/3%	B					2		2
15	Total 1J Branch		B				1	17		18
16										
17	Total 1 & 1J Branch B			56			5	42	5	108
18	Total class 1			1,531	13		222	206	372	2,344
19										
20	3A	100%	M					15		15
21										
22	3A	100%	B					2		2
23										
24	3B	100%	M					4	4	8
25	Total class 3							21	4	25
26										
27	5	100%	M	109	13	2	12	7	64	207
28										
29	5	100%	B	29				3		32
30	Total class 5			138	13	2	12	10	64	239
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55	Total Main Line		XXX	1,584	26	2	229	190	435	2,466
56	Total Branch Lines		XXX	85			5	47	5	142
57	Grand Total		XXX	1,669	26	2	234	237	440	2,608
58	Miles of road or track electrified included in preceding grand total		XXX							None

411-A. MILEAGE OWNED BUT NOT OPERATED BY RESPONDENT AT CLOSE OF YEAR

If any of the tracks returned in this schedule are operated by other than the respondent, the name of the company or individual operating them and the conditions under which they are held for operation should be

shown in a footnote. Tracks which have been permanently abandoned should not be included in this schedule.

Line No.	Class	Name of road or track	Main (M) or branch (B) line	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks	Miles of yard switching tracks	Total
				Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs, and turn-outs			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	IB	Rock Island and								
2		Texas & Pacific								
3		Interchange	M						.24	.24
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15		Total	XXX						.24	.24

Leased to Chicago, Rock Island and Pacific Railroad Company and Texas and Pacific Railroad Company for annual rental of 6% of investment value plus taxes.

412. MILES OF ROAD AT CLOSE OF YEAR—BY STATES AND TERRITORIES (SINGLE TRACK)

(For other than switching and terminal companies)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's proportion of operated road held by it as joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (e), or (f), as may be appropriate. The

remainder of jointly operated mileage should be shown in column (g). Respondent's proportion of road jointly owned, not operated, should be shown in columns (d) and (j), as may be appropriate. Tracks which have been permanently abandoned should not be included in columns (i) and (j).

Lengths of track should be reported to the nearest WHOLE mile adjusted to accord with footings, i. e.: counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	State or territory (a)	ROAD OPERATED BY RESPONDENT							LINE OWNED, NOT OPERATED BY RESPONDENT		New line constructed during year (k)
		LINE OWNED		Line of proprietary companies (d)	Line operated under lease (e)	Line operated under contract, etc (f)	Line operated under trackage rights (g)	Total mileage operated (h)	Main line (i)	Branch lines (j)	
		Main line (b)	Branch lines (c)								
1	Missouri	185	12				5	202			
2											
3	Kansas	19	6					25			
4											
5	Oklahoma	157					20	177			
6											
7	Arkansas	224	1				9	234			
8											
9	Louisiana	652	22				63	737			
10											
11	Texas	238	15				41	294			2
12											
13											
14											
15											
◆ 16	Total Mileage (single track)	◆ 1,475	◆ 56				138	1,669	◆	◆	2

+ 56
1,531

414. CHANGES DURING THE YEAR

Hereunder state the matters called for. Make the statements explicit and precise, and number them in accordance with the inquiries; each inquiry should be fully answered, and if the word "none" truly states the mileage should be reported by classes and stated to the nearest whole mile adjusted to accord with footings, i.e.: counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

1. For each railroad property used in respondent's transportation service, show all increases and decreases in mileage, classifying the changes in the tables below as follows:

- (Class 1) Line owned by respondent.
- (Class 2) Line owned by proprietary companies.
- (Class 3) Line operated under lease for a specified sum.
- (Class 4) Line operated under contract or agreement for contingent rent.
- (Class 5) Line operated under trackage rights.

2. For changes in miles of road, give dates of beginning or abandonment of operations. If any changes reportable in this schedule occurred under authority granted by the Commission in certificates of convenience and necessity, issued under paragraphs (18) to (22) of section 1 of the Interstate Commerce Act or otherwise, specific reference to such authority should in each case be made by docket number or otherwise, as may be appropriate.

3. All consolidations, mergers, and reorganizations effected, giving particulars.

This statement should show the mileage, equipment, and cash value of property of each company as well as the consideration received by each company party to the action. State the dates on which consolidated, etc., and whether the prior companies have been dissolved. Copies of the articles of consolidation, merger, or reorganization should be filed with this report.

4. Other important changes not elsewhere provided for involving more than \$50,000, giving full particulars.

INCREASES IN MILEAGE

Line No.	Class (a)	Main (M) or branch (B) line (b)	Running Tracks, Passing Tracks, Cross-Overs, Etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	Total (i)	Remarks (j)
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs and turn-outs (f)				
1	1	M					1		1	
2	5	M	2	5		5			12	
3	5	B	2				1		3	
4										
5										
6										
7										
8										
9										
10										
11										
12										
13	Total Increase		4	5		5	2		16	

DECREASES IN MILEAGE

14	1	M				4	1	1	6	
15	5	B				2			2	
16	5	M						5	5	
17										
18										
19										
20										
21										
22										
23										
24										
25	Total Decrease					6	1	6	13	

If returns under Inquiry No. 1 above include any first main track owned by respondent or its proprietary companies representing new construction or permanent abandonment give the following particulars:

Owned by respondent:

Miles of road constructed None Miles of road abandoned None

Owned by proprietary companies:

Miles of road constructed None Miles of road abandoned None

The item "miles of road constructed" is intended to show the mileage of first main track laid to extend respondent's road, and should not include tracks relocated and tracks laid to shorten the distance between two points, without serving any new territory.

By road abandoned is meant "permanently abandoned," the cost of which has been or is to be written out of the investment accounts.

NOTES AND REMARKS

417. INVENTORY OF EQUIPMENT

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Type or design of units	Units in service of respondent at beginning of year	Changes During the Year					Units at Close of Year				
			Units installed				Units retired from service of respondent whether owned or leased, including re-classification	Owned and used	Leased from others	Total in service of respondent (col. (h) & (i))	Aggregate capacity of units reported in col. (j) (see ins. 7)	Leased to others
			New units purchased or built	New units leased from others	Rebuilt units acquired and rebuilt units rewritten into property accounts	All other units including re-classification and second hand units purchased or leased from others						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Locomotive Units										(H.P.)	
1	Diesel-Freight — A units	119						95	24	119	313,250	
2	Diesel-Freight — B units	11					3	8		8	12,000	
3	Diesel-Passenger — A units											
4	Diesel-Passenger — B units							11		11	17,750	
5	Diesel-Multiple purpose — A units	11										
6	Diesel-Multiple purpose — B units							75	19	94	123,700	
7	Diesel Switching — A units	94										
8	Diesel Switching — B units						3	189	43	232	466,700	
9	Total (lines 1 to 8)	235										
10	Electric-Freight —											
11	Electric-Passenger —											
12	Electric-Multiple purpose —											
13	Electric-Switching —											
14	Total (lines 10 to 13)											
15	Other self-powered units						3	189	43	232	466,700	
16	Total (lines 9, 14 and 15)	235										
17	Auxiliary units	8				3		3	8	11	XXXX	
18	Total Locomotive Units (lines 16 and 17)	243				3	3	192	51	243	XXXX	

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF REBUILDING

Type or design of units	Before Jan. 1, 1955	Between Jan. 1, 1955, and Dec. 31, 1959	Between Jan. 1, 1960, and Dec. 31, 1964	Between Jan. 1, 1965, and Dec. 31, 1969	Between Jan. 1, 1970, and Dec. 31, 1974	During Calendar Year						TOTAL
(a)	(b)	(c)	(d)	(e)	(f)	1975	1976	1977	1978	1979	(k)	(l)
19 Diesel —	75	3	19	40	81	4	10					232
20 Electric —												
21 Other self-powered units												
22 Total (lines 19 to 21)	75	3	19	40	81	4	10					232
23 Auxiliary units	9			2								11
24 Total Locomotive Units (lines 22 and 23)	84	3	19	42	81	4	10					243

417. INVENTORY OF EQUIPMENT—Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Class of equipment and car designations	Units in service of respondent at beginning of year	Changes During the Year					Units at Close of Year				
			Units Installed				Units retired from service of respondent whether owned or leased, including re-classification	Owned and used	Leased from others	Total in service of respondent (col. (h) & (i))	Aggregate capacity of units reported in col. (j) (see ins. 7)	Leased to others
			New units purchased or built	New units leased from others	Rebuilt units acquired and rebuilt units rewritten into property accounts	All other units, including re-classification and second hand units purchased or leased from others						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PASSENGER-TRAIN CARS <i>Non-Self-Propelled</i>										(Seating capacity)	
25	Coaches [PA, PB, PBO] _____											
26	Combined cars [All class C, except CSB] _____											
27	Parlor cars [PBC, PC, PL, PO] _____											
28	Sleeping cars [PS, PT, PAS, PDS] _____											
29	Dining, grill and tavern cars [All class D, PD] _____										XXXX	
30	Postal cars [All class M] _____										XXXX	
31	Non-passenger carrying cars [All class E, CSE, PSA, IA] _____										XXXX	
32	Total (lines 25 to 31) _____											
	<i>Self-Propelled Rail Motorcars</i>											
33	Electric passenger cars [EP, ET] _____											
34	Electric combined cars [EC] _____											
35	Internal combustion rail motorcars [ED, EG] _____											
36	Other self-propelled cars (Specify types: _____)											
37	Total (lines 33 to 36) _____											
38	Total (lines 32 and 37) _____	None								None		
	COMPANY SERVICE CARS											
39	Business cars [PV] _____	2							2	2	XXXX	
40	Boarding outfit cars [MWX] _____	14							14	14	XXXX	
41	Derrick and snow removal cars [MWU, MWV, MWW, MWK] _____	8						3	5	8	XXXX	
42	Dump and ballast cars [MWB, MWD] _____										XXXX	
43	Other maintenance and service equipment cars _____	72					3	56	13	69	XXXX	
44	Total (lines 39 to 43) _____	96					3	59	34	93	XXXX	

Road Initials

Year 1977

KANSAS CITY SOUTHERN LINES CONSOLIDATED

105

417. INVENTORY OF EQUIPMENT—Continued

Instructions for reporting freight-train car data, pages 106 and 107.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.

2. In column (d) give the number of units purchased or built in company shops. In column (e) give the number of new units leased from others. The term "new"

means a unit placed in service for the first time on any railroad.

3. Units leased to others for a period of one year or more are reportable in column (a); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (d); units rented from others for a period less than one year should not be included in column (e).

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year			
		Time-mileage cars (b)	All others (c)	Units installed			
				New units purchased or built ¹ (c)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts ¹ (f)	All other units, including reclassification and second hand units purchased or leased from others (g)
FREIGHT-TRAIN CARS							
45	Box-General Service (unequipped) [All B, L070, R-00, R-01] _____	2,577			350		
46	Box-General Service (equipped) [A-20, A-30, A-40, A-50, R-06, R-07] _____	1,127			100		
47	Box-Special Service [A-00, A-10] _____	117					
48	Gondola-General Service [All G (except G-9-)] _____	831					
49	Gondola-Special Service [G-9-, J-00, all C, all E] _____	104					
50	Hopper (open top)-General Service [All H (except H-70)] _____	282					
51	Hopper (open top)-Special Service [H-70, J-10, J-20, all K] _____	539					
52	Hopper (covered) [L-5-] _____	1,438					
53	Tank, under 12,000 gallons [T-0, T-1, T-2, T-3] _____						
54	Tank, 12,000-18,999 gallons [T-4] _____						
55	Tank, 19,000-24,999 gallons [T-5, T-6] _____	7					
56	Tank, 25,000 gallons and up [T-7, T-8, T-9] _____	40					
57	Refrigerator (meat)-Mechanical [R-11, R-12] _____						
58	Refrigerator (other than meat) -Mechanical [R-04, R-10] _____						
59	Refrigerator (meat)-Non-Mechanical [R-02, R-08, R-09, R-14, R-15, R-17] _____						
60	Refrigerator (other than meat) -Non-Mechanical [R-03, R-05, R-13, R-16] _____						
61	Stock [All S] _____	36					
62	Flat-Multi-level (vehicular) [All V] _____	268					
63	Flat-General Service [F-0-] _____						
64	Flat-Special Service [F-1-, F-9-, F-20, F-30, F-40, L-2-, L-3-] _____	716					
65	Flat-TOFC [F-7-, F-8-] _____	12					
66	All other [L-0-, L-1-, L-4-, L080, L090] _____	2			450		
67	Total (lines 45 to 66) _____	8,096					
68	Caboose [All N] _____	XXXX	86				
69	Total (lines 67, 68) _____	8,096	86		450		
¹ Box, unequipped (which relates to incentive per diem order)		New units purchased or built			Units rebuilt or acquired		
		General funds		Incentive funds	General funds		Incentive funds

417. INVENTORY OF EQUIPMENT—Continued

4. Column (m) should show aggregate capacity for all units reported in columns (k) and (l), as follows: for freight-train cars, report the nominal capacity (in tons of 2,000 lbs.) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily.

5. Freight-train car type codes shown in column (a) correspond to the AAR Multi-level Per Diem Master List. Dashes are used in appropriate places to permit a sin-

gle code to represent several car type codes. Descriptions of car codes and designations are published in *The Official Railway Equipment Register*.

6. Time-mileage cars refers to freight cars, other than cabooses, owned or held under lease arrangement, whose interline rental is settled on a per diem and line haul mileage basis under "Code of Car Hire Rules", or would be so settled if used by another railroad.

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Changes during year (Concluded)	Units At Close of Year						Line No.
	Owned and used (c)	Leased from others (d)	Total in service of respondent (col. (i)+(j))		Aggregate capacity of units reported in col. (k)+(l) (see ins. 4) (m)	Leased to others (n)	
			Time- mileage cars (i)	All other (j)			
Units retired from service of respondent whether owned or leased, in- cluding re- classification (g)							
229	1,969	729	2,698		205,904		45
109	810	308	1,118		82,396		46
	115	2	117		6,773		47
278	467	86	553		41,809		48
	29	75	104		13,483		49
4	158	120	278		22,973		50
52	446	41	487		37,009		51
29	830	579	1,409		132,654		52
							53
	7		7		350		54
	40		40		3,660		55
							56
							57
							58
							59
							60
							61
1	35		35		1,750		62
1	267		267		16,978		63
36	378	302	680		64,678		64
	12		12		605		65
	2		2		154		66
739	5,565	2,242	7,807		631,176		67
3	53	30	xxxx	83	xxxxxxxxxxxxxxxx		68
742	5,618	2,272	7,807	83	631,176		69

417. INVENTORY OF EQUIPMENT—Concluded

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year			
		Per diem (b)	All other (c)	Units Installed			
				New units purchased or built ¹ (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)
FLOATING EQUIPMENT							
71	Self-propelled vessels [Tugboats, car ferries, etc.]	X X X X					
72	Non-self-propelled vessels [Car floats, lighters, etc.]	X X X X					
73	Total (lines 71 and 72)	X X X X	None				
HIGHWAY REVENUE EQUIPMENT							
74	Bogie-chassis						
75	Dry van						
76	Flat bed						
77	Open top						
78	Mechanical refrigerator						
79	Bulk						
80	Insulated						
81	Platform, removable sides						
82	Other trailer or container						
83	Tractor						
84	Truck						
85	Total (lines 74 to 84)	None	None				

NOTES AND REMARKS

417. INVENTORY OF EQUIPMENT—Concluded

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Changes during year (Concluded)	Units At Close of Year						Line No.
	Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) + (j))		Aggregate capacity of units reported in col. (k) + (l) (see ins. 4) (m) (Tons)	Leased to others (n)	
			Per diem (k)	All other (l)			
Units retired from service of respondent whether owned or leased, in- cluding re- classification (h)			XXXX				71
			XXXX				72
			XXXX	None			73
							74
							75
							76
							77
							78
							79
							80
							81
							82
							83
			None	None			84
							85

NOTES AND REMARKS

421. HIGHWAY MOTOR VEHICLE OPERATIONS

Give particulars of highway motor vehicles operated by respondent in revenue and nonrevenue service and of revenue traffic handled for the respondent by others under contractual arrangements.

In reporting highway motor vehicle miles in line-haul service, show the mileage of buses and combination bus-trucks on line 5; the mileage of trucks and of bogies, trailers and semitrailers with trucks on line 6; and the mileage of tractors and of bogies, trailers and semitrailers with tractors on line 7. Vehicle miles in terminal service should be reported on lines 8 and 9.

In reporting traffic carried and traffic handled 1 mile on lines 10 to 15, and on lines 20 to 23, both inclusive, show the total number of tons and ton-miles of revenue freight in column (i) and the total number of passengers carried and passenger-miles in column (c), regardless of the class of vehicle used to perform the transportation service.

In reporting highway motor vehicles in nonrevenue service include those used in maintenance, shops, and storehouses, and transportation of company material; also buses used for transportation of company employees. Exclude automobiles used by officials and employees.

A. OPERATED BY RESPONDENT
(Revenue and nonrevenue service)

Line No.	Item (a)	Bogies (b)	Buses (c)	Chassis (d)
REVENUE SERVICE				
Vehicles owned or leased:				
1	Number available at beginning of year			
2	Number installed during the year			
3	Number retired during the year			
4	Number available at close of year			
Vehicle miles (including loaded and empty):				
Line haul (station to station):				
5	Passenger vehicle miles	XXXXXX		XXXXXX
6	Truck miles		XXXXXX	XXXXXX
7	Tractor miles		XXXXXX	XXXXXX
Terminal service:*				
8	Pick-up and delivery			
9	Transfer service			
Traffic carried:				
10	Tons—Revenue freight—Line haul	XXXXXX	XXXXXX	XXXXXX
11	Tons—Revenue freight—Terminal service only	XXXXXX	XXXXXX	XXXXXX
12	Revenue passengers—Line haul	XXXXXX		XXXXXX
13	Revenue passengers—Terminal service only	XXXXXX		XXXXXX
Traffic handled 1 mile:				
14	Ton-miles—Revenue freight—Line haul	XXXXXX	XXXXXX	XXXXXX
15	Revenue passenger-miles—Line haul	XXXXXX		XXXXXX
NONREVENUE SERVICE				
Vehicles owned or leased:				
16	Number available at beginning of year			
17	Number installed during the year			
18	Number retired during the year			
19	Number available at close of year			

*When performed by vehicles other than those used for line haul.

B. OPERATED BY OTHERS
(Revenue service)

Line No.	Item (a)	Bogies (b)	Buses (c)	Chassis (d)
Traffic carried:				
20	Tons—Revenue freight	XXXXXX	XXXXXX	XXXXXX
21	Revenue passengers	XXXXXX		XXXXXX
Traffic handled 1 mile:				
22	Ton-miles—Revenue freight	XXXXXX	XXXXXX	XXXXXX
23	Revenue passenger-miles	XXXXXX		XXXXXX

421. HIGHWAY MOTOR VEHICLE OPERATIONS—Concluded

"Trailers" means trailer bodies used in TOFC/COFC service which are permanently mounted on running gear. "Containers" means trailer bodies used in TOFC/COFC service which are not permanently mounted

on wheels or chassis, but are separated from such running gear before being loaded on flat cars.

A. OPERATED BY RESPONDENT—Concluded
(Revenue and nonrevenue service)

Containers (e)	Semitrailers (f)	Tractors (g)	Trailers (h)	Trucks (i)	Combination bus-trucks (j)	Line No.
						1
						2
						3
						4
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX		5
XXXXXX		XXXXXX			XXXXXX	6
XXXXXX				XXXXXX	XXXXXX	7
						8
						9
XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX	10
XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX	11
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	12
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	13
XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX	14
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	15
				194		16
				43		17
				47		18
				190 *		19

B. OPERATED BY OTHERS—Concluded
(Revenue service)

Containers (e)	Semitrailers (f)	Tractors (g)	Trailers (h)	Truck (i)	Combination bus-trucks (j)	Line No.
XXXXXX	XXXXXX	XXXXXX	XXXXXX	23,915	XXXXXX	20
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	21
XXXXXX	XXXXXX	XXXXXX	XXXXXX	1,217,438	XXXXXX	22
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	23

* 125 units equipped with hi-rail attachments.

422. HIGHWAY MOTOR-VEHICLE ENTERPRISES IN WHICH THE RESPONDENT HAD A DIRECT OR INDIRECT FINANCIAL INTEREST DURING THE YEAR

Give particulars of highway motor-vehicle enterprises (excluding Railway Express Agency, Inc.) in which the respondent had a financial interest, either directly or indirectly, during the year.

In column (a) identify each motor-vehicle enterprise by name and address, and in column (b) state whether the respondent's interest in such

enterprise was direct or indirect. If the interest was indirect, give the names of all intermediaries.

In column (c) give the date on which respondent first acquired its direct or indirect interest in the enterprise.

Line No.	Name and address of highway motor-vehicle enterprise (a)	Nature of respondent's interest (b)	Date on which respondent's direct or indirect interest was originally acquired (c)
1	Kansas City Southern Transport		
2	Company, Inc.	Direct	May 23, 1933
3			
4			
5	Louisiana, Arkansas & Texas		
6	Transportation Company	Direct	July 1930
7			
8			
9	Landa Motor Lines	Direct	July 1939
10			
11			
12	114 West 11th Street		
13	Kansas City, Missouri 64105		
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

510. GRADE CROSSINGS

A—Railroad With Railroad

1. A crossing of a railroad with a railroad means the intersection of all the tracks on one right-of-way with all of the tracks on another right-of-way, whether or not owned or operated by the same company; thus, the intersection of one double-track line with another double-track line shall be reported as one crossing. Each such crossing shall be reported only by the carrier who performs the actual maintenance of the signal or interlocking protection, if so provided, or by the carrier who maintains the crossing frogs where no protection exists. The carrier which actually performs the maintenance shall be the reporting carrier, even though other party, or parties, assume a part or all of the expense of such maintenance. Where portions of the apparatus are maintained by two or more companies, as for example—the condition where one crossing frog is maintained by one company and the second frog by the other company, agreement should be made between carriers as to which shall report. Report should be made of each crossing, whether main line, branch line, or switching tracks are involved, so long as separate rights-of-way are involved, regardless of whether or not the rights-of-way involved are

owned or leased by the same company. A cross-over from one track to another on the same right-of-way, or the use of a crossing frog for the intersection of two tracks in the same right-of-way, is not to be considered as a crossing in this connection. If one right-of-way intersects two or more rights-of-way in the same vicinity a separate crossing shall be reported for each such intersection, even though all are controlled by one interlocking plant. In such case, this fact should be explained in a footnote in order that the interlocking plant may not be counted more than once.

2. The term "Protection" as used in this connection should include all signalling or derailing devices which may restrict the use of the crossing by either carrier. It shall not include stationary or other cautionary signs which merely indicate the proximity of a crossing. Where crossings are protected by more than one of the types of protection shown in columns (b) to (i) inclusive, the kind of protection, etc., should be reported in only one classification and that of the more elaborate type.

Line No.	Number of crossings (a)	Interlocking (b)	Automatic signals (automatic interlocking) (c)	Details on one line, no protection on other (d)	Hand-operated signals, without interlocking (e)	Gates (f)	Total specially protected (g)	Total not specially protected (h)	Grand total (i)
1	Number at beginning of year	8	9		2	15	34	59	93
2	Crossings added: New crossings								
3	Change in protection								
4	Crossings eliminated: Separation of grade								
5	Change in protection								
6	Other causes								
7	Number at close of year	8	9		2	15	34	59	93
8	Number at Close of Year by States:								
9									
10	Missouri	1	5		2		8	10	18
11									
12	Kansas					7	7	7	14
13									
14	Oklahoma	1					1		1
15									
16	Arkansas	1				1	2	6	8
17									
18	Louisiana	3	4			7	14	31	45
19									
20	Texas	2					2	5	7
21									
22									
23									
24									
25									

510. GRADE CROSSINGS—Continued

B—Railroad With Highway

1. A highway grade crossing is to be regarded as a single crossing of all of the tracks within the adjacent owned or leased right(s) of way of the railroad(s) at the point of intersection with a publicly maintained highway, street or avenue at the same grade to the extent that the tracks are located within the limits of a single set of grade crossing signs or protective devices having an integrated set of actuating circuits.

2. Not to be included are crossings of tracks with private roads leading to or within industrial plants, or with other roads or driveways not dedicated to public use. All crossings of tracks at grade with public roads and streets should be included if any railroad operations are conducted thereover by the reporting company whether or not the track is located on railroad right-of-way.

3. A private grade crossing which becomes public during the year should be reported as a new grade crossing. A grade crossing of a dual or multi-lane highway should be reported as one crossing. In the classification of protection, a crossing having more than one of the classes of protection listed below should be reported once only, using the furthest left column that applies. To avoid

duplicate reporting of jointly owned, jointly maintained or jointly used crossings, one railroad shall be designated the reporting road by mutual agreement of the interested parties.

4. In columns (b) and (c) include grade crossings with or without audible signals. In columns (d) and (e) include grade crossings with or without any type of audible or visible supplemental device. Exclude from columns (f) and (g) those crossings where train movement is protected only by a member of the train crew. Audible signals reportable in column (h) include any train-actuated bell, whistle, siren or other audible device located adjacent to the crossing. Other automatic signals reportable in column (i) include wigwags, Highway Traffic Signals or special types of train-activated devices with or without audible supplements. Include in column (l), in addition to "Railroad Crossing" crossbuck, any other static sign (except "Number of Tracks" sign) or any non-train-actuated signal such as amber continuous-flashing lights. In column (m) report other than railroad crossbuck. Totals in column (o), lines 9 and 10 should be equal, resulting in no change in the total number of crossings.

TYPES OF PROTECTION FOR, AND NUMBERS OF CROSSINGS AT GRADE

Line No.	Item of Annual Change (a)	Automatic gates with flashing lights (b)	Automatic flashing light signals (c)	Gates manually operated		Warning devices only		Audible signals only (h)	Other automatic signals (i)	Total indicating warning of train approach (j)	"Railroad Crossing" crossbuck signs only (k)	Crossbuck signs with other fixed signs (l)	Other fixed signs only (m)	No signs or signals (n)	Total crossings at grade (o)
				24 hours per day (d)	Less than 24 hours per day (e)	24 hours per day (f)	Less than 24 hours per day (g)								
1	Number at beginning of year	21	302						12	335	1,251	38	14	203	1,841
2	Added: By new, extended or relocated highway	1	2							3					3
3	By new, extended or relocated railroad										4				4
4	Total added	1	2							3	4				7
5	Eliminated: By closing or relocation of highway									1				1	2
6	By relocation or abandonment of railroad		1												
7	By separation of grades													1	2
8	Total eliminated		1							1					
9	Changes in protection: Number of each type added	1	3						2	2	2				4
10	Number of each type deducted														4
11	Net of all changes	2	4						(2)	4	2			(1)	5
12	Number at close of year	23	306						10	339	1,253	38	14	202	1,846
13	Number at close of year by States:														
14	Missouri	4	35						7	46	193	2		26	267
15	Kansas	2	9							11	37			14	62
16	Oklahoma	2	19							21	80	20		6	127
17	Arkansas	6	20							26	160	8		23	217
18	Louisiana	5	148						3	156	526	8	14	84	788
19	Texas	4	75							79	257			49	385
20															
21															
22															
23															
24															
25															
26															

511. GRADE SEPARATIONS
Highway-Railroad

1. (a) A highway-railroad grade separation is to be regarded as a single crossing of all of the tracks within the owned or leased right-of-way or contiguous rights-of-way of the railroad(s) at the point of intersection with a publicly maintained highway, street or avenue at separate grades.

(b) Not to be included are structures which serve some major purpose other than the avoidance of conflict of railway movements with highway movements and which contain no design features required for accommodation of the intersecting traffic flow as in the case of major tunnels.

(c) In order to avoid duplicate reporting and possible confusion, in reporting grade separations used or maintained by more than one railroad, the interested parties in each case should designate one line to be the reporting railroad.

2. All separated crossings of tracks with public roads and streets should be included if any railroad operations are conducted thereover by the reporting company whether or not the track is located on railroad owned right-of-way.

3. Not to be included are crossings of tracks with private roads leading to or within industrial plants, or with other roads not dedicated to public use.

4. A private crossing which becomes public during the year should be reported as a new crossing.

5. A crossing of a dual or multi-lane highway should be reported as one crossing.

Line No.	Items of Annual Change (a)	Types and numbers of highway-railroad grade separations		
		Overpass (Highway above railroad) (b)	Underpass (Railroad above highway) (c)	TOTAL (d)
1	Number at beginning of year	146	111	257
2	Added: By new, extended or relocated highway			
3	By new, extended or relocated railroad			
4	By elimination of grade crossing ¹			
5	Total added			
6	Deducted: By closing or relocation of highway			
7	By relocation or abandonment of railroad	1	2	3
8	Total deducted	1	2	3
9	Net of all changes	(1)	(2)	(3)
10	Number at close of year	145	109	254
	Number at close of year by States:			
11				
12				
13	Missouri	36	39	75
14				
15	Kansas	7		7
16				
17	Oklahoma	6	7	13
18				
19	Arkansas	9	4	13
20				
21	Louisiana	72	38	110
22				
23	Texas	15	21	36
24				
25				
26				
27				
28				
29				

¹Total in column (d) should correspond to total number of grade crossings eliminated "By separation of grades", Schedule 510-B, line 7 column (a).

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ANNUAL REPORT 1977 CLASS 1

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KANSAS CITY SOUTHERN RY. CO.

3

513. TIES LAID IN REPLACEMENT

Give particulars of ties laid during the year in previously constructed tracks maintained by the respondent. Do not include any ties used in any new tracks or in track extensions.

In column (a) classify the ties as follows:

(U) Wooden ties untreated when applied.

(T) Wooden ties treated before application.

(S) Ties other than wooden (steel, concrete, etc.). Indicate type in column (h).

Report new and second-hand (relay) ties separately, indicating in column (h) which ties are new.

In columns (d) and (g) should be shown the total cost, including transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply, storage, and seasoning yards; and,

in the case of treated ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines and placing the ties in tracks, and of train service, other than that necessary in connection with loading or treatment, should not be included in this schedule. In these columns, "total cost" is to be reported in thousands.

The sum of entries on lines 21, 22, and 23 should equal the total of columns (d) and (g).

Any material difference between the return on line 22 and the charge to operating expense account No. 212, or between the sum of charges to additions and betterments shown in schedules Nos. 513 and 514 and the related charge to investment account No. 8, should be explained in a footnote.

Line No.	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties laid in previously constructed tracks during year (d)	Number of feet (board measure) applied (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in previously constructed tracks during year (g)	
1	T	393,967	\$ 10.32	\$ 4,064	769,232	\$ 290.30	\$ 223	New
2	S	1,830	24.30	44				New
3								Concrete
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20	Total	395,797	10.38	4,108	769,232	290.30	223	
(Dollars in thousands)								
21	Amount of salvage on ties withdrawn				\$		None	
22	Amount chargeable to operating expenses				\$		4,332	
23	Amount chargeable to additions and betterments				\$		8	
Estimated number of crossties in all maintained tracks:								
24	Wooden ties					Number		Percent of Total
						6,827,401		96.25
25	Other than wooden ties (steel, concrete, etc.)	Concrete				265,713		3.75
26	Total					7,093,114		100.00

Class T - Preservative Process - Creosote Treatment

The difference between the amount shown on Line 22 of this schedule and charges to Account 212 - Ties, Schedule 320, Page 74, Lines 14, 15 and 16, represents profit on ties sold, adjustments relating to prior years' accounts, inventory adjustments relating to prior years' accounts, inventory adjustments on other minor items in accounts but not included in this schedule.

514. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

Give particulars of ties laid during the year in new construction, following the instructions given in the preceding schedule, so far as applicable. In columns (d) and (g), report "total cost" in thousands.

Line No.	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of cross-ties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)	
1	T	3,205	\$ 10.74	\$ 34	58,604	\$ 292.55	\$ 17	New
2	S	1,232	24.68	30				New
3								Concrete
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20	Total	4,437	14.42	64	58,604	292.55	17	
21	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which ties were laid							5
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid							2

515. RAILS LAID IN REPLACEMENT

Give particulars of all rails applied during the year in connection with replacement of rails in previously constructed tracks maintained by the respondent.

In column (a) classify the kind of rail applied as follows:

- (1) New steel rails, Bessemer process.
- (2) New steel rails, open-hearth process.
- (3) New rails, special alloy (describe more fully in a footnote).
- (4) Relay rails.

Returns in columns (c) and (g) should be reported in whole numbers. Fractions of less than one-half should be disregarded, and fractions of one-half or more reckoned as one.

The returns in columns (d) and (h) should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign

lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks, and of train service in connection with the distribution of the rails, should not be included in this schedule. In these columns, "total cost" is to be reported in thousands.

The sum of entries on lines 22, 23, and 24 should equal the total of columns (d) and (h).

Any material difference between the return on line 23 and the charge to operating expense account No. 214, or between the sum of charges to additions and betterments shown in schedules Nos. 515 and 516 and the related charge to investment account No. 9, should be explained in a footnote.

Line No.	Class of rail (a)	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY, AND OTHER SWITCHING TRACKS			
		Weight of Rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year (d)	Average cost per ton (2,000 lb.) (e)	Weight of Rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year (h)	Average cost per ton (2,000 lb.) (i)
		Pounds per yard of rail (b)	Number of tons (2,000 lb.) (c)			Pounds per yard of rail (f)	Number of tons (2,000 lb.) (g)		
1	4	85	86	\$ 4	\$ 43.26	85	303	\$ 43	\$ 141.52
2	4	90	756	23	30.02	90	1,039	33	31.44
3	2	90	31	10	321.77	90	82	27	324.28
4	4	100	31	1	29.84	100	122	19	154.20
5	4	112	265	8	30.05	112	54	3	56.04
6	4	115	82	2	30.04	115	40	3	74.03
7	2	115	8,306	3,074	370.04	115	171	55	322.71
8	4	127	2,030	119	58.59	127	117	6	51.09
9	2	127	21	4	187.38	127			
10	4	136	1,952	100	50.98	136	4	1	183.50
11	2	136	20	5	251.60	136			
12	4	137	84	3	29.89	137			
13	2	137	2,044	702	343.29	137	56	18	319.66
14									
15									
16									
17									
18									
19									
20	Total	X X X X	15,708	4,055	258.15	X X X X	1,988	208	104.63

(Dollars in thousands)

21	Number of tons (2,000 lb.) of relayers and scrap rail taken up	4,342
22	Salvage value of rails released	\$ 89
23	Amount chargeable to operating expenses	\$ 3,107
24	Amount chargeable to additions and betterments	\$ 1,064
25	Miles of new rails laid in replacement (all classes of tracks) †	103.95 (rail-miles)
26	Miles of new and second-hand rails laid in replacement (all classes of tracks) ‡	173.26 (rail-miles)
27	Average weight per yard of new rails laid in replacement (running, passing, and cross-over tracks, etc.) *	118.69 (pounds)
28	Tons of rail sold as scrap and amount received	2,388 (tons of 2,000 lb.): \$ 89
29	Track-miles of welded rail installed this year	57.52 : total to date 184.18

*Classes 1, 2, and 3 rails.—Reduce tonnage in columns (c) and (g) to pounds; divide each result by the respective pounds per yard to obtain the number of yards of each weight of new rail laid in all classes of tracks; divide the total number of yards of new rails laid in all classes of tracks by 1,760; state the quotient with two decimal places.

†Classes 1, 2, 3, and 4 rails.—Reduce tonnage in columns (c) and (g) to pounds; divide each result by the respective pounds per yard to obtain the number of yards of each weight of new and second-hand rail laid in all classes of tracks; divide the total number of yards of new and second-hand rails laid in all classes of tracks by 1,760; state the quotient with two decimal places.

‡Classes 1, 2, and 3 rails.—Reduce tonnage in column (c) to pounds; divide each result by the respective pounds per yard to obtain the number of yards of each weight of new rail laid in running, passing, and cross-over tracks, etc.; divide the total number of pounds of new rails laid in running tracks, etc., by the total number of yards of new rails laid in such tracks.

516. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

Give particulars of rails applied during the year in the construction of new tracks, following the instructions given in the preceding schedule, so far as applicable.

In columns (d) and (h), report "total cost" in thousands.

Line No.	Class of rail (a)	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY, AND OTHER SWITCHING TRACKS			
		Weight of Rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year (d)	Average cost per ton (2,000 lb.) (e)	Weight of Rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year (h)	Average cost per ton (2,000 lb.) (i)
		Pounds per yard of rail (b)	Number of tons (2,000 lb.) (c)			Pounds per yard of rail (f)	Number of tons (2,000 lb.) (g)		
1	2	90	6	\$ 2	\$ 321.25	90	14	\$ 5	\$ 323.57
2	4	90				90	35	3	98.22
3	4	100				100	3	1	225.00
4	2	115				115	24	9	388.25
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16	Total	XXX	6	2	321.25	XXX	76	18	236.84

17 Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid 5

18 Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid 2

19 Track-miles of welded rail installed this year None

517. GAUGE OF TRACK AND WEIGHT OF RAIL

Give the particulars below called for concerning the road and track operated by the respondent at the close of the year. Only the respondent's proportion of jointly-owned mileage should be included. Under "Weight of rail," the various weights of rails should be given. If any part of the road operated at the close of the year is other than standard gauge.

4 feet 8-1/2 inches, show the gauge of each part in column (d). Road and track occupied under trackage right or other form of license should not be included herein, but all road and track held under any form of lease (granting exclusive possession to the lessee) should be included.

Line No.	Weight of rails per yard (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)
	Pounds			
1	136	163.22		
2	133	5.37		
3	132	.39		
4	127	388.49		
5	115	356.89		
6	112	227.74		
7	100	22.63		
8	90	282.54		
9	85	59.15		
10	80	11.34		
11	75	5.23		Includes only 1/2 of 4.55 miles of track jointly owned.
12	70	18.35		
13	60	.75		
14		1,542.09		All track standard gauge 4 ft. 8 1/2 in.
15				
16				

531. STATISTICS OF RAIL-LINE OPERATIONS (See Page 121 for Instructions)

Line No.	Item (a)	Freight trains (b)	Passenger trains (c)	Total transportation service (d)
1	Average mileage of road operated _____	1,669		1,669
	Train-Miles			
2	Diesel locomotives _____	2,800,954		2,800,954
3	Other locomotives _____			
4	Total locomotives _____	2,800,954		2,800,954
5	Motorcars _____			
6	Total train-miles _____	2,800,954		2,800,954
	Locomotive Unit-Miles			
7	Road service _____	8,237,186		8,237,186
8	Train switching _____	492,044		492,044
9	Yard switching _____	1,728,888		1,728,888
10	Total locomotive unit-miles _____	10,458,118		10,458,118
	Car-Miles (Thousands)			
11	Total motorcar car-miles _____			
12	Loaded time-mileage freight cars _____	62,222		62,222
13	Loaded other freight cars _____	59,392		59,392
14	Empty time-mileage freight cars _____	49,216		49,216
15	Empty other freight cars _____	55,350		55,350
16	Caboose _____	2,801		2,801
17	Total freight car-miles (lines 12, 13, 14, 15 and 16) _____	228,981		228,981
18	Passenger coaches _____			
19	Combination passenger cars (mail, express, or baggage, etc., with passenger) _____			
20	Sleeping and parlor cars _____			
21	Dining, grill and tavern cars _____			
22	Head-end cars _____			
23	Total (lines 18, 19, 20, 21, and 22) _____			
24	Business cars _____			
25	Crew cars (other than caboose) _____			
26	Grand total car-miles (lines 11, 17, 23, 24 and 25) _____	228,981		228,981
	Gross Ton-Miles and Train-Hours in Road Service			
27	Gross ton-miles of locomotives and tenders (thousands) _____	1,141,793		1,141,793
28	Gross ton-miles of freight-train cars, contents, and cabooses (thousands) _____	15,080,800		15,080,800
29	Gross ton-miles of passenger-train cars and contents (thousands) _____			
30	Train-hours—Total _____	148,347		148,347
	Revenue and Nonrevenue Freight Traffic			
31	Tons of revenue freight _____	XX XX XX	XX XX XX	28,510,606
32	Tons of nonrevenue freight _____	XX XX XX	XX XX XX	1,610,156
33	Total tons revenue and nonrevenue freight _____	XX XX XX	XX XX XX	30,120,762
34	Ton-miles—Revenue freight in road service (thousands) _____	XX XX XX	XX XX XX	7,690,645
35	Ton-miles—Revenue freight in lake transfer service (thousands) _____	XX XX XX	XX XX XX	
36	Total ton-miles—Revenue freight (thousands) _____	XX XX XX	XX XX XX	7,690,645
37	Ton-miles—Nonrevenue freight in road service (thousands) _____	XX XX XX	XX XX XX	127,754
38	Ton-miles—Nonrevenue freight in lake transfer service (thousands) _____	XX XX XX	XX XX XX	
39	Total ton-miles—Nonrevenue freight (thousands) _____	XX XX XX	XX XX XX	127,754
40	Net ton-miles of freight—Revenue and nonrevenue (thousands) _____	7,818,399		7,818,399
	Revenue Passenger Traffic			
41	Passengers carried—Total _____	XX XX XX	XX XX XX	
42	Passenger-miles—Total _____	XX XX XX	XX XX XX	
	Train-Miles Work Trains			
43	Locomotives _____			34,311
44	Motorcars _____			
45	Total _____			34,311

INSTRUCTIONS CONCERNING SCHEDULE 531 ON PAGE 120

1. Give the various statistical items called for concerning the rail-line operations of respondent's road during the year. Train-miles, car-miles and other particulars are to be reported in accordance with the classification of train-miles and car-miles prescribed in the Uniform System of Accounts for Railroad Companies (Mileage Accounts 800 to 805 and 820 to 825). Locomotive unit-miles should include all miles made by each locomotive unit.

2. Time-mileage freight cars, as used herein, refers to freight cars other than cabooses owned or held under lease arrangement by U.S. class I line-haul railroads, whose interline rental is settled on a per diem and line-haul basis under "Code of Car Hire Rules," or would be so settled if used by another railroad.

3. Item No. 1 includes miles of road operated under trackage rights.

4. All statistics should be reported in whole numbers unless otherwise indicated in thousands. For gross ton-miles compute from conductors' or dispatchers' train reports weight in tons (2,000 pounds). Line 27 includes weight of all locomotive units moved one mile in transportation trains. Ton-miles of motorcars should be excluded. Lines 28 and 29 represent tons behind locomotive units (cars and contents, company-service equipment and cabooses) moved one mile in transportation trains. Include ton-miles of exclusive work service equipment and motorcars moving in

transportation trains. Use 150 pounds as the average weight per passenger and four tons as the average weight of contents of each head-end car.

5. Line No. 35 should represent the ton-miles of revenue freight in water transfer service on the Great Lakes involving a rail-line haul, the revenue from which is includible in account No. 101, "Freight." Ton-miles of revenue freight in water transfer service which was moved on the basis of lawful local tariff rates, the revenue from which is creditable to account No. 113, "Water transfers," should be excluded. Line 36. Total ton-miles—Revenue freight, should correspond to the ton-miles reported on Form OS-B, Item 2.

6. For net ton-miles, Line 40, compute from conductors' train reports. This item represents the number of tons of revenue and non-revenue freight moved one mile in transportation trains. Include a reasonable proportion of the weight of exclusive work equipment moved one mile. Include net ton-miles in motorcar trains. Exclude LCL shipments handled in mixed baggage-express cars.

7. The mileage of company service equipment, designed exclusively for work service and moved in transportation trains, should be classed as loaded freight car-miles.

8. Highway vehicle operations should not be included in Schedule 531 but particulars thereof given in a footnote below.

532. SWITCHING AND TERMINAL TRAFFIC AND CAR STATISTICS

(For switching and terminal companies only)

1. Give particulars of cars handled during the year. For descriptions of kinds of services included in switching operations, and in terminal operations, reference is made to the "Notice" on the inside of the front cover of this form. With respect to the term "cars handled" it should be observed that, when applied to switching operations, the movement of a car from the point at which a switching company receives it, whether loaded or empty, to the point where it is loaded or unloaded or delivered to another connecting line is to be counted as one car handled. The return of a car, whether loaded or empty, from the point where it is loaded or un-

loaded, to the point of delivery is to be counted as one car handled. No incidental movement is to be considered, unless such incidental movement involves the receipt of additional revenue. When applied to terminal operations, such as union station, bridge, ferry, or other joint facility terminal operations, the term "cars handled" includes all cars for which facilities are furnished.

2. The number of locomotive-miles in yard switching service should be computed in accordance with account No. 816, "Yard Switching Locomotive-miles."

Line No.	Item (a)	Switching operations (b)	Terminal operations (c)	Total (d)
	Freight Traffic			
1	Number of cars handled earning revenue—Loaded			
2	Number of cars handled earning revenue—Empty			
3	Number of cars handled at cost for tenant companies—Loaded			
4	Number of cars handled at cost for tenant companies—Empty			
5	Number of cars handled not earning revenue—Loaded			
6	Number of cars handled not earning revenue—Empty			
7	Total number of cars handled			
	Passenger Traffic			
8	Number of cars handled earning revenue—Loaded		Not Applicable	
9	Number of cars handled earning revenue—Empty			
10	Number of cars handled at cost for tenant companies—Loaded			
11	Number of cars handled at cost for tenant companies—Empty			
12	Number of cars handled not earning revenue—Loaded			
13	Number of cars handled not earning revenue—Empty			
14	Total number of cars handled			
15	Total number of cars handled in revenue service (lines 7 and 14)			
16	Total number of cars handled in work service			
17	Number of locomotive-miles in yard switching service: Freight, _____; passenger, _____			

NOTES AND REMARKS

562. COMPENSATION OF OFFICERS, DIRECTORS, ETC.

1. In columns (a) and (b) enter the name and position of each of the five persons named in Schedules 102 and 103 of this report to whom the respondent paid the largest amount during the year as compensation for current or past service over and above necessary expenses incurred in discharge of duties. In addition, list all other officers, directors, pensioners or employees, if any, to whom the respondent paid \$40,000 or more in total compensation during the year.

2. The salary per annum to be entered in column (c) is the annual rate at which an employee is paid rather than the amount actually paid for a part of a year. If the salary of an individual was increased or decreased during the year, show salary before each change as well as at close of year.

3. If an officer, director, etc., receives compensation from one or more of the affiliated companies listed in Schedule 104, reference to this fact should be made if the aggregate compensation from all companies amounts to \$40,000 or more. The detail as to division of the compensation should be reported in schedule 564.

4. Report in column (d) the total amount of compensation other than annual salary paid to each listed employee during the year. This includes forms of nonmonetary compensation given which directly benefits each employee. Examples:

Fair value of property given, such as exclusive use of an automobile;

Amounts paid for membership of the employee in nonbusiness associations, private clubs, etc.;

Commissions, bonuses, shares in profits;

Contingent compensation plans;

Monies paid or accrued for any pension, retirement, savings, retirement annuities, deferred compensation, or similar plan;

Premiums on life insurance where the respondent is not the beneficiary. Do not report premiums on group life insurance for benefits less than \$50,000.

Give the details of any plan not previously reported, the basis of determining the ultimate benefits payable, and the payments or provisions made during the year.

5. Also include in column (d) all remuneration paid, directly or indirectly, in the form of securities, options, warrants, rights or other property. Furnish particulars concerning any options, warrants, or rights issued or granted during the year including prices, expiration dates and other information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by each officer, director, etc. (Dollars in thousands)

Line No.	Name of person (a)	Position or Title (b)	Salary per annum as of close of year (see instructions) (c)	Other compensation during the year (d)
1	W. N. Deramus III	Chairman of Board	\$ 105,000.00	\$
2		& Chief Executive Officer	125,000.00	1,950.00*
3			eff. 2/1/77	
4				
5	T. S. Carter	President & Chief	65,000.00	
6		Operating Officer	80,000.00	1,950.00*
7			eff. 2/1/77	
8				
9	T. A. Giltner	Vice President &	45,000.00	
10		Comptroller	48,600.00	
11			eff. 2/1/77	
12				
13	R. L. Hines, Sr.	Vice President	42,500.00	
14			45,260.00	
15			eff. 2/1/77	
16			48,000.00	
17			eff. 6/1/77	
18				
19	G. E. Kellogg	Senior Vice President	43,000.00	
20		& Secretary	47,300.00	750.00*
21			eff. 2/1/77	
22				
23	M. F. McClain	Vice President-	43,000.00	
24		Marketing & Asst.	47,300.00	
25		to Chairman	eff. 2/1/77	
26				
27	J. L. Deveney	Vice President-	35,700.00	
28		Personnel	39,450.00	
29			eff. 2/1/77	
30			47,000.00	
31			eff. 7/1/77	
32	* Directors' Fees			
33				
34				
35				
36				
37				
38				

563. PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES AND AFFILIATES

1. In the form below give information concerning payments, fees, retainers, commissions, gifts, contributions, assessments, bonuses, pensions, subscriptions, allowance for expenses, or any form of payments amounting in the aggregate to \$50,000 or more during the year to any corporation, institution, association, firm, partnership, committee, or any person, except:

(a) Payments to employees of the respondent shall be reported in Schedule 562.

(b) Payments for services rendered by affiliates shall be reported in Schedule 564.

(c) Payments for accounting and audit fees must be reported in full regardless of the \$50,000 limitation. These fees must not be included with management fees paid to parent companies.

2. The aggregate of payments to be reported in column (c) shall include amounts paid and/or accrued during the year which are applicable to the year.

3. When contributions under \$50,000 are made in common with other carriers under a joint arrangement in payment for the performance of services or as a donation, each such contribution shall be reported, irrespective of the amount thereof, if the total amount paid by all contributors for the performance of the particular service is equal to the sum of \$100,000 or more.

4. Payments to the independent public accountant reporting on the respondent's annual report shall be subdivided to show separately the amount paid for auditing and the total amount paid for other types of management services such as, but not limited to, compensation plans, pension plans, forecasts and budgets, and tax advice. All carriers, whether payments aggregate more or less than \$50,000, shall answer the following question.

Did the independent accountant reporting on the respondent's annual report provide any management services other than auditing?

Specify. Yes ☐ No ☐

5. To be included are, among others, payments, directly or indirectly, for legal, medical, engineering, advertising, valuation, accounting, statistical, financial, educational, entertainment, charitable, advisory, defensive, detective, developmental, research, appraisal, registration, purchasing, architectural, and hospital services; payments for expert testimony and for handling wage disputes; and payments for services of banks, bankers, trust companies, insurance companies, brokers, trustees, promoters, solicitors, consultants, actuaries, investigators, inspectors, and efficiency engineers. Payments to the various railroad associations, commissions, committees, bureaus, boards, and other organizations maintained jointly by railroads shall also be included. The enumeration of these kinds of payments should not be understood as excluding other payments for services not excluded below.

6. To be excluded are: Rent of buildings or other property, taxes payable to the Federal, State, or local Governments, payments for heat, light, power, telegraph, and telephone services, and payments to other carriers on the basis of lawful tariff charges or for the interchange of equipment between carriers, as well as other payments for services which both as to their nature and amount may reasonably be regarded as ordinarily connected with the routine operation, maintenance, or construction of a railroad, but any special and unusual payments for services should be reported. Payments of \$50,000 or more to organizations maintained jointly by railroads with other railroads are not to be excluded even if their services are regarded as routine.

7. If more convenient, this schedule may be filled out for a group of roads considered as one system and shown only in the report of the principal road in the system, with references thereto in the reports of the other roads. When the respondent is reporting on a system basis, audit fees must be reported separately for each individual railroad included in the system.

8. If any doubt exists in the mind of the reporting officer as to the reportability of any type of payment, request should be made for a ruling before filing this report.

(Dollars in thousands)

Line No.	Name of recipient (a)	Description of service (b)	Amount of payment (c)
1	Association Of American RR.	Proportion of Maintenance and Operations	\$ 229
2	Western Railroad Association	" " " " "	476
3	Southeastern RR Asstd. Bureau	" " " " "	39
4	Natl. Ry. Labor Conference	" " " " "	19
5	Hartford Insurance Company	Insurance Premiums on Employees	391
6	Aetna Life & Casualty	" " " " "	297
7	Benefit Trust Life Insurance	" " " " "	17
8	Provident Life & Accident Ins.	" " " " "	41
9	Travelers Insurance Company	" " " " "	2,340
10	Great Western Enterprises	Services Rendered	376
11	Servitron, Inc.	" " " " "	1,251
12	Trans-Mark Services, Inc.	" " " " "	3,402
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			

**564. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT
FOR SERVICES RECEIVED OR PROVIDED**

1. Furnish the information called for below concerning each contract, agreement or arrangement (written or unwritten) in effect at any time during the year between the respondent and the affiliated companies listed in Schedule 104, or persons affiliated with the respondent including officers, directors, stockholders, owners, partners or their wives and other close relatives, or their agents. Examples of transactions are, but not restricted to, management, legal, accounting, purchasing or other type of service including the furnishing of materials, supplies, purchase of equipment, leasing of structures, land and equipment, and agreements relating to allocation of officers salaries and other common costs between affiliated companies.

To be excluded are payments for the following types of services:

- (a) Lawful tariff charges for transportation services.
- (b) Payments to or from other railroads for interline services and interchange of equipment.
- (c) Payments to or from other railroads for services which may reasonably be regarded as ordinarily connected with routine operation, maintenance, or construction of a railroad, but any special or unusual transactions should be reported.
- (d) Agreements relating to joint pension plans with affiliated companies should be reported in explanatory notes section of Schedule 200 (p. 13)

2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$30,000 or more for the year. If an affiliated company provides services to more than one affiliate, and the aggregate compensation amounts to \$30,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of charges in column (d). If the respondent provides services to more than one affiliate, and the aggregate compensation amounts to \$30,000 or more for the year, reference to this fact should be made and the detail as to the allocation of charges should be stated. For those affiliates providing services to the respondent, also enter in column (a) the percent of affiliate's gross income derived from transactions with respondent.

Attach a balance sheet and income statement for each affiliate with which respondent had reportable transactions during the year. These statements should be prepared on the same accounting

year basis and in conformity with the balance sheet and income statement in annual report form A, and should be noted to indicate method of depreciating property, if any, furnished to the respondent. Balance sheet and income statement are not required for affiliated carriers filing annual reports with the Commission.

3. In column (b) indicate form of affiliation or control between the respondent and the company or person identified in column (a) as follows:

- (a) If respondent directly controls affiliate insert the word "direct".
- (b) If respondent controls through another company insert the word "indirect".
- (c) If respondent is under common control with affiliate insert the word "common".
- (d) If respondent is controlled directly or indirectly by the company listed in column (a) insert the word "controlled".
- (e) If control is exercised by other means such as a management contract or other arrangement of whatever kind insert the word "other" and footnote to describe such arrangements.

4. In column (c) fully describe the character of service involved such as management fees, lease of building, purchase of material, etc. When the affiliate listed in column (a) provides more than one type of service in column (c), list each type of service separately and show total for the affiliate. When services are both provided and received between the respondent and an affiliate they should be listed separately and the amounts shown separately in column (g).

5. In column (d) fully describe the basis for computing charges under each contract, agreement, etc.

6. In columns (e) and (f) indicate the date and term of each contract or arrangement. If oral contract, indicate with symbol "O".

7. In column (g) report the total amount received, paid, or accrued during the year which is applicable to the year, for each type of service listed in column (c). Indicate purchase items with the symbol "P" and sales items with the symbol "S". Do not report net figures when services are both provided and received between the respondent and an affiliate.

(Dollars in thousands)

Line No.	Name of Company or Individual and percent of gross income from respondent carrier (a)	%	Form of Affiliation (b)	Character of Service (c)	Basis of Charge (d)	Contract		Total Charges for Year	
						Date (e)	Term (f)	(P)(S)	(g)
1	Oliver Advertising, Inc.	0	Common	General Advertising	Cost + 15%		0		\$ 11
2	KCS Industries, Inc.	73	Controlled	General Accounting & Legal	Revenue Prorate				2,657
3	Southern Development Co.	51	Common	Rental	\$9.89 Sq. Ft.	1-1-77			440
4	Carland, Inc.	93	Common	Rental Equipment	Various	Various	8 Yrs		2,063
5	Rice-Carden Corporation	9	Common	Dockage Rental	Tariff Rate		0		75
6	Veals, Inc.	100	Common	Microwave Rental & Mtnc.	Cost + 2%	9-26-73	5 Yrs		887
7	Tolmak, Inc.	100	Common	Rental Tracks & Repairs	6% Valuation Cost				302
8	Data-Sys-Tance, Inc.	11	Common	Computer Rental	\$43,000 Per Month				516
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									

565. OTHER TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT

1. Furnish the information called for below concerning transactions between the respondent and the affiliated companies listed in Schedule 104, or persons affiliated with the respondent including officers, directors, stockholders, owners, partners or their wives and other close relatives, or their agents. Examples of transactions are, but not limited to, purchase, sale or transfer of equipment, land, structures, securities or other assets aggregating \$30,000 in value for the year.

2. In column (a) enter the name of the affiliated company, person, or agent with which, respondent transacted purchase, sale or transfer.

3. In column (b) indicate form of affiliation or control between the respondent and company or person identified in column (a) in accord with instruction No. 3 to Schedule 564.

4. In column (c) briefly describe the kind of asset purchased, sold or transferred.

5. In column (d) report the total of all purchases, sales or transfers of property with a value of \$30,000 or more. If individual items are less than that amount, report the total of all purchases or sales with the company or individual named in column (a) when the aggregate of such items is \$30,000 for the year. Indicate purchase items with the symbol "P" and sales items with the symbol "S".

6. In column (e) summarize the book cost, less accrued depreciation if applicable, for each item reported in column (d).

7. In column (f) report the net profit or loss for each item (column (d) less column (e)).

8. Answer all questions at bottom of schedule. (Dollars in thousands)

Line No.	Name of Company or Individual (a)	Form of Affiliation (b)	Description of Items (c)	Sales or Purchase Price (d)	Net Book Value (e)	Gain or (Loss) (f)
1	Kansas City Southern			\$	\$	\$
2	Industries, Inc.	Controlled	Advance In Open Account	5,500	5,500	
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

With respect to the transactions listed above, were any gains or losses incurred by other affiliated companies in the six (6) accounting years preceding this report year on the transfer of the item to the company or individual named in column (a)? Specify. Yes ___ No ___ If yes, give particulars of prior transaction such as sales price, and gain or loss.

Where any services provided or assets transferred between respondent and affiliated companies or individuals during the year for which no charges were assessed? Specify. Yes ___ No ___ If yes, explain.

**566 A. TRANSACTIONS BETWEEN NONCARRIER SUBSIDIARIES OF RESPONDENT AND OTHER AFFILIATED COMPANIES OR PERSONS
FOR SERVICES RECEIVED OR PROVIDED**

1. Furnish the information called for below concerning transactions between noncarrier subsidiaries of the respondent and other affiliated companies for services received or provided in accord with instruction No. 1 to Schedule 564.

2. In column (a) enter the name of the noncarrier subsidiary of respondent.

3. In column (b) enter the name of other affiliated company with which the noncarrier subsidiary received or provided services aggregating \$30,000 or more for the year.

4. In column (c) indicate form of affiliation or control between noncarrier subsidiary and other affiliated company identified in column (b) in accord with instruction No. 3 to Schedule 564.

5. In column (d) fully describe the character of service involved such as management fees, lease of building, purchase of material, etc. If more

than one type of service is provided, list each type of service separately. When services are both provided and received between the noncarrier subsidiary and other affiliate they should be listed separately and the amounts shown separately in column (h).

6. In column (e) fully describe the basis for computing charges under each contract, agreement, etc.

7. In columns (f) and (g) indicate the date and term of each contract or arrangement. If oral contract, indicate with symbol "O".

8. In column (h) report the total amount received, paid, or accrued during the year which is applicable to the year, for each type of service listed in column (d). Indicate purchase items with the symbol "P" and sales items with the symbol "S". Do not report net figures when services are both provided and received between the noncarrier subsidiary and other affiliate. (Dollars in thousands)

Line No.	Name of Respondent's Noncarrier Subsidiary Company (a)	Name of Other Affiliated Company (b)	Form of Affiliation (c)	Character of service (d)	Basis of Charge (e)	Contract		Total Charges for Year	
						Date (f)	Term (g)	(P)(S)	(h)
1	Southern Development Co	Kansas City Southern Industries, Inc.	Indirect	Rent	\$36,648 Monthly	1-1-77	None		\$ 440
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									

566 B. OTHER TRANSACTIONS BETWEEN NONCARRIER SUBSIDIARIES OF RESPONDENT AND OTHER AFFILIATED COMPANIES OR PERSONS

1. Furnish the information called for below concerning other transactions between noncarrier subsidiaries of the respondent and other affiliated companies in accord with instruction No. 1 to Schedule 565.

2. In column (a) enter the name of the noncarrier subsidiary of respondent.

3. In column (b) enter the name of other affiliated company with which the noncarrier subsidiary transacted a purchase, sale or transfer of equipment, land, structures, securities or other assets aggregating \$1,000 in value for the year.

4. In column (c) indicate form of affiliation or control between noncarrier subsidiary and other affiliated company identified in column (b) in accord with instruction No. 3 to Schedule 564.

5. In column (d) briefly describe the kind of asset purchased, sold or transferred.

6. In column (e) report the total of all purchases, sales or transfers of property with a value of \$30,000 or more. If individual items are less than that amount, report the total of all purchases or sales when the aggregate of such items is \$30,000 for the year. Indicate purchase items with the symbol "P" and sales items with the symbol "S".

7. In column (f) summarize the book cost, less accrued depreciation if applicable, for each item reported in column (e).

8. In column (g) report the net profit or loss for each item (column (e) less column (f)).

9. Answer all questions at bottom of schedule.
(Dollars in thousands)

Line No.	Name of Respondent's Noncarrier Subsidiary Company (a)	Name of Other Affiliated Company (b)	Form of Affiliation (c)	Description of Item (d)	Sales or Purchase Price (e)	Net Book Value (f)	Gain or (Loss) (g)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							

With respect to the transactions listed above, were any gains or losses incurred by other affiliated companies in the six (6) accounting years preceding this report year on the transfer of the item to the company or individual named in column (b)? Specify: Yes . . . No . . . If yes, give particulars of prior transaction such as sales price, and gain or loss.

Were any services provided or assets transferred between noncarrier subsidiaries of respondent and other affiliated companies or individuals for which no charges were assessed? If so, explain.

571. CONSUMPTION OF FUEL BY MOTIVE-POWER UNITS

Show hereunder the amounts of the various kinds of fuel consumed by locomotive units and motors or other self-propelled rail cars in the service of the respondent during the year, and the number of kilowatt-hours for such tractive equipment as was propelled by electricity. The ton of 2,000 pounds should be used.

Kilowatt-hours, for entry in column (c) of section A, and column (h) of section B, are to be figures at high tension taps (point of production or point of purchase), and divided among the several classes of service, the division being made on the respondent's best estimate if actual figures are not available.

A. LOCOMOTIVES

Line No.	Kind of locomotive service (a)	Diesel	Electric	Other (Steam, Gas Turbine, Etc.)	
		Diesel oil (gallons) (b)	Kilowatt-hours (c)	Coal (tons) (d)	Fuel oil (gallons) (e)
1	Freight	24,937,605			
2	Passenger				
3	Yard switching	3,391,591			
4	Total	28,329,196			
5	Cost of Fuel*	\$ 9,962	\$	\$	\$
6	Work Train	99,390			

B. RAIL MOTORCARS

Line No.	Kind of locomotive service (f)	Diesel	Electric	Gasoline
		Diesel oil (gallons) (g)	Kilowatt-hours (h)	Gasoline (gallons) (i)
7	Freight			
8	Passenger			
9	Yard switching			
10	Total			
11	Cost of Fuel*	\$	\$	\$
12	Work Train			

*Show cost of fuel charged to train and yard service (accounts Nos. 382 and 394, for other than electric, and accounts Nos. 383, 384, 395, and 396, for electric). The cost stated for the various kinds of fuel should be the total charges in the accounts specified, including freight charges and handling expenses. The cost stated for electric current should be the total charges in the accounts enumerated. Fuel and power consumed by mixed and special trains that are predominantly freight should be included in freight service, but where the service of mixed or special trains is predominantly passenger, the fuel and power used should be included in passenger service. (Dollars in thousands)

581. CONTRACTS, AGREEMENTS, ETC.

1. Hereunder give a concise statement of each important contract, agreement, arrangement, etc., with other companies or persons, together with important revisions, modifications, terminations, and other changes thereof, which became effective during the year, and concerned in any way the transportation of persons or things at other than tariff rates, or the purchase of equipment under conditional sales plans without the issuance of securities by respondent, making such statements in the following order:

- (a) Express companies.
- (b) Mail.
- (c) Sleeping, parlor, and dining-car companies.
- (d) Freight or transportation companies or lines.
- (e) Other railway companies.
- (f) Steamboat or steamship companies.
- (g) Telegraph companies.
- (h) Telephone companies.
- (i) Equipment purchased under conditional sales contracts.
- (j) Routing traffic of affiliated companies.
- (k) Other contracts.

2. Under item 1(e), include particulars of joint facility arrangements entered into during the year by the respondent, including those maintained or operated by other carriers as well as those maintained or operated by respondent. For each joint facility, give a brief statement of the basis or bases on which revenues, expenses, taxes, interest on investment, and other items, if any, related to the facility are apportioned among the carriers using the facility or otherwise deriving benefit therefrom.

3. Under item 1(i), give particulars of conditional sales agreements, lease or rental contracts, and other similar instruments, entered into by respondent for the purchase of equipment, which provide for payment in installments and do not involve the issuance of securities by respondent. State the names of the parties to the contracts or agreements, the number

of units of each class of equipment covered, and the terms and conditions of payment.

4. Under item 1(j) give particulars of arrangements, written or oral with affiliated companies for routing of traffic. Through route arrangements for handling of traffic interchanged with carrier affiliates should not be reported.

5. Under item 1(k), Other contracts, describe briefly the particulars of all contracts or agreements, including estimated amounts receivable, under which a government agency, or instrumentality thereof, seeks to assist respondent with grants or aid for providing passenger commuter or other passenger-train services.

6. Information concerning contracts of minor importance may be omitted. A contract of minor importance is defined as one involving receipts or payments of less than \$25,000 per year, and which, by its terms, is otherwise unimportant.

7. In lieu of giving abstracts, copies of contracts may be filed. Every copy of a contract furnished in connection with the foregoing requirement should be listed hereunder.

8. The basis for computing receipts and payments should be fully stated in the case of each such contract, agreement, or arrangement.

9. Compliance with the requirements of this schedule does not relieve the respondent of the duty placed upon common carriers by section 6(5), Part I, of the Interstate Commerce Act, which reads as follows:

"Every common carrier subject to this part shall also file with said Commission copies of all contracts, agreements, or arrangements with other common carriers in relation to any traffic affected by the provisions of this part to which it may be a party. Provided, however, that the Commission, by regulations, may provide for exceptions from the requirements of this paragraph in the case of any class or classes of contracts, agreements, or arrangements, the filing of which, in its opinion, is not necessary in the public interest."

1 (k). Contract 27235 of March 1, 1977 between Ford Motor Credit Co. assigned to Manufacturers National Bank, Trustee and ACF Industries, Inc. covering lease of 450 100-Ton box cars over a period of 15 years or to July 25, 1992.

Various agreements dated in 1977 between Carland, Inc. and respondent for lease of equipment for terms of 3 and 5 years.

	<u>Description</u>	<u>Annual Rental</u>
66	Cars and Trucks	\$219,963
5	Roadway Machines and Equipment	31,108
4	Remanufactured EMD Engines	60,335
	Mechanical Equipment	58,590
	Miscellaneous Equipment	61,029

Schedule 585.—COMPETITIVE BIDDING — CLAYTON ANTITRUST ACT

Section 10 of the Clayton Antitrust Act (15 U.S.C. 20) states that "no common carrier engaged in commerce shall have any dealings in securities, supplies or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than \$50,000, in the aggregate, in any one year, with another corporation, firm, partnership or association when the said common carrier shall have upon its board of directors or as its president, manager or as its purchasing or selling officer, or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial interest in, such other corporation, firm, partnership or association, unless and except such purchases shall be made from, or such

dealings shall be made with, the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission." The specification for competitive bids is found in the Code of Federal Regulations, Part 1010-Competitive Bids through Part 1010.7 - Carriers Subject to the Interstate Commerce Act.

In column (g), identify the company awarded the bid by including company name and address, name and title of respondent officers, directors, selling officer, purchasing officer and/or general manager that has an affiliation with the seller.

Line No.	Nature of bid (a)	Date Published (b)	Contract number (c)	No. of bidders (d)	Method of awarding bid (e)	Date filed with the Commission (f)	Company awarded bid (g)
1	Leasing of certain equipment including	St. Louis Globe	Lease Numbers 900 - 901	One	Selected most favorable bid.	November 16, 1977	Carland, Inc. 1221 Baltimore
2	railway rolling	Democrat					Kansas City, Missouri
3	stock, maintenance-	Sept. 26-28,					64105
4	of-way equipment,	Oct. 3-5,					
5	highway rolling	1977					
6	stock, construction						No officer director,
7	and paving equipment,						selling officer,
8	water carrier equip-	Kansas City					purchasing officer or
9	ment, data proces-	Times and					general manager had an
10	sing equipment,	Star					affiliation with the
11	communications	Sept. 26-28,					lessor.
12	equipment and	Oct. 3-5,					
13	miscellaneous	1977					
14	equipment						
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
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27							
28							
29							
30							

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondent. It should be verified, also, by the oath of the president or other chief officer of the respondent, unless the respondent states on the last preceding page of this report that such chief officer has no control over the accounting of the respondent. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

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

State of MISSOURI
County of JACKSON } ss:

T. A. Giltner makes oath and says that he is Vice President and Comptroller
(Insert here the name of the affiant) (Insert here the official title of the affiant)

Of The Kansas City Southern Railway and Controlled Companies
(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Interstate Commerce Commission, effective during the said period; that he has carefully examined the said report and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 1977, to and including December 31, 1977

T. A. Giltner
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the State and county above named,
this 30th day of March, 1978
My commission expires JUN 20 1981

Use an
L.S.
impression seal

James J. Bertchle Jr.
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of _____
County of _____ } ss:

The Chief Officer of the respondent
has no control over the accounts.

_____ makes oath and says that he is _____
(Insert here the name of the affiant) (Insert here the official title of the affiant)

of _____
(Insert here the exact legal title or name of the respondent)

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operations of its property during the period of time from and including _____, 19____, to and including _____, 19____

(Signature of affiant)

Subscribed and sworn to before me, a _____, in and for the state and county above named,
this _____ day of _____, 19____
My commission expires _____

Use an
L.S.
impression seal

(Signature of officer authorized to administer oaths)

MEMORANDA
(FOR USE OF COMMISSION ONLY)

CORRESPONDENCE

[illegible]

CORRECTIONS

[illegible]

EXPLANATORY REMARKS

CORRECTION

**The preceding document has been re-
photographed to assure legibility and its
image appears immediately hereafter.**



NOTES AND REMARKS

SUPPLEMENTARY SCHEDULES FOR ACCOUNT OF

THE KANSAS CITY SOUTHERN RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY
THE ARKANSAS WESTERN RAILWAY COMPANY
FORT SMITH AND VAN BUREN RAILWAY COMPANY
CARLAND, INC.

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)
			\$	\$
	CURRENT ASSETS			
1	(701) Cash		(1,915)	(3,295)
2	(702) Temporary cash investments (p. 23)		3,350	1,300
3	(703) Special deposits (p. 23)		83	90
4	(704) Loans and notes receivable (p. 23)			
5	(705) Traffic, car service and other balances—Dr.			155
6	(706) Net balance receivable from agents and conductors		(783)	(956)
7	(707) Miscellaneous accounts receivable		2,131	1,410
8	(708) Interest and dividends receivable		190	116
9	(709) Accrued accounts receivable (p. 23)		8,655	7,260
10	(710) Working fund advances		736	736
11	(711) Prepayments (p. 23)		294	285
12	(712) Material and supplies		14,149	11,884
13	(713) Other current assets (p. 23)		12	20
14	(714) Deferred income tax charges (p. 87)			
15	Total current assets		26,902	19,005
	SPECIAL FUNDS			
		(a1) Total book assets at close of year	(a2) Respondent's own issues included in (a1)	
16	(715) Sinking funds (pp. 24 and 25)	9	None	9
17	(716) Capital and other reserve funds (pp. 24 and 25)	1,437	None	1,187
18	(717) Insurance and other funds (pp. 24 and 25)	111	None	195
19	Total special funds		1,557	1,300
	INVESTMENTS			
20	(721) Investments in affiliated companies (pp. 28-31)		22,594	18,964
21	Undistributed earnings from certain investments in account 721 (pp. 35A and 35B) *			
22	(722) Other investments (pp. 32-35)		4	4
23	(723) Reserve for adjustment of investment in securities—Credit (p. 27, Instruction 9)		(40)	(40)
24	(724) Allowance for net unrealized loss on noncurrent marketable equity securities—Cr.			
25	Total investments (accounts 721, 722, 723, and 724)		22,558	18,928
	PROPERTIES			
26	(731) Road and equipment property: Road		90,248	85,588
27	Equipment		137,738	128,978
28	General expenditures		2,336	2,347
29	Other elements of investment			
30	Construction work in progress		3,091	2,294
31	Total (pp. 38-41)		233,413	219,207
32	(732) Improvements on leased property: Road			
33	Equipment			
34	General expenditures			
35	Total (pp. 38-41)			
36	Total transportation property (accounts 731 and 732)		233,413	219,207
37	(733) Accrued depreciation—Improvements on leased property (p. 45 B)			
38	(735) Accrued depreciation—Road and equipment (pp. 45 and 46)		(67,403)	(62,910)
39	(736) Amortization of defense projects—Road and Equipment (p. 47)		(515)	(515)
40	Recorded depreciation and amortization (accounts 733, 735 and 736)		(67,918)	(63,425)
41	Total transportation property less recorded depreciation and amortization		165,495	155,782
42	(737) Miscellaneous physical property (pp. 52 and 53)		4,940	4,946
43	(738) Accrued depreciation - Miscellaneous physical property (pp. 52 and 53)		(867)	(784)
44	Miscellaneous physical property less recorded depreciation (account 737 less 738)		4,073	4,162
45	Total properties less recorded depreciation and amortization		169,568	159,944

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.

*Refer to Consolidated Balance Sheet, Page 10

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		\$	\$
46	(741) Other assets (p. 54)		66	196
47	(743) Other deferred charges (p. 54)		3,149	2,467
48	(744) Accumulated deferred income tax charges (p. 87)			
49	Total other assets and deferred charges		3,215	2,663
50	TOTAL ASSETS		223,800	201,840

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 — \$

(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 — \$

— 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 — \$

(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 — \$

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes — \$

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax accrual — \$()

Other adjustments (indicate nature such as recapture on early disposition) — \$

(iii) Show the amount of investment tax credit carryover at year end — \$

(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 — \$

(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 — \$

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

Description of obligation	Year accrued	Account No.	Amount
			\$

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 parentheses.

Line No	Account or item (a)	(Dollars in thousands)	Balance at close of year (b)	Balance at beginning of year (c)	
CURRENT LIABILITIES					
51	(751) Loans and notes payable (p. 63)		\$	\$	
52	(752) Traffic, car service and other balances—Cr.		59		
53	(753) Audited accounts and wages payable		4,094	4,263	
54	(754) Miscellaneous accounts payable		1,182	1,035	
55	(755) Interest matured unpaid		34	42	
56	(756) Dividends matured unpaid		47	46	
57	(757) Unmatured interest accrued		1,515	1,321	
58	(758) Unmatured dividends declared		210		
59	(759) Accrued accounts payable (p. 63)		10,340	7,397	
60	(760) Federal income taxes accrued (p. 64)		(161)	185	
61	(761) Other taxes accrued (p. 64)		1,979	1,632	
62	(762) Deferred income tax credits (p. 87)				
63	(763) Other current liabilities (p. 63)		2,928	1,733	
64	Total current liabilities (exclusive of long-term debt due within one year)		22,227	17,654	
LONG-TERM DEBT DUE WITHIN ONE YEAR					
65	(764) Equipment obligations and other debt (pp. 56-59)	(a1) Total issued 8,747	(a2) Held by or for respondent None	8,747	9,160
LONG-TERM DEBT DUE AFTER ONE YEAR					
66	(765) Funded debt unmatured (pp. 56-59)	(a1) Total issued 35,147	(a2) Held by or for respondent 3,554	31,593	34,966
67	(766) Equipment obligations (pp. 56-59)	24,717	None	24,717	30,009
68	(766.5) Capitalized lease obligations	28,900	None	28,900	16,811
69	(767) Receivers' and Trustees' securities (pp. 56-59)				
70	(768) Debt in default (pp. 56-59)				
71	(769) Amounts payable to affiliated companies (p. 62)			515	470
72	(770.1) Unamortized discount on long-term debt				(110)
73	(770.2) Unamortized premium on long-term debt			70	88
74	Total long-term debt due after one year			85,795	82,234
RESERVES					
75	(771) Pension and welfare reserves (p. 65)				
76	(774) Casualty and other reserves (p. 65)			2,851	2,612
77	Total reserves			2,851	2,612
OTHER LIABILITIES AND DEFERRED CREDITS					
78	(781) Interest in default (p. 58)				
79	(782) Other liabilities (p. 65)			367	202
80	(784) Other deferred credits (p. 65)			706	564
81	(785) Accrued liability—Leased property (p. 45A)			11	10
82	(786) Accumulated deferred income tax credits (p. 87)			22,890	18,746
83	Total other liabilities and deferred credits			23,974	19,522
SHAREHOLDERS' EQUITY					
Capital stock (Par or stated value)					
84	(791) Capital stock issued: Common stock (p. 67)	(a1) Total issued 36,000	(a2) Nominally issued securities	36,000	36,000
85	Preferred stock (p. 67)	21,000		21,000	21,000
86	Total	57,000			
87	(792) Stock liability for conversion (p. 68)				
88	(793) Discount on capital stock				
89	Total capital stock			57,000	57,000
Capital surplus					
90	(794) Premiums and assessments on capital stock (p. 69)				
91	(795) Paid-in surplus (p. 69)				
92	(796) Other capital surplus (p. 69)				
93	Total capital surplus				

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 begin- ning of year (c)
	<i>Retained income</i>		\$	\$
94	(797) Retained income—Appropriated (p. 69)		1,994	1,647
95	(798) Retained income—Unappropriated (p. 20)		21,252	12,051
96	(798.1) Net unrealized loss on noncurrent marketable equity securities			
97	Total retained income		23,246	13,698
	<i>Treasury Stock</i>			
			40	40
98	(798.5) Less: Treasury stock		80,206	70,658
99	Total shareholders' equity			
100	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		223,800	201,840

200. COMPARATIVE GENERAL BALANCE SHEET-EXPLANATORY NOTES—Continued

3. 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 \$

4. 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 \$

5. (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: \$

(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?

6. 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

7. State separately amounts of deferred maintenance and delayed capital improvements as reported to the Commission in Ex Parte No. 305 as of close of year:

Deferred maintenance \$

Delayed capital improvements \$

EXPLANATORY NOTES ARE CONTINUED ON PAGE 14

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 deduction 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)
	ORDINARY ITEMS	\$	\$	\$
	OPERATING INCOME			
	Railway Operating Income			
1	(501) Railway operating revenues (p. 73)	103,624	97,842	
2	(531) Railway operating expenses (p. 74)	76,752	75,115	
3	Net revenue from railway operations	26,872	22,727	
4	(532) Railway tax accruals (p. 86)	7,495	8,324	
5	(533) Provision for deferred taxes (p. 87)	4,144	996	
6	Railway operating income	15,233	13,407	
	Rent Income			
7	(503) Hire of freight cars and highway revenue equipment—			
	Credit balance (p. 90)			
8	(504) Rent from locomotives (p. 91)	91	44	
9	(505) Rent from passenger-train cars (p. 91)			
10	(506) Rent from floating equipment	4	5	
11	(507) Rent from work equipment	877	783	
12	(508) Joint facility rent income	972	832	
13	Total rent income			
	Rents Payable			
14	(536) Hire of freight cars and highway revenue equipment—			
	Debit balance (p. 90)	5,201	6,243	
15	(537) Rent for locomotives (p. 91)	(66)	(109)	
16	(538) Rent for passenger-train cars (p. 91)			
17	(539) Rent for floating equipment	160	166	
18	(540) Rent for work equipment	435	414	
19	(541) Joint facility rents	5,730	6,714	
20	Total rents payable	(4,758)	(5,882)	
21	Net rents (lines 13, 20)			
22	Net railway operating income (lines 6, 21)	10,475	7,525	
	Other Income			
23	(502) Revenues from miscellaneous operations (p. 53)	84	63	
24	(509) Income from lease of road and equipment (p. 88)	305	289	
25	(510) Miscellaneous rent income (p. 88)	500	230	
26	(511) Income from nonoperating property (p. 53)			
27	(512) Separately operated properties—Profit (p. 89)	4,300	300	
28	(513) Dividend income (from investments under cost only)	359	222	
29	(514) Interest income	43	34	
30	(516) Income from sinking and other reserve funds	18	13	
31	(517) Release of premiums on funded debt			
32	(518) Contributions from other companies			
33	(519) Miscellaneous income (p. 94)	(a) 1,018	587	
34	Dividend income (from investments under equity only)	\$ x x x x	x x x x	x x x x
35	Undistributed earnings (losses)	*	x x x x	x x x x
36	Equity in earnings (losses) of affiliated companies (lines 34, 35)			x x x x
37	Total other income	6,627	1,738	
38	Total income (lines 22, 37)	17,102	9,263	
	Miscellaneous Deductions From Income			
39	(534) Expenses of miscellaneous operations (p. 53)			
40	(535) Taxes on miscellaneous operating property (p. 53)			
41	(543) Miscellaneous rents (p. 93)	1,062	732	
42	(544) Miscellaneous tax accruals (p. 53)	8	7	
43	(545) Separately operated properties—Loss (p. 89)			

* Refer to Consolidated Income Statement, Page 16.

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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 (b) on lines 7 to 54,

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

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)	Other items not related to either freight or to passenger and allied services (k)	Line No
\$	\$	\$	\$	\$	\$	\$	
		103,624					1
		76,752					2
x x x x x	x x x x x	26,872	x x x x x	x x x x x			3
		7,495					4
		4,144					5
x x x x x	x x x x x	15,233	x x x x x	x x x x x			6
							7
		91					8
							9
		4					10
		877					11
x x x x x	x x x x x	972	x x x x x	x x x x x			12
							13
		5,201					14
		(66)					15
							16
		160					17
		435					18
x x x x x	x x x x x	5,730	x x x x x	x x x x x			19
x x x x x	x x x x x	(4,758)	x x x x x	x x x x x			20
x x x x x	x x x x x	10,475	x x x x x	x x x x x			21
							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)	433	278	
47	Total miscellaneous deductions	1,503	1,017	
48	Income available for fixed charges (lines 38, 47)	15,599	8,246	
	Fixed Charges			
49	(542) Rent for leased roads and equipment (p. 92)	156	162	
	(546) Interest on funded debt:			
50	(a) Fixed interest not in default	5,253	5,379	
51	(b) Interest in default			
52	(547) Interest on unfunded debt	1		
53	(548) Amortization of discount on funded debt	11	14	
54	Total fixed charges	5,421	5,555	
55	Income after fixed charges (lines 48, 54)	10,178	2,691	
	Other Deductions			
	(546) Interest on funded debt:			
56	(c) Contingent interest			
	UNUSUAL OR INFREQUENT ITEMS			
57	(555) Unusual or infrequent items-Net-(Debit) credit*			
58	Income (loss) from continuing operations (lines 55-57)	10,178	2,691	
	DISCONTINUED OPERATIONS			
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)	10,178	2,691	
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES			
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)	10,178	2,691	

* Less applicable income taxes of:

\$

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

560 Income (loss) from operations of discontinued segments

562 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.

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 69, 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)
		\$ 12,051	\$ *
1	Balances at beginning of year		
2	(601.5) Prior period adjustments to beginning retained income		
	CREDITS	10,178	
3	(602) Credit balance transferred from income		
4	(606) Other credits to retained income	600	
5	(622) Appropriations released	10,778	
6	Total		
	DEBITS		
7	(612) Debit balance transferred from income		
8	(616) Other debits to retained income	600	
9	(620) Appropriations for sinking and other reserve funds	347	
10	Transfer incentive per diem to appropriated	630	
11	(623) Dividends (p. 20)	1,577	
12	Total	9,201	
13	Net increase (decrease) during year (Line 6 minus line 12)	21,252	
14	Balances at close of year (Lines 1, 2 and 13)		x x x x x
15	Balance from line 14 (c)		
16	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year	21,252	x x x x x
	Remarks		
	Amount of assigned Federal income tax consequences:		
17	Account 606		x x x x x
18	Account 616		x x x x x

* Refer to Consolidated Schedule on Page 20.

Note: See p. 34, 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	Preferred Stock	1%		\$ 21,000	\$ 210	05-20-77	07-18-77
2	Preferred Stock	1%		21,000	210	08-19-77	10-17-77
3	Preferred Stock	1%		21,000	210	11-18-77	01-16-78
4							
5							
6							
7							
8							
9							
10							
11							
12							
13				Total	630		

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	See Note		721-Investments In Affiliated Companies	% \$		\$	
2							
3			Capital Stock				
4	1	A-1	VII The Arkansas Western Railway Company	100		828	
5	1		Kansas City Terminal Ry. Co. (Note 2)	8-1/3		183	
6	1		Joplin Union Depot Company (Note 3)	33-1/3		10	
7	1		Louisiana & Arkansas Railway Company				
8			Common Stock	100		4,072	
9			Preferred Stock	100		2,000	
10			Prior Preferred Stock	100		2,715	
11	1		Fort Smith and Van Buren Railway Company	100		142	
12			The Pullman Company (Negligible)				5
13			Trailer Train Company	2.9			99
14			Total Class A-1			9,950	104
15							
16	A-3	VI	Southern Development Company	100			10
17			Total Class A			9,950	114
18							
19			Notes				
20	D-1	VII	Railway Express Agency (Negligible)				
21			10-1-1959 Promissory				10
22	A-1	VII	Trailer Train Company (Negligible)				
23			1-1-67 Due 4-17-97				77
24			1-1-67 Due 1-09-99				77
25			Total Notes				164
26							
27			Advances				
28	E-1	VII	Fort Smith and Van Buren Railway Company	100			101
29	2		Kansas City Terminal Railway Company	8-1/3			2,214
30	3		Joplin Union Depot Company	33-1/3			178
31			Kansas City Southern Transport Co., Inc.	100			595
32			Total VII				3,088
33							
34		VI	Southern Development Company	100			3,778
35			Kansas City Southern Industries, Inc.	-			5,500
36			Total VI				9,278
37							
38			Total Advances				12,366
39							
40			Total Account 721			9,950	12,644
41							
42	Note						
43	1		Pledged under First Mortgage of The Kansas City Southern Railway Company.				
44	2		Kansas City Terminal Railway Company joint control by twelve railroads.				
45	3		Joplin Union Depot Company joint control by three railroads.				
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.
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
	828						4
	183						5
	10						6
							7
	4,072				\$25 Sh	4,000	8
	2,000				\$3 Sh	120	9
	2,715				\$3 Sh	180	10
	142						11
	5						12
	99						13
	10,054					4,300	14
							15
	10						16
	10,064					4,300	17
							18
							19
	10						20
							21
	77				6½	5	22
	77				7½	6	23
	164					11	24
							25
							26
	101						27
	2,214	250					28
	178						29
	595						30
	3,088	250					31
							32
	3,778						33
	5,500	4,700	1,320	1,320	7-8	246	34
	9,278	4,700	1,320	1,320		246	35
							36
	12,366	4,950	1,320	1,320		245	37
							38
	22,594	4,950	1,320	1,320		4,557	39
							40
							41
							42
							43
							44
							45
							46

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. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company or government and description of security held; also lien reference, if any (d)	INVESTMENTS AT CLOSE OF YEAR	
					Book Value of Amount Held at Close of Year	
					Pledged (e)	Unpledged (f)
1	715			Sinking Funds	\$	\$
2						
3				Series C First Mortgage 3-1/4% Bonds		9
4						
5						
6	716			Capital And Other Reserve Funds		
7						
8		B-3	IX	Deposits For Destroyed Equipment		
9				U.S. Treasury Obligations		52
10						
11		C-3	X	Chemical Bank - Incentive Per Diem		1,379
12				Chemical Bank - Trustee - Cash		
13				Voting Trust Certificates - Preferred		
14				and Common		6
15						
16				Total Account 716		1,437
17						
18						
19	717			Insurance And Other Funds		
20						
21		C-3	VI	Barclays Bank, Nassau Bahamas		110
22				Insurance Value		1
23						
24				Total Account 717		111
25						
26						
27	722			Other Investments		
28						
29		A-3	X	Sallisaw Industrial Corporation		1
30				First Missouri Development Corporation		1
31						
32		D-3	X	KCS Employees Hospital Association - Note		2
33						
34				Total Account 722		4
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
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
	9						2
							3
							4
							5
							6
							7
	52		11	11	Var.	2	8
	1,379	478	167	167	5-7	34	10
		117	167	167			11
							12
	6						13
							14
	1,437	595	345	345		36	15
							16
							17
							18
							19
	110	5			8	7	20
	1	1					21
							22
	111	6				7	23
							24
							25
							26
							27
							28
	1						29
	1						30
							31
	2						32
							33
	4						34
							35
							36
							37
							38
							39
							40
							41
							42
							43
							44
							45
							46

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)	(Dollars in thousands)			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)			
	ROAD	\$	\$	%		\$	\$	%		
1	(1) Engineering	1,544	1,576	.67		5	5	.25		
2	(2-1/2) Other right-of-way expenditures	126	139	2.00						
3	(3) Grading	14,468	14,500	.13		28	28	.12		
4	(5) Tunnels and subways									
5	(6) Bridges, trestles, and culverts	10,920	11,062	1.33		7	7	3.45		
6	(7) Elevated structures									
7	(13) Fences, snowsheds, and signs	331	331	2.00		1	1	2.00		
8	(16) Station and office buildings	3,792	4,574	4.44						
9	(17) Roadway buildings	274	277	2.50						
10	(18) Water stations	66	52	5.00						
11	(19) Fuel stations	528	526	2.86						
12	(20) Shops and enginehouses	5,017	5,020	2.22						
13	(21) Grain elevators									
14	(22) Storage warehouses									
15	(23) Wharves and docks									
16	(24) Coal and ore wharves									
17	(25) TOFC/COFC terminals	184	184	3.96						
18	(26) Communications systems	1,415	1,413	2.86						
19	(27) Signals and interlockers	5,566	7,278	3.57						
20	(29) Power plants	10	3	2.00						
21	(31) Power transmission systems	353	353	2.00						
22	(35) Miscellaneous structures	176	176	3.03						
23	(37) Roadway machines	359	2,088	14.28						
24	(39) Public improvements—Construction	2,148	2,160	2.10		4	4	4.28		
25	(44) Shop machinery	1,449	1,453	2.86						
26	(45) Power plant machinery	112	112	3.03						
27	All other road accounts									
28	Amortization (other than defense projects)									
29	Total road	48,838	53,277	2.22		45	45	1.08		
	EQUIPMENT									
30	(52) Locomotives	42,532	42,376	4.69						
31	(53) Freight-train cars	84,860	94,917	5.35						
32	(54) Passenger-train cars									
33	(55) Highway revenue equipment									
34	(56) Floating equipment									
35	(57) Work equipment	871	869	9.00						
36	(58) Miscellaneous equipment	32	32	15.83						
37	Total equipment	128,295	138,194	5.18						
38	GRAND TOTAL	177,133	191,471	XX XX		45	45	XX XX		

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)	
	ROAD	\$	\$	\$	\$	\$	\$
1	(1) Engineering	97	10		10		97
2	(2-1/2) Other right-of-way expenditures	90	3				93
3	(3) Grading	208	19		40		187
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	4,007	146		41		4,112
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs	295	7				302
8	(16) Station and office buildings	691	147		35		803
9	(17) Roadway buildings	69	7		1		75
10	(18) Water stations	(24)	3		10		(31)
11	(19) Fuel stations	144	15				159
12	(20) Shops and enginehouses	1,406	112		24		1,494
13	(21) Grain elevators						
14	(22) Storage warehouses						
15	(23) Wharves and docks						
16	(24) Coal and ore wharves						
17	(25) TOFC/COFC terminals	54	7				61
18	(26) Communication systems	117	37		(1)		155
19	(27) Signals and interlockers	2,928	207		84		3,051
20	(29) Power plants	4			7		(3)
21	(31) Power-transmission systems	266	7		1		272
22	(35) Miscellaneous structures	116	5				121
23	(37) Roadway machines *	329	133		23		439
24	(39) Public improvements—Construction	977	45		2		1,020
25	(44) Shop machinery*	235	42			(17)	294
26	(45) Power-plant machinery*	39	3			10	32
27	All other road accounts						
28	Amortization (other than defense projects)						
29	Total road	12,048	955		277	(7)	12,733
	EQUIPMENT						
30	(52) Locomotives	19,121	1,994		353		20,762
31	(53) Freight-train cars	31,471	4,815		2,730		33,556
32	(54) Passenger-train cars						
33	(55) Highway revenue equipment						
34	(56) Floating equipment						
35	(57) Work equipment	245	79		2		322
36	(58) Miscellaneous equipment	25	5				30
37	Total equipment	50,862	6,893		3,085		54,670
38	GRAND TOTAL	62,910	7,848		3,362	(7)	67,403

*Chargeable to account 305.

*Ceased depreciation on roadway machines per letter of H. Neil Garson, Secretary, January 30, 1970, Sub Order R-300-D1, on owned equipment.

Column (g) includes capitalized leases. A/C 16 71 A/C 52 3,086
A/C 37 134 A/C 53 14,727

211G. AMORTIZATION OF DEFENSE PROJECTS—ROAD AND EQUIPMENT OWNED AND LEASED FROM OTHERS

1. Show in columns (b) to (e) the amount of base of road and equipment property for which amortization reserve is provided in account No. 736, "Accrued amortization of defense projects—Road and Equipment" of the respondent. If the amortization base is other than the ledger value stated in the investment account, a full explanation should be given.

2. Show in columns (f) to (i) the balance at the close of the

year and all credits and debits during the year in reserve account No. 736, "Accrued amortization of defense projects—Road and Equipment."

3. The information requested for "Road" by columns (b) through (i) may be shown by projects amounting to \$100,000 or more, or by single entries as "Total road" in line 27. If reported by projects, each project should be briefly described, stating

kind, location, and authorization date and number. Projects amounting to less than \$100,000 should be combined in a single entry designated "Minor items, each less than \$100,000."

4. Any amounts included in columns (b) and (f), and in column (h) affecting operating expenses, should be fully explained. (Dollars in thousands)

Line No.	Description of property or account (a)	BASE				RESERVE			
		Debits during year (b)	Credits during year (c)	Adjustments (d)	Balance at close of year (e)	Credits during year (f)	Debits during year (g)	Adjustments (h)	Balance at close of year (i)
1	ROAD: Certificate	\$	\$	\$	\$	\$	\$	\$	\$
2	KCS Ry. Number								
3	Leesville								
4	Yard Tracks WD 29641				19				19
5									
6	Block Signal NC 416				104				104
7									
8	Centralized Traffic								
9	Control				282				282
10									
11	11 Passing Tracks				38				38
12									
13	Minor items, each								
14	less than \$100,000				72				72
15									
16									
17									
18									
19									
20									
21	TOTAL ROAD				515				515
22	EQUIPMENT:								
23	(52) Locomotives								
24	(53) Freight-train cars								
25	(54) Passenger-train cars								
26	(55) Highway revenue equipment								
27	(56) Floating equipment								
28	(57) Work equipment								
29	(58) Miscellaneous equipment								
30	TOTAL EQUIPMENT				None				None
	GRAND TOTAL				515				515

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

Road Initials

KCS

Year 1977

219. FUNDED DEBT AND OTHER OBLIGATIONS (Dollars in thousands)

Line No.	Name and character of obligation	Nominal date of issue	Date of maturity	INTEREST PROVISIONS		DOES OBLIGATION PROVIDE FOR— (Answer "Yes" or "No")			IS OTHER PROPERTY (REAL OR PERSONAL OR LEASEHOLD) SUBJECT TO LIEN OF THE OBLIGATION? (Answer "Yes" or "No")	APPROXIMATE NUMBER OF MILES OF LINE DIRECTLY SUBJECT TO—		
				Rate percent per annum (current year)	Dates due	Con- version	Call prior to maturity other than for sinking fund	Sinking fund		First lien	Junior to first lien	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
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Grand Total									x x x	x x	x x x x x x	

22a. CAPITAL STOCK

Give particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.

In the second section list particulars of the various issues on the same lines and in the same order as in the first section.

Identify the entries in columns (m) to (s), inclusive, in a manner which will indicate whether par value or the number of shares is shown.

In stating the date of an authorization the date of the latest assent or ratification necessary to its validity should be shown; e. g., in case an authorization is required to be ratified by stockholders after action by the board of directors, but is not required to be approved by any State or other governmental board or officer, give the date of approval by stockholders; if the assent of

a State railroad commission or other public board or officer is necessary, give the date of such assent, or if subsequent to such assent, notice has to be filed with a secretary of state or other public officer and a tax or other fee has to be paid as a condition precedent to the validity of the issue, give the date of such payment. In case some condition precedent has to be complied with after the approval and ratification of the stockholders has been obtained, state, in a footnote, the particulars of such condition and of the respondent's compliance therewith.

For the purposes of this report, capital stock and other securities are considered to be *nominally issued* when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be *actually is-*

sued when sold to a bona fide purchaser for a valuable consideration, and such purchaser holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be *actually outstanding*. If reacquired by or for the respondent under such circumstances as require them to be considered as held alive, and not canceled or retired, they are considered to be *nominally outstanding*.

Column (d) refers to the initial preference dividend payable before any common dividend; columns (k) and (l) to participations in excess of initial preference dividend; at a specified percentage or amount (nonpar stock) (column (k)) or a percentage or proportion of the profits (column (l)).

(Dollars in thousands)

Line No.	Class of stock	Date issue was authorized	Par value per share (if non-par, so state)	PREFERRED STOCK								
				Dividend rate specified in contract	Total amount of accumulated dividends	Cumulative		Noncumulative ("Yes" or "No")	Other Provisions of Contract			
						To extent earned ("Yes" or "No")	Fixed % rate or percent specified by contract		Convertible ("Yes" or "No")	Callable or redeemable ("Yes" or "No")	Participating Dividends	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	Fixed amount or percent (Specify)	Fixed ratio with common (Specify)
1	Common	5-22-39	Non-Par	XXXXXX	XXXX XXX	XXXXXX	XXXXXXXX	XXXXXX	XXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
2		4-11-53		XXXXXX	XXXX XXX	XXXXXX	XXXXXXXX	XXXXXX	XXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
3				XXXXXX	XXXX XXX	XXXXXX	XXXXXXXX	XXXXXX	XXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
4				XXXXXX	XXXX XXX	XXXXXX	XXXXXXXX	XXXXXX	XXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
5	Preferred	3-19-1900	50	None	None	No	None	Yes	No	No	None	None
6												
7												
8	Debtenture											
9	Receipts outstanding for installments paid*											
10	TOTAL	XXXX	XXXXX	XXXXXX	None	XXXXXX	XXXXXXXX	XXXXXX	XXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX

Line No.	PAR VALUE OF PAR-VALUE STOCK OR NUMBER OF SHARES OF NONPAR STOCK							STOCK ACTUALLY OUTSTANDING AT CLOSE OF YEAR		
	Authorized	Authenticated	Nominally Issued and		Actually Issued	Reacquired and		Number of shares	Par value of par-value stock	Book value of stock without par value
			Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P")	Canceled		Canceled	Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P")			
	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)
1	SH 1,260,000	SH 1,260,000	None	None	SH 1,020,000	None	802	1,019,198	\$	\$ 35,950
2										
3										
4										
5	\$ 21,000	\$ 21,000			\$ 21,000			420,000	21,000	
6										
7										
8										
9										
10	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	1,439,198	21,000	35,960

*State the class of capital stock covered by the receipts.

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 Louisiana & Arkansas Railway Company

2. Date of incorporation July 7, 1928

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

General Corporation Laws of State of Delaware, Chapter 65 of Revised Code of Delaware and Acts amendatory thereof and Supplements thereto, Chapter dated July 28, 1928 and Amendments dated August 27, 1936.

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 During Year

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

No Change During Year

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)

Not Applicable

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	William N. Deramus III	Kansas City, Missouri	6-14-77	6-13-78	None
2	J. Pat Beaird	Shreveport, Louisiana	"	"	"
3	Thomas S. Carter	Kansas City, Missouri	"	"	"
4	Kirke Couch	Shreveport, Louisiana	"	"	"
5	Edward M. Douthat	Kansas City, Missouri	"	"	"
6	Raymond Gary	Madill, Oklahoma	"	"	"
7	John Hawkinson	Chicago, Illinois	"	"	"
8	Irvine O. Hockaday, Jr.	Kansas City, Missouri	"	"	"
9	G. William James	Ruston, Louisiana	"	"	"
10	Edward T. McNally	Pittsburg, Kansas	"	"	"
11	Elwin Moore	Shreveport, Louisiana	"	"	"
12	Harold L. Oppenheimer	Kansas City, Missouri	"	"	"
13	Justin R. Querbes, Jr.	Shreveport, Louisiana	"	"	"
14	William H. Saunders, Jr.	New Orleans, Louisiana	"	"	"
15	Nicholas H. Wheless, Jr.	Shreveport, Louisiana	"	"	"
16					
17					
18					
19					
20					
21					
22					
23	Give the names and titles of all officers of the Board of Directors in control of the respondent at the close of the year: Chairman of board <u>William N. Deramus III</u> ; Secretary (or clerk) of board <u>G. E. Kellogg</u>				
24	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: <u>I. O. Hockaday, Jr., Chairman, J. Pat Beaird, Thomas S. Carter, William N. Deramus III, Edward M. Douthat, John</u> <u>Hawkinson, Edward T. McNally, exercise same powers as Board of Directors when latter is not in session.</u>				
25					
26					
27					

103. 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	Chairman of the Board	Executive	William N. Deramus III	None	Kansas City, Missouri
2	President	Executive	T. S. Carter	"	"
3	Vice President -				
4	Marketing	Executive	M. F. McClain	"	"
5	Vice President -				
6	Personnel	Personnel	J. L. Deveney	"	"
7	Senior Vice President				
8	and Secretary	Executive	G. E. Kellogg	"	"
9	General Manager	Operating	J. E. Gregg	"	"
10	Vice President and				
11	Comptroller	Accounting	T. A. Giltner	"	"
12	Vice President-Traffic	Traffic	L. J. Tamisiea	"	"
13	Treasurer	Treasury	V. C. Pragman	"	"
14	Vice President - Law	Legal	R. E. Zimmerman	"	"
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
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28					
29					
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34					
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39					

109. VOTING POWERS AND ELECTIONS

No

1. State the par value of each share of stock: Common, \$ Par per share; first preferred, \$ 50 per share; second preferred, \$ 50 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 full 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 _____

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. 260,000 votes, as of December 31, 1977

8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7, One 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	Address of security holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED		
				Stocks		
				Common	PREFERRED	
	(a)	(b)	(c)	(d)	Second (e)	First (f)
1	The Kansas City Southern					
2	Railway Company	Kansas City, MO.	260,000	160,000	40,000	60,000
3						
4						
5						
6						
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29						
30						

109. VOTING POWERS AND ELECTIONS—(Continued From Page 160)

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 260,000
votes cast.
11. Give the date of such meeting. June 14, 1977
12. Give the place of such meeting. Kansas City, Missouri

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)
			\$	\$
	CURRENT ASSETS		(349)	(209)
1	(701) Cash		1,675	760
2	(702) Temporary cash investments (p. 23)		185	137
3	(703) Special deposits (p. 23)			
4	(704) Loans and notes receivable (p. 23)			
5	(705) Traffic, car service and other balances—Dr.		1,944	946
6	(706) Net balance receivable from agents and conductors		155	370
7	(707) Miscellaneous accounts receivable		24	17
8	(708) Interest and dividends receivable		2,970	4,252
9	(709) Accrued accounts receivable (p. 23)		11	11
10	(710) Working fund advances		360	297
11	(711) Prepayments (p. 23)			
12	(712) Material and supplies		38	43
13	(713) Other current assets (p. 23)			
14	(714) Deferred income tax charges (p. 87)		7,013	6,624
15	Total current assets			
	SPECIAL FUNDS			
		(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)			
18	(717) Insurance and other funds (pp. 24 and 25)			
19	Total special funds			
	INVESTMENTS			
20	(721) Investments in affiliated companies (pp. 28-31)		9,346	9,462
21	Undistributed earnings from certain investments in account 721 (pp. 35A and 35B) *			
22	(722) Other investments (pp. 32-35)		2	2
23	(723) Reserve for adjustment of investment in securities—Credit (p. 27, Instruction 9)			
24	(724) Allowance for net unrealized loss on noncurrent marketable equity securities—Cr.			
25	Total investments (accounts 721, 722, 723, and 724)		9,348	9,464
	PROPERTIES			
26	(731) Road and equipment property: Road		44,772	39,805
27	Equipment		21,540	25,095
28	General expenditures		753	757
29	Other elements of investment			
30	Construction work in progress		777	3,739
31	Total (pp. 38-41)		67,842	69,396
32	(732) Improvements on leased property: Road			
33	Equipment			
34	General expenditures			
35	Total (pp. 38-41)			
36	Total transportation property (accounts 731 and 732)		67,842	69,396
37	(733) Accrued depreciation—Improvements on leased property (p. 45 B)			
38	(735) Accrued depreciation—Road and equipment (pp. 45 and 46)		(7,407)	(8,923)
39	(736) Amortization of defense projects—Road and Equipment (p. 47)		(18)	(18)
40	Recorded depreciation and amortization (accounts 733, 735 and 736)		(7,425)	(8,941)
41	Total transportation property less recorded depreciation and amortization		60,417	60,455
42	(737) Miscellaneous physical property (pp. 52 and 53)		234	234
43	(738) Accrued depreciation - Miscellaneous physical property (pp. 52 and 53)		(18)	(15)
44	Miscellaneous physical property less recorded depreciation (account 737 less 738)		216	219
45	Total properties less recorded depreciation and amortization		60,633	60,674

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. *Refer to Page 10, Consolidated.

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		\$	\$
46	(741) Other assets (p. 54)		3	65
47	(743) Other deferred charges (p. 54)		1,655	1,717
48	(744) Accumulated deferred income tax charges (p. 87)			
49	Total other assets and deferred charges		1,658	1,782
50	TOTAL ASSETS		78,652	78,544

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 — \$

(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 — \$

— 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 — \$

(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 — \$

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes — \$

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax accrual — \$()

Other adjustments (indicate nature such as recapture on early disposition) — \$

(iii) Show the amount of investment tax credit carryover at year end — \$

(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 — \$

(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 — \$

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

Description of obligation	Year accrued	Account No.	Amount
			\$

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 begin- ning of year (c)	
CURRENT LIABILITIES			\$	\$	
51	(751) Loans and notes payable (p. 63)				
52	(752) Traffic, car service and other balances—Cr.		256	537	
53	(753) Audited accounts and wages payable		1,836	(1,730)	
54	(754) Miscellaneous accounts payable		4	1	
55	(755) Interest matured unpaid		3	3	
56	(756) Dividends matured unpaid		75	75	
57	(757) Unmatured interest accrued		141	84	
58	(758) Unmatured dividends declared				
59	(759) Accrued accounts payable (p. 63)		2,432	2,661	
60	(760) Federal income taxes accrued (p. 64)		73	(253)	
61	(761) Other taxes accrued (p. 64)		322	231	
62	(762) Deferred income tax credits (p. 87)				
63	(763) Other current liabilities (p. 63)		1,989	2,850	
64	Total current liabilities (exclusive of long-term debt due within one year)		7,131	4,459	
LONG-TERM DEBT DUE WITHIN ONE YEAR					
65	(764) Equipment obligations and other debt (pp. 56-59)	(a1) Total issued 416	(a2) Held by or for respondent None	416	403
LONG-TERM DEBT DUE AFTER ONE YEAR					
66	(765) Funded debt unmatured (pp. 56-59)	(a1) Total issued	(a2) Held by or for respondent		
67	(766) Equipment obligations (pp. 56-59)	190	None	190	379
68	(766.5) Capitalized lease obligations	4,981	None	4,981	5,207
69	(767) Receivers' and Trustees' securities (pp. 56-59)				
70	(768) Debt in default (pp. 56-59)				
71	(769) Amounts payable to affiliated companies (p. 62)				
72	(770.1) Unamortized discount on long-term debt				
73	(770.2) Unamortized premium on long-term debt				
74	Total long-term debt due after one year			5,171	5,586
RESERVES					
75	(771) Pension and welfare reserves (p. 65)				
76	(774) Casualty and other reserves (p. 65)			637	837
77	Total reserves			637	837
OTHER LIABILITIES AND DEFERRED CREDITS					
78	(781) Interest in default (p. 58)				
79	(782) Other liabilities (p. 65)			121	142
80	(784) Other deferred credits (p. 65)			1,003	1,165
81	(785) Accrued liability—Leased property (p. 45A)				
82	(786) Accumulated deferred income tax credits (p. 87)			7,560	7,330
83	Total other liabilities and deferred credits			8,684	8,637
SHAREHOLDERS' EQUITY					
Capital stock (Par or stated value)			(a1) Total issued	(a2) Nominally issued securities	
84	(791) Capital stock issued: Common stock (p. 67)		4,000	None	4,000
85	Preferred stock (p. 67)		5,000	None	5,000
86	Total		9,000	None	
87	(792) Stock liability for conversion (p. 68)				
88	(793) Discount on capital stock				
89	Total capital stock			9,000	9,000
Capital surplus					
90	(794) Premiums and assessments on capital stock (p. 69)				
91	(795) Paid-in surplus (p. 69)			267	267
92	(796) Other capital surplus (p. 69)				
93	Total capital surplus			267	267

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 begin- ning of year (c)
	Retained income		\$	\$
94	(797) Retained income—Appropriated (p. 69)			
95	(798) Retained income—Unappropriated (p. 20)		47,346	49,355
96	(798.1) Net unrealized loss on noncurrent marketable equity securities			
97	Total retained income		47,346	49,355
	Treasury Stock			
98	(798.5) Less: Treasury stock		56,613	58,622
99	Total shareholders' equity		78,652	78,544
100	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		78,652	78,544

200. COMPARATIVE GENERAL BALANCE SHEET-EXPLANATORY NOTES—Continued

3. 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: \$

4. 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: \$

5. (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: \$

(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? _____

6. 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 _____

7. State separately amounts of deferred maintenance and delayed capital improvements as reported to the Commission in Ex Parte No. 305 as of close of year:

Deferred maintenance: \$

Delayed capital improvements: \$

EXPLANATORY NOTES ARE CONTINUED ON PAGE 14

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)
	ORDINARY ITEMS	\$	\$	\$
	OPERATING INCOME			
	Railway Operating Income			
1	(501) Railway operating revenues (p. 73)	59,484	49,220	
2	(531) Railway operating expenses (p. 74)	45,500	39,526	
3	Net revenue from railway operations	13,984	9,694	
4	(532) Railway tax accruals (p. 86)	4,486	4,040	
5	(533) Provision for deferred taxes (p. 87)	230	(225)	
6	Railway operating income	9,268	5,879	
	Rent Income			
7	(503) Hire of freight cars and highway revenue equipment—			
	Credit balance (p. 90)	58	28	
8	(504) Rent from locomotives (p. 91)			
9	(505) Rent from passenger-train cars (p. 91)			
10	(506) Rent from floating equipment			
11	(507) Rent from work equipment	97	87	
12	(508) Joint facility rent income	155	115	
13	Total rent income			
	Rents Payable			
14	(536) Hire of freight cars and highway revenue equipment—			
	Debit balance (p. 90)	5,461	4,230	
15	(537) Rent for locomotives (p. 91)	120	350	
16	(538) Rent for passenger-train cars (p. 91)			
17	(539) Rent for floating equipment	19	23	
18	(540) Rent for work equipment	909	863	
19	(541) Joint facility rents	6,509	5,466	
20	Total rents payable	(6,354)	(5,351)	
21	Net rents (lines 13, 20)	2,914	528	
22	Net railway operating income (lines 6, 21)			
	Other Income			
23	(502) Revenues from miscellaneous operations (p. 53)			
24	(509) Income from lease of road and equipment (p. 88)	259	273	
25	(510) Miscellaneous rent income (p. 88)	8	5	
26	(511) Income from nonoperating property (p. 53)			
27	(512) Separately operated properties—Profit (p. 89)	64	48	
28	(513) Dividend income (from investments under cost only)	55	88	
29	(514) Interest income			
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) 12	53	
34	Dividend income (from investments under equity only)	\$ x x x x	x x x x	x x x x
35	Undistributed earnings (losses)	*	x x x x	x x x x
36	Equity in earnings (losses) of affiliated companies (lines 34, 35)			x x x x
37	Total other income	398	467	
38	Total income (lines 22, 37)	3,312	995	
	Miscellaneous Deductions From Income			
39	(534) Expenses of miscellaneous operations (p. 53)			
40	(535) Taxes on miscellaneous operating property (p. 53)	369	324	
41	(543) Miscellaneous rents (p. 93)	1	1	
42	(544) Miscellaneous tax accruals (p. 53)			
43	(545) Separately operated properties—Loss (p. 89)			

* Refer to Consolidated Income Statement, Page 16.

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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 (b) on lines 7 to 54,

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)		
\$	\$	\$	\$	\$	\$	\$	
		59,484					1
		45,500					2
x x x x x	x x x x x	13,984	x x x x x	x x x x x			3
		4,486					4
		230					5
x x x x x	x x x x x	9,268	x x x x x	x x x x x			6
							7
		58					8
							9
							10
		97					11
x x x x x	x x x x x	155	x x x x x	x x x x x			12
							13
		5,461					14
		120					15
							16
		19					17
		909					18
x x x x x	x x x x x	6,509	x x x x x	x x x x x			19
x x x x x	x x x x x	(6,354)	x x x x x	x x x x x			20
x x x x x	x x x x x	2,914	x x x x x	x x x x x			21
							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)	215	148	
47	Total miscellaneous deductions	585	473	
48	Income available for fixed charges (lines 38, 47)	2,727	522	
	Fixed Charges			
49	(542) Rent for leased roads and equipment (p. 92)	75	69	
	(546) Interest on funded debt:			
50	(a) Fixed interest not in default	360	109	
51	(b) Interest in default			
52	(547) Interest on unfunded debt			
53	(548) Amortization of discount on funded debt			
54	Total fixed charges	435	178	
55	Income after fixed charges (lines 48, 54)	2,292	344	
	Other Deductions			
	(546) Interest on funded debt:			
56	(c) Contingent interest			
	UNUSUAL OR INFREQUENT ITEMS			
57	(555) Unusual or infrequent items-Net-(Debit) credit*			
58	Income (loss) from continuing operations (lines 55-57)	2,292	344	
	DISCONTINUED OPERATIONS			
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)	2,292	344	
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES			
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)	2,292	344	

* Less applicable income taxes of:

\$

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

560 Income (loss) from operations of discontinued segments

562 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.

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 69, 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	\$ 49,354	\$ *
2	(601.5) Prior period adjustments to beginning retained income		
CREDITS			
3	(602) Credit balance transferred from income	2,292	
4	(606) Other credits to retained income		
5	(622) Appropriations released		
6	Total	2,292	
DEBITS			
7	(612) Debit balance transferred from income		
8	(616) Other debits to retained income		
9	(620) Appropriations for sinking and other reserve funds		
10	(621) Appropriations for other purposes		
11	(623) Dividends (p. 30)	4,300	
12	Total	4,300	
13	Net increase (decrease) during year (Line 6 minus line 12)	(2,008)	
14	Balances at close of year (Lines 1, 2 and 13)	47,346	
15	Balance from line 14(c)		x x x x x
16	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year	47,346	x x x x x
Remarks			
Amount of assigned Federal income tax consequences:			
17	Account 606		x x x x x
18	Account 616		x x x x x

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

* Refer to Consolidated Schedule on Page 20.

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	Preferred Stock	1-1/2%		2,000	30	06-02-76	04-01-77
2	"	"		2,000	30	06-27-77	07-01-77
3	"	"		2,000	30	06-27-77	10-01-77
4	"	"		2,000	30	06-27-77	01-01-78
5	Prior Pref. Stock	"		3,000	45	06-02-76	04-01-77
6	"	"		3,000	45	06-27-77	07-01-77
7	"	"		3,000	45	06-27-77	10-01-77
8	"	"		3,000	45	06-27-77	01-01-78
9	Common Stock	160,000SH			4,000	06-27-77	07-01-77
10							
11							
12							
13	Total				4,300		

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			Investments In Affiliated Companies	% \$	\$	
2							
3				Capital Stock			
4							
5	A-1	VII		The Kansas City Southern Railway Co.			
6				Preferred	2.6		350
7				Common	3		2,195
8				Louisiana, Arkansas & Texas			
9				Transportation Company	100		10
10				Landa Motor Lines	100		20
11				The Pullman Company (Negligible)			5
12							
13				Total Class A-1			2,580
14							
15	A-3	VI		Tolmak, Inc.	100		1,239
16		X		Kansas City Southern Industries, Inc.			
17				Preferred Stock 4% - Non-Cumulative	3		1,038
18							
19				Total Class A-3			2,277
20							
21				Total Class A			4,857
22							
23							
24				Investment Advances			
25							
26	E-1	VII		Landa Motor Lines	100		194
27		VII		Louisiana, Arkansas & Texas			
28				Transportation Company	100		600
29							
30				Total Class E-1			794
31							
32	E-3	VI		Tolmak, Inc.	100		3,695
33							
34				Total Class E			4,489
35							
36							
37				Total Account 721			9,346
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 (h) 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			Book value (k)	Selling price (l)	Rate (m)	Amount credited to income (n)	
In sinking, insurance, and other funds (h)	Total book value (i)						
\$	\$	\$	\$	\$	%	\$	
							1
							2
							3
							4
							5
	350	94			\$1.50 SH	16	6
	2,195	5					7
							8
	10						9
	20						10
	5						11
							12
	2,580	99				16	13
							14
	1,239						15
							16
	1,038				\$1.00 SH	48	17
							18
	2,277					48	19
							20
	4,857	99				64	21
							22
							23
							24
							25
	194						26
							27
	600						28
							29
	794						30
							31
	3,695		215	215			32
							33
	4,489		215	215			34
							35
							36
	9,346	99	215	215		64	37
							38
							39
							40
							41
							42
							43
							44
							45
							46

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	715			Sinking Funds	\$	\$
2						
3				None		
4						
5						
6	716			Capital And Other Reserve Funds		
7						
8				None		
9						
10						
11	717			Insurance And Other Funds		
12						
13				None		
14						
15						
16	722			Other Investments		
17						
18		A-3	X	Greater Springhill Corporation		10 Shares
19						
20				Club Memberships		1
21						
22				Total Account 722		1
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
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42						
43						
44						
45						
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
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	1						19
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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)	
		\$	\$	%	\$	\$	%
	ROAD						
1	(1) Engineering	628	687	.80			
2	(2-1/2) Other right-of-way expenditures	59	61	2.00			
3	(3) Grading	131	130				
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	4,666	5,804	2.40			
6	(7) Elevated structures						
7	(13) Fences, snowsheds, and signs	214	230	2.44			
8	(16) Station and office buildings	3,128	3,128	2.00			
9	(17) Roadway buildings	39	39	2.50			
10	(18) Water stations	46	46	2.86			
11	(19) Fuel stations	86	86	2.66			
12	(20) Shops and enginehouses	1,133	1,134	2.22			
13	(21) Grain elevators						
14	(22) Storage warehouses						
15	(23) Wharves and docks						
16	(24) Coal and ore wharves						
17	(25) TOFC/COFC terminals	289	289	4.00			
18	(26) Communications systems	746	746	4.13			
19	(27) Signals and interlockers	867	854	2.69			
20	(29) Power plants	23	23	1.25			
21	(31) Power transmission systems	343	343	3.17			
22	(35) Miscellaneous structures	48	48	3.03			
23	(37) Roadway machines	289	265				
24	(39) Public improvements—Construction	567	709	3.72			
25	(44) Shop machinery	111	111	4.36			
26	(45) Power plant machinery	33	33	3.43			
27	All other road accounts						
28	Amortization (other than defense projects)						
29	Total road	13,446	14,766	2.40			
	EQUIPMENT						
30	(52) Locomotives	8,554	8,554	5.62			
31	(53) Freight-train cars	16,248	12,804	4.67			
32	(54) Passenger-train cars						
33	(55) Highway revenue equipment						
34	(56) Floating equipment						
35	(57) Work equipment	280	279	9.00			
36	(58) Miscellaneous equipment	10	5	15.83			
37	Total equipment	25,092	21,642	5.10			
38	GRAND TOTAL	38,538	36,408	XX XX			XX XX

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 211C 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)	
	ROAD	\$	\$	\$	\$	\$	\$
1	(1) Engineering	67	5		2		70
2	(2-1/2) Other right-of-way expenditures	30	1				31
3	(3) Grading	131			1		130
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	2,495	128		46		2,577
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs	196	6		3		199
8	(16) Station and office buildings	415	63				478
9	(17) Roadway buildings	7	1				8
10	(18) Water stations	12	1				13
11	(19) Fuel stations	24	2				26
12	(20) Shops and enginehouses	198	25				223
13	(21) Grain elevators						
14	(22) Storage warehouses						
15	(23) Wharves and docks						
16	(24) Coal and ore wharves						
17	(25) TOFC/COFC terminals	94	12				106
18	(26) Communication systems	78	31				109
19	(27) Signals and interlockers	495	23		14		504
20	(29) Power plants	(4)					(4)
21	(31) Power-transmission systems	90	11				101
22	(35) Miscellaneous structures	12	1				13
23	(37) Roadway machines *	279			18		261
24	(39) Public improvements—Construction	361	22				383
25	(44) Shop machinery*	51	5				56
26	(45) Power-plant machinery*	12	1				13
27	All other road accounts						
28	Amortization (other than defense projects)						
29	Total road	5,043	338		84		5,297
	EQUIPMENT						
30	(52) Locomotives	2,759	480				3,239
31	(53) Freight-train cars	926	679		2,951		(1,346)
32	(54) Passenger-train cars						
33	(55) Highway revenue equipment						
34	(56) Floating equipment						
35	(57) Work equipment	190	25				215
36	(58) Miscellaneous equipment	5	1		4		2
37	Total equipment	3,880	1,185		2,955		2,110
38	GRAND TOTAL	8,923	1,523		3,039		7,407

*Chargeable to account 705

*Ceased depreciation on roadway machines per letter of H. Neil Garson, Secretary, January 30, 1970, Sub Order R-300-D1, on owned equipment.

Column (g) includes capitalized leases. A/C 52 411
A/C 53 21

211G. AMORTIZATION OF DEFENSE PROJECTS—ROAD AND EQUIPMENT OWNED AND LEASED FROM OTHERS

1. Show in columns (b) to (e) the amount of base of road and equipment property for which amortization reserve is provided in account No. 736, "Accrued amortization of defense projects—Road and Equipment" of the respondent. If the amortization base is other than the ledger value stated in the investment account, a full explanation should be given.

2. Show in columns (f) to (i) the balance at the close of the

year and all credits and debits during the year in reserve account No. 736, "Accrued amortization of defense projects—Road and Equipment."

3. The information requested for "Road" by columns (b) through (i) may be shown by projects amounting to \$100,000 or more, or by single entries as "Total road" in line 22. If reported by projects, each project should be briefly described, stating

kind, location, and authorization date and number. Projects amounting to less than \$100,000 should be combined in a single entry designated "Minor items, each less than \$100,000."

4. Any amounts included in columns (b) and (f), and in column (h) affecting operating expenses, should be fully explained. (Dollars in thousands)

Line No.	Description of property or account (a)	BASE				RESERVE			
		Debits during year (b)	Credits during year (c)	Adjustments (d)	Balance at close of year (e)	Credits during year (f)	Debits during year (g)	Adjustments (h)	Balance at close of year (i)
	ROAD:	\$	\$	\$	\$	\$	\$	\$	\$
1	Minor Items, each				15				15
2	less than \$100,000								
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21	TOTAL ROAD				15				15
22	EQUIPMENT:								
23	(52) Locomotives				3				3
24	(53) Freight-train cars								
25	(54) Passenger-train cars								
26	(55) Highway revenue equipment								
27	(56) Floating equipment								
28	(57) Work equipment								
29	(58) Miscellaneous equipment				3				3
30	TOTAL EQUIPMENT				3				3
	GRAND TOTAL				18				18

218. FUNDED DEBT AND OTHER OBLIGATIONS (Dollars in thousands)

Line No.	Name and character of obligation	Nominal date of issue	Date of maturity	INTEREST PROVISIONS		DOES OBLIGATION PROVIDE FOR— (Answer "Yes" or "No")			IS OTHER PROPERTY REAL OR PERSONAL OR LEASEHOLD SUBJECT TO LIEN OF THE OBLIGATION? (Answer "Yes" or "No")		APPROXIMATE NUMBER OF MILES OF LINE DIRECTLY SUBJECT TO—	
				Rate percent per annum (current year)	Dates due	Con- version	Call prior to maturity, other than for sinking fund	Sinking fund	First lien	Junior to first lien	First lien	Junior to first lien
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1												
2												
3												
4												
5												
6												
7												
8												
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45												
46												
47												
48												
49												
50												
51												
Grand Total									x x x	x x x	x x x	x x x

228. CAPITAL STOCK

Give particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.

In the second section list particulars of the various issues on the same lines and in the same order as in the first section.

Identify the entries in columns (m) to (s), inclusive, in a manner which will indicate whether par value or the number of shares is shown.

In stating the date of an authorization the date of the latest assent or ratification necessary to its validity should be shown; e. g., in case an authorization is required to be ratified by stockholders after action by the board of directors, but is not required to be approved by any State or other governmental board or officer, give the date of approval by stockholders; if the assent of

a State railroad commission or other public board or officer is necessary, give the date of such assent, or if subsequent to such assent notice has to be filed with a secretary of state or other public officer and a tax or other fee has to be paid as a condition precedent to the validity of the issue, give the date of such payment. In case some condition precedent has to be complied with after the approval and ratification of the stockholders has been obtained, state, in a footnote, the particulars of such condition and of the respondent's compliance therewith.

For the purposes of this report, capital stock and other securities are considered to be *nominal* issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be *actually* issued

when sold to a bona fide purchaser for a valuable consideration, and such purchaser holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be *actually* outstanding. If reacquired by or for the respondent under such circumstances as require them to be considered as held alive, and not canceled or retired, they are considered to be *nominal* outstanding.

Column (d) refers to the initial preference dividend payable before any common dividend; columns (k) and (h) to participations in excess of initial preference dividend; at a specified percentage or amount (nonpar stock) (column (k)) or a percentage or proportion of the profits (column (h)).

(Dollars in thousands)

Line No.	Class of stock	Date issue was authorized	Par value per share (if non-par, so state)	PREFERRED STOCK								
				Dividend rate specified in contract	Total amount of accumulated dividends	Cumulative		Noncumulative ("Yes" or "No")	Other Provisions of Contract			
						To extent earned ("Yes" or "No")	Fixed % rate or percent specified by contract		Convertible ("Yes" or "No")	Callable or redeemable ("Yes" or "No")	Participating Dividends	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	Fixed amount or percent (Specify)	Fixed ratio with common (Specify)
			\$		\$							
1	Common	8-27-36	Non-Par	x x x x x	x x x x x x	x x x x x	x x x x x x x	x x x x x	x x x x x	x x x x x x x	x x x x x x	x x x x x x
2				x x x x x	x x x x x x	x x x x x	x x x x x x x	x x x x x	x x x x x	x x x x x x x	x x x x x x	x x x x x x
3				x x x x x	x x x x x x	x x x x x	x x x x x x x	x x x x x	x x x x x	x x x x x x x	x x x x x x	x x x x x x
4				x x x x x	x x x x x x	x x x x x	x x x x x x x	x x x x x	x x x x x	x x x x x x x	x x x x x x	x x x x x x
5	Preferred 6% Series	8-27-36	50	6%	None	No	None	Yes	Yes	Yes	No	No
6	Preferred 4% Series	8-27-36	50	4%	None	No	None	Yes	No	Yes	No	No
7	Prior Preferred 6%											
8	Debtenture Cumulative	8-27-36	50	6%	None	No	6%	No	No	Yes	No	No
9	Receipts outstanding for installments paid*											
10	TOTAL				None							

Line No.	PAR VALUE OF PAR-VALUE STOCK OR NUMBER OF SHARES OF NONPAR STOCK							STOCK ACTUALLY OUTSTANDING AT CLOSE OF YEAR		
	Authorized (m)	Authenticated (n)	Nominally issued and		Actually issued (q)	Reacquired and		Number of shares (t)	Par value of par-value stock (u)	Book value of stock without par value (v)
			Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P") (o)	Canceled (p)		Canceled (r)	Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P") (s)			
1	SH 210,000	SH 160,000	None	None	SH 160,000	None	None	160,000	\$ None	\$ 4,000
2										
3										
4										
5	\$ 2,000	\$ 2,000	None	None	\$ 2,000	None	None	40,000	2,000	
6	\$ 1,486	None	None	None	None	None	None			
7										
8	\$ 4,000	\$ 3,000	None	None	\$ 3,000	None	None	60,000	3,000	
9										
10	xx xx xx	xx xx xx	xx xx xx	xx xx xx	xx xx xx	xx xx xx	xx xx xx	260,000	5,000	4,000

*State the class of capital stock covered by the receipts.

101. IDENTITY OF RESPONDENT

1. Give the exact name* by which the respondent was known in law at the close of the year
The Arkansas Western Railway Company
2. State whether or not the respondent made an annual report to the Interstate Commerce Commission for the preceding year, or for any part thereof. If so, in what name was such report made? Yes, The Kansas City Southern Railway and Controlled Companies
3. If any change was made in the name of the respondent during the year, state all such changes and the dates on which they were made
None
4. Give the location (including street and number) of the main business office of the respondent at the close of the year
114 West 11th Street, Kansas City, Missouri 64105
5. Give the titles, names, and office addresses of all general officers of the respondent at the close of the year. If there are receivers who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices.

Line No.	Title of general officer (a)	Name and office address of person holding office at close of year (b)
1	President	T. S. Carter Kansas City, Missouri
2	Vice president	M. F. McClair Kansas City, Missouri
3	Secretary	G. E. Kellogg Kansas City, Missouri
4	Treasurer	V. C. Pragman Kansas City, Missouri
5	Auditor	T. A. Giltner Kansas City, Missouri
6	General Counsel	R. E. Zimmerman Kansas City, Missouri
7	General manager	
8	General superintendent	
9	General freight agent	
10	General passenger agent	
11	General land agent	
12	Chief engineer	
13		

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

Line No.	Name of director (a)	Office address (b)	Term expires (c)
14	W. N. Deramus III	Kansas City, Missouri	May 17, 1978
15	T. S. Carter	"	"
16	J. E. Gregg	"	"
17	G. E. Kellogg	"	"
18	M. F. McClain	"	"
19	T. A. Giltner	"	"
20	V. C. Pragman	"	"
21	R. E. Zimmerman	"	"
22	G. D. Dollins	"	"
23			

7. Give the date of incorporation of the respondent May 13, 1904. 8. State the character of motive power used
9. Class of switching and terminal company Class II, Railroad
10. Under the laws of what Government, State, or Territory was the respondent organized? If more than one, name all. Give reference to each statute and all amendments thereof, effected during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees Laws of Arkansas as shown in Chapter 133 Kirbys Digest of Arkansas Statutes.
11. State whether or not any corporation or association or group of corporations had, at the close of the year, the right to name the major part of the board of directors, managers, or trustees of the respondent; and if so, give the names of all such corporations and state whether such right was derived through (a) title to capital stock or other securities issued or assumed by the respondent, (b) claims for advances of funds made for the construction of the road and equipment of the respondent, or (c) express agreement or some other source The Kansas City Southern Railway Company names directors through sole ownership of capital stock.

12. Give hereunder a history of the respondent from its inception to date, showing all consolidations, mergers, reorganizations, etc., and if a consolidated or merging corporation give like particulars for all constituent and subconstituent corporations. Describe also the course of construction of the road of the respondent, and its financing The occasion for the reorganization was that the charter of The Arkansas Western Railroad Company which was incorporated December 15, 1899, Act CC III of Arkansas 1899 covered only the construction of (Continued on Page 180)

* Use the initial word the when (and only when) it is a part of the name, and distinguish between the words railroad and railway and between company and corporation.

107. STOCKHOLDERS

Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities

being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements give, as supplemental information on page 38, the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year.

Line No.	Name of security holder	Address of security holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			
				Stocks			Other securities with voting power
				Common	PREFERRED		
	(a)	(b)	(c)	(d)	Second (e)	First (f)	(g)
1	The Kansas City Southern						
2	Railway Company	Kansas City, Missouri	6,491	6,491	None	None	None
3	W. N. Deramus III	"	1	1	"	"	"
4	T. S. Carter	"	1	1	"	"	"
5	J. E. Gregg	"	1	1	"	"	"
6	T. A. Giltner	"	1	1	"	"	"
7	V. C. Pragman	"	1	1	"	"	"
8	R. E. Zimmerman	"	1	1	"	"	"
9	G. E. Kellogg	"	1	1	"	"	"
10	M. F. McClain	"	1	1	"	"	"
11	G. D. Dollins	"	1	1	"	"	"
12							
13							
14							
15							
16							
17							
18							
19							
20	(Continued from Page 179)						
21							
22	of a railroad from Heavener, Oklahoma to Waldron, Arkansas and it was thought						
23	advisable that a new company should be organized under a charter which would						
24	permit the acquisition of the constructed line from Heavener, Oklahoma to						
25	Waldron, Arkansas and of the extension of the line to Hot Springs, Arkansas.						
26	Accordingly The Arkansas Western Railway Company was organized May 13, 1904 and						
27	the Company purchased all the property and franchises of The Arkansas Western						
28	Railroad Company. All the affairs of The Arkansas Western Railroad Company						
29	were liquidated.						
30							

Footnotes and Remarks

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.

670. FUNDED DEBT UNMATURED

Give particulars of the various issues of securities in accounts Nos. 764, "Equipment obligations and other debt due within one year" (excluding equipment obligations), and 765, "Funded debt unmatured," at close of the year. Funded debt, as here used, comprises all obligations maturing later than one year after date of issue in accordance with the instructions in the Uniform System of Accounts for Railroad Companies. Show

each issue separately, and make all necessary explanations in footnotes. For the purposes of this report, securities are considered to be actually issued when sold to a bona fide purchaser for a valuable consideration, and such purchaser holds free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. It should be noted that section 20a of the

Interstate Commerce Act makes it unlawful for a carrier to issue or assume any securities, unless and until, and then only to the extent that, the Commission by order authorizes such issue or assumption. Entries in columns (k) and (l) should include interest accrued on funded debt reacquired, matured during the year, even though, no portion of the issue is outstanding at the close of the year.

Line No.	Name and character of obligation	Nominal date of issue	Date of maturity	Interest provisions		Total amount nominally and actually issued	Nominally issued and held by or for respondent (Identify pledged securities by symbol "P")	Total amount actually issued	Required and held by or for respondent (Identify pledged securities by symbol "P")	Actually outstanding at close of year	Interest during year	
				Rate percent per annum	Dates due						Accrued	Actually paid
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
						\$	\$	\$	\$	\$	\$	\$
1												
2												
3												
4					Total	None						None
5	Funded debt canceled. Nominally issued, \$						Actually issued, \$					
6	Purpose for which issue was authorized:											

690. CAPITAL STOCK

Give the particulars called for concerning the several classes and issues of capital stocks of the respondent outstanding at the close of the year, and make all necessary explanations in footnotes. For definition of securities actually issued and actually outstanding see instructions for schedule 670. It should be noted that section 20a of the Interstate Commerce Act makes it unlawful for a carrier to

issue or assume any securities, unless and until, and then only to the extent that, the Commission by order authorizes such issue or assumption.

Line No.	Class of stock (a)	Date issue was authorized? (b)	Par value per share (c)	Authorized (d)	Authenticated (e)	Par value of par value or shares of nonpar stock			Actually outstanding at close of year			
						Nominally issued and held by or for respondent (Identify pledged securities by symbol "P") (f)	Total amount actually issued (g)	Reacquired and held by or for respondent (Identify pledged securities by symbol "P") (h)	Par value of par value stock (i)	Shares Without Par Value		
										Number (j)	Book value (k)	
1	Common	5-11	\$		\$	\$	\$	\$			\$	
2		1904	100	3000000	650,000	None	650,000	None	650,000			
3												
4												
5	Par value of par value or book value of nonpar stock canceled. Nominally issued, \$					None	Actually issued, \$					None
6	Amount of receipts outstanding at the close of the year for installments received on subscriptions for stocks					None						
7	Purpose for which issue was authorized					Purchase of The Arkansas Western Railroad Company						
8	The total number of stockholders at the close of the year was					Ten						

695. RECEIVERS' AND TRUSTEES' SECURITIES

Give particulars of evidences of indebtedness issued and payment of equipment obligations assumed by receivers and trustees under orders of a court as provided for in account No. 767, "Receivers' and trustees' securities." For definition of securities actually issued and actually outstanding, see instructions for schedule 670.

Line No.	Name and character of obligation	Nominal date of issue	Date of maturity	Interest provisions		Total par value authorized 1	Total par value held by or for respondent at close of year		Total par value actually outstanding at close of year	Interest during year	
				Rate percent per annum	Dates due		Nominally issued	Nominally outstanding		Accrued	Actually paid
				(d)	(e)		(g)	(h)		(i)	(j)
1	NONE					\$	\$	\$	\$	\$	\$
2											
3											
4					Total						

If by the State Board of Railroad Commissioners, or other public authority, if any, having control over the issue of securities; if no public authority has such control, state the purpose and amounts as authorized by the board of directors and approved by stockholders.

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 (a). 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.

IN DOLLARS

Line No.	Account or item (a)	Balance at close of year (b)	Balance at beginning of year (c)
CURRENT ASSETS		\$	\$
1	(701) Cash	940	207
2	(702) Temporary cash investments		
3	(703) Special deposits (p. 10B)		
4	(704) Loans and notes receivable		
5	(705) Traffic, car service and other balances—Dr.		
6	(706) Net balance receivable from agents and conductors	2,047	11,656
7	(707) Miscellaneous accounts receivable	811	420
8	(708) Interest and dividends receivable		
9	(709) Accrued accounts receivable	21,382	2,721
10	(710) Working fund advances		
11	(711) Prepayments		
12	(712) Material and supplies		
13	(713) Other current assets	(357)	
14	(714) Deferred income tax charges (p. 10A)		
15	Total current assets	24,823	15,004
SPECIAL FUNDS		(a1) Total book assets at close of year	(a2) Respondent's own issued included in (a1)
16	(715) Sinking funds		
17	(716) Capital and other reserve funds		
18	(717) Insurance and other funds		
19	Total special funds		
INVESTMENTS			
20	(721) Investments in affiliated companies (pp. 16 and 17)		
21	Undistributed earnings from certain investments in account 721 (p. 17A)		
22	(722) Other investments (pp. 16 and 17)		
23	(723) Reserve for adjustment of investment in securities—Credit		
24	(724) Allowance for net unrealized loss and noncurrent marketable equity securities—Cr.		
25	Total investments (accounts 721, 722, and 724)		
PROPERTIES			
26	(731) Road and equipment property—Road	448,068	452,875
27	Equipment		
28	General expenditures	16,961	17,024
29	Other elements of investment		
30	Construction work in progress	37,332	21,861
31	Total (p. 13)	502,361	491,760
32	(732) Improvements on leased property—Road		
33	Equipment		
34	General expenditures		
35	Total (p. 12)		
36	Total transportation property (accounts 731 and 732)	502,361	491,760
37	(733) Accrued depreciation—improvements on leased property	(42,151)	(41,085)
38	(735) Accrued depreciation—Road and equipment (pp. 21 and 22)		
39	(736) Amortization of defense projects—Road and Equipment (p. 24)	(42,151)	(41,085)
40	Recorded depreciation and amortization (accounts 733, 735 and 736)	460,210	450,675
41	Total transportation property less recorded depreciation and amortization	1,203	1,203
42	(737) Miscellaneous physical property	(1,133)	(1,133)
43	(738) Accrued depreciation—Miscellaneous physical property (p. 25)	70	70
44	Miscellaneous physical property less recorded depreciation (account 737 less 738)	460,280	450,745
45	Total properties less recorded depreciation and amortization		

Note.—See page 6 for explanatory notes, which are an integral part of the Comparative General Balance Sheet.

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KANSAS CITY SOUTHERN RY. CO.

200. COMPARATIVE GENERAL BALANCE SHEET—ASSETS—Continued

IN DOLLARS

Line No.	Account or item (a)	Balance at close of year (b)	Balance at beginning of year (c)
OTHER ASSETS AND DEFERRED CHARGES			
46	(741) Other assets _____		
47	(743) Other deferred charges (p. 26) _____		
48	(744) Accumulated deferred income tax charges (p. 10A) _____		
49	Total other assets and deferred charges _____		
50	TOTAL ASSETS _____	485,103	465,749

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 compared with those in the supporting schedules on the pages indicated. The entries in column (c) should be retained to conform with the account 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.

IN DOLLARS

Line No.	Account or Item	Balance at close of year (b)	Balance at beginning of year (c)
	(a)		
	CURRENT LIABILITIES	\$	\$
51	(751) Liens and notes payable (p. 26).....		
52	(752) Traffic car service and other balances-Cr.....	890	2,651
53	(753) Audited accounts and wages payable.....	610,858	533,455
54	(754) Miscellaneous accounts payable.....	190	125
55	(755) Interest matured unpaid.....		
56	(756) Dividends matured unpaid.....		
57	(757) Unmatured interest accrued.....		
58	(758) Unmatured dividends declared.....		
59	(759) Accrued accounts payable.....	8,000	
60	(760) Federal income taxes accrued.....	870	870
61	(761) Other taxes accrued.....	3,403	3,483
62	(762) Deferred income tax credits (p. 10A).....		
63	(763) Other current liabilities.....	10,646	12,332
64	Total current liabilities (exclusive of long-term debt due within one year).....	634,857	528,252
	LONG-TERM DEBT DUE WITHIN ONE YEAR (a1) Total issued (a2) Held by or for respondent		
65	(764) Equipment obligations and other debt (pp. 11 and 14).....		
	LONG-TERM DEBT DUE AFTER ONE YEAR (a1) Total issued (a2) Held by or for respondent		
66	(765) Funded debt unmatured (p. 11).....		
67	(766) Equipment obligations (p. 14).....		
68	(766.5) Capitalized lease obligations.....		
69	(767) Receivers' and Trustees' securities (p. 11).....		
70	(768) Debt in default (p. 26).....		
71	(769) Amounts payable to affiliated companies (p. 14).....	1,064,660	1,064,660
72	(770.1) Unamortized discount on long-term debt.....		
73	(770.2) Unamortized premium on long-term debt.....		
74	Total long-term debt due after one year.....		
	RESERVES		
75	(771) Pension and welfare reserves.....		
76	(774) Casualty and other reserves.....		
77	Total reserves.....		
	OTHER LIABILITIES AND DEFERRED CREDITS		
78	(781) Interest in default.....		
79	(782) Other liabilities.....	9,684	13,740
80	(784) Other deferred credits (p. 26).....	19,351	1,491
81	(785) Accrued liability—leased property (p. 23).....		
82	(786) Accumulated deferred income tax credits (p. 10A).....		
83	Total other liabilities and deferred credits.....	29,035	15,231
	SHAREHOLDERS' EQUITY (a1) Total issued (a2) Noncumulatively issued securities		
	Capital stock (for or stated return)		
84	(791) Capital stock issued: Common stock (p. 11).....	650,000	650,000
85	Preferred stock (p. 11).....		
86	Total.....	650,000	650,000
87	(792) Stock liability for conversion.....		
88	(793) Discount on capital stock.....		
89	Total capital stock.....	650,000	650,000
	Capital surplus		
90	(794) Premiums and assessments on capital stock (p. 23).....		
91	(795) Paid-in-surplus (p. 23).....	4,262,129	4,262,129
92	(796) Other capital surplus (p. 23).....		
93	Total capital surplus.....	4,262,129	4,262,129

Continued on page 5A

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

IN DOLLARS

Retained income			
94	(797) Retained income—Appropriated (p. 25) _____		
95	(798) Retained income—Unappropriated (p. 10) _____	(6,155,578)	(6,054,523)
96	(798.1) Net unrealized loss on noncurrent marketable equity securities _____		
97	Total retained income _____	(6,155,578)	(6,054,523)
TREASURY STOCK			
98	(798.5) Less Treasury stock _____		
99	Total shareholders' equity _____	(1,243,449)	(1,142,394)
100	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY _____	485,103	465,749

Note.—See page 6 for explanatory notes, which are an integral part of the Comparative General Balance Sheet.

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. All contra entries hereunder should be indicated in parentheses.

2. Any unusual accruals involving substantial amounts included in column (b) on lines 7 to 37, inclusive, should be fully explained in a footnote.

3. 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.

IN DOLLARS

Line No.	Item (a)	Amount for current year (b)
	ORDINARY ITEMS	\$
	OPERATING INCOME	
	RAILWAY OPERATING INCOME	
		222,433
1	(501) Railway operating revenues (p. 27) _____	253,809
2	(531) Railway operating expenses (p. 28) _____	(31,376)
3	Net revenue from railway operations _____	32,978
4	(532) Railway tax accruals _____	
5	(533) Provision for deferred taxes _____	(64,354)
6	Railway operating income _____	
	RENT INCOME	
7	(503) Hire of freight cars and highway revenue equipment—Credit balance _____	
8	(504) Rent from locomotives _____	
9	(505) Rent from passenger-train cars _____	
10	(506) Rent from floating equipment _____	
11	(507) Rent from work equipment _____	
12	(508) Joint facility rent income _____	
13	Total rent income _____	
	RENTS PAYABLE	
14	(536) Hire of freight cars and highway revenue equipment—Debit balance _____	39,009
15	(537) Rent for locomotives _____	1,005
16	(538) Rent for passenger-train cars _____	
17	(539) Rent for floating equipment _____	
18	(540) Rent for work equipment _____	
19	(541) Joint facility rents _____	40,014
20	Total rents payable _____	(40,014)
21	Net rents (line 13 less line 20) _____	(104,368)
22	Net railway operating income (lines 6,21) _____	
	OTHER INCOME	
23	(502) Revenues from miscellaneous operations (p. 28) _____	
24	(509) Income from lease of road and equipment (p. 31) _____	
25	(510) Miscellaneous rent income (p. 29) _____	3,294
26	(511) Income from nonoperating property (p. 30) _____	
27	(512) Separately operated properties—Profit _____	
28	(513) Dividend income (from investments under cost only) _____	
29	(514) Interest income _____	
30	(516) Income from sinking and other reserve funds _____	
31	(517) Release of premiums on funded debt _____	
32	(518) Contributions from other companies (p. 31) _____	
33	(519) Miscellaneous income (p. 29) _____	(a1) 86
34	Dividend income (from investments under equity only) _____	\$
35	Undistributed earnings (losses) _____	
36	Equity in earnings (losses) of affiliated companies (lines 34,35) _____	
37	Total other income _____	3,380
38	Total income (lines 22,37) _____	(100,988)
	MISCELLANEOUS DEDUCTIONS FROM INCOME	
39	(534) Expenses of miscellaneous operations (p. 28) _____	
40	(535) Taxes on miscellaneous operating property (p. 28) _____	
41	(543) Miscellaneous rents (p. 29) _____	
42	(544) Miscellaneous tax accruals _____	11
43	(545) Separately operated properties—Loss _____	

300. INCOME ACCOUNT FOR THE YEAR—Continued

IN DOLLARS

Line No.	Item (a)	Amount for current year (b)
		\$
44	(549) Maintenance of investment organization	
45	(550) Income transferred to other companies (p. 31)	
46	(551) Miscellaneous income charges (p. 29)	56
47	Total miscellaneous deductions	67
48	Income available for fixed charges (lines 38, 47)	(101,055)
	FIXED CHARGES	
49	(542) Rent for leased roads and equipment	
	(546) Interest on funded debt:	
50	(a) Fixed interest not in default	
51	(b) Interest in default	
52	(547) Interest on unfunded debt	
53	(548) Amortization of discount on funded debt	
54	Total fixed charges	
55	Income after fixed charges (lines 48, 54)	(101,055)
	OTHER DEDUCTIONS	
	(546) Interest on funded debt:	
56	(c) Contingent interest	
	UNUSUAL OR INFREQUENT ITEMS	
57	(555) Unusual or infrequent items-Net-(Debit) credit*	
58	Income (loss) from continuing operations (lines 55-57)	(101,055)
	DISCONTINUED OPERATIONS	
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)	(101,055)
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
63	(570) Extraordinary items-Net-(Debit) credit (p. 9)	
64	(590) Income taxes on extraordinary items-Debit (credit) (p. 9)	
65	(591) Provision for deferred taxes-Extraordinary items	
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)	(101,055)

* Less applicable income taxes of:

555 Unusual or infrequent items-Net-(Debit) (credit)	5
560 Income (loss) from operations of discontinued segments	
562 Gain (loss) on disposal of discontinued segments	
592 Cumulative effect of changes in accounting principles	

NOTE.—See page 9 for explanatory notes which are an integral part of the Income Account for the Year.

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 undistributed 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 69, column (b), schedule 300.
6. Include in column (b) only amounts applicable to Retained Income *exclusive* of any amounts included in column (c).

Line No.	Item	IN DOLLARS	
		Retained income—Unappropriated	Equity in undistributed earnings (losses) of affiliated companies
	(a)	(b)	(c)
1	Balances at beginning of year _____	(6,054,523)	\$
2	(601.5) Prior period adjustments to beginning retained income _____		
	CREDITS		
3	(602) Credit balance transferred from income _____		
4	(606) Other credits to retained income† _____		
5	(622) Appropriations released _____		
6	Total _____		
	DEBITS		
7	(612) Debit balance transferred from income _____	101,055	
8	(616) Other debits to retained income _____		
9	(620) Appropriations for sinking and other reserve funds _____		
10	(621) Appropriations for other purposes _____		
11	(623) Dividends _____		
12	Total _____	101,055	
13	Net increase (decrease) during year (Line 6 minus line 12) _____	(101,055)	
14	Balances at close of year (Lines 1, 2 and 13) _____		
15	Balance from line 14 (c) _____		XXXXXX
16	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year _____	(6,155,578)	XXXXXX
	Remarks		
	Amount of assigned Federal income tax consequences:		
17	Account 606 _____		XXXXXX
18	Account 616 _____		XXXXXX

†Show principal items in detail.

1302. 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 No. 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) affected.

IN DOLLARS

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)	
		\$	\$	%	\$	\$	%
	ROAD						
1	(1) Engineering	15,312	15,192	60			
2	(2 1/2) Other right-of-way expenditures						
3	(3) Grading	67,238	66,692	12			
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	54,921	54,936	3 10			
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs	7,200	7,200				
8	(16) Station and office buildings	6,733	6,463	2 05			
9	(17) Roadway buildings	1,393	661				
10	(18) Water stations						
11	(19) Fuel stations						
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	48	48				
24	(39) Public improvements—Construction	1,798	1,798				
25	(44) Shop machinery						
26	(45) Power-plant machinery						
27	All other road accounts						
28	Amortization (other than defense projects)						
29	Total road	154,643	152,990	1 31			
	EQUIPMENT						
30	(52) Locomotives						
31	(53) Freight-train cars						
32	(54) Passenger-train cars						
33	(55) Highway revenue equipment						
34	(56) Floating equipment						
35	(57) Work equipment						
36	(58) Miscellaneous equipment						
37	Total equipment						
38	Grand Total	154,643	152,990	1 31			

1501. 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. 505 to 507, inclusive. (See schedule 1502 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 red 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.

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)	
		\$	\$	\$	\$	\$	\$
	ROAD						
		186	92		40		238
1	(1) Engineering	17					17
2	(2 1/2) Other right-of-way expenditures	(18,565)	80				(18,485)
3	(3) Grading						
4	(5) Tunnels and subways	37,943	1,702		(100)		39,745
5	(6) Bridges, trestles, and culverts						
6	(7) Elevated structures	7,815					7,815
7	(13) Fences, snow sheds, and signs	4,205	134		270		4,069
8	(16) Station and office buildings	1,393			732		661
9	(17) Roadway buildings						
10	(18) Water stations						
11	(19) Fuel stations						
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	(1,417)					(1,417)
18	(26) Communication systems						
19	(27) Signals and interlockers						
20	(29) Power plants						
21	(31) Power-transmission systems						
22	(35) Miscellaneous structures	211	*				211
23	(37) Roadway machines	1,810	*				1,810
24	(39) Public improvements—Construction						
25	(44) Shop machinery*						
26	(45) Power-plant machinery*						
27	All other road accounts	7,487					7,487
28	Amortization (other than defense projects)	41,085	2,008		942		42,151
29	Total road						
	EQUIPMENT						
30	(52) Locomotives						
31	(53) Freight-train cars						
32	(54) Passenger-train cars						
33	(55) Highway revenue equipment						
34	(56) Floating equipment						
35	(57) Work equipment						
36	(58) Miscellaneous equipment						
37	Total equipment	41,085	2,008		942		42,151
38	Grand total						

*Chargeable to account 1223

* Ceased accruing depreciation per letter of Mr. M. Palo, Director, ICC dated April 30, 1970, File ACV-MEB.

101. IDENTITY OF RESPONDENT

1. Give the exact name^a by which the respondent was known in law at the close of the year Fort Smith and Van Buren Railway Company
2. State whether or not the respondent made an annual report to the Interstate Commerce Commission for the preceding year, or for any part thereof. If so, in what name was such report made? Yes, The Kansas City Southern Railway Company
3. If any change was made in the name of the respondent during the year, state all such changes and the dates on which they were made None
4. Give the location (including street and number) of the main business office of the respondent at the close of the year 114 West 11th Street, Kansas City, Missouri 64105
5. Give the titles, names, and office addresses of all general officers of the respondent at the close of the year. If there are receivers who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices.

Line No.	Title of general officer (a)	Name and office address of person holding office at close of year (b)
1	President	T. S. Carter Kansas City, Missouri
2	Vice president	M. F. McClain Kansas City, Missouri
3	Secretary	G. E. Kellogg Kansas City, Missouri
4	Treasurer	V. C. Pragman Kansas City, Missouri
5	Auditor	T. A. Giltner Kansas City, Missouri
6	General Counsel	R. E. Zimmerman Kansas City, Missouri
7	General manager	J. E. Gregg Kansas City, Missouri
8	General superintendent	
9	General freight agent	
10	General passenger agent	
11	General land agent	
12	Chief engineer	
13		

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

Line No.	Name of director (a)	Office address (b)	Term expires (c)
14	W. N. Deramus III	Kansas City, Missouri	May 22, 1978
15	T. S. Carter, J. E. Gregg	"	"
16	R. P. Bruening	"	"
17	G. E. Kellogg	"	"
18	M. F. McClain	"	"
19	T. A. Giltner	"	"
20	M. C. Lincoln	"	"
21	L. J. Tamisiea	"	"
22	V. C. Pragman	"	"
23	R. E. Zimmerman	"	"

7. Give the date of incorporation of the respondent April 9, 1900 8. State the character of motive power used Diesel

9. Class of switching and terminal company Class II Railroad

10. Under the laws of what Government, State, or Territory was the respondent organized? If more than one, name all. Give reference to each statute and all amendments thereof, effected during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees State of Arkansas
Chapter 137 Popes Digest - Statutes of Arkansas 1937 CC III, Arkansas 1899.

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

12. Give hereunder a history of the respondent from its inception to date, showing all consolidations, mergers, reorganizations, etc., and if a consolidated or merging corporation give like particulars for all constituent and subconstituent corporations. Describe also the course of construction of the road of the respondent, and its financing. Respondent was created at the instant of The Kansas City Southern
Railway Company until September 16, 1939, its property (located Fort Smith,
Arkansas) was operated by this company through ownership of (Continued on Page 192)

^a Use the initial word the when (and only when) it is a part of the name, and distinguish between the words railroad and railway and between company and corporation.

107. STOCKHOLDERS

Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities

being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements give, as supplemental information on page 38, the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year.

Line No.	Name of security holder (a)	Address of security holder (b)	Number of votes to which security holder was entitled (c)	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			
				Stocks		Other securities with voting power (g)	
				Common (d)	PREFERRED Second (e)First (f)		
1	The Kansas City Southern						
2	Railway Company	Kansas City, Missouri	108	108	None	None	None
3		"	1	1	"	"	"
4	W. N. Deramus III	"	1	1	"	"	"
5	T. S. Carter	"	1	1	"	"	"
6	R. P. Bruening	"	1	1	"	"	"
7	T. A. Giltner	"	1	1	"	"	"
8	G. E. Kellogg	"	1	1	"	"	"
9	M. C. Lincoln	"	1	1	"	"	"
10	L. J. Tamisiea	"	1	1	"	"	"
11	M. F. McClain	"	1	1	"	"	"
12	V. C. Pragman	"	1	1	"	"	"
13	R. E. Zimmerman	"	1	1	"	"	"
14	J. E. Gregg	"	1	1	"	"	"
15	G. D. Pollins	"	1	1	"	"	"
16							
17							
18							
19							
20							
21							
22	Schedule 101, Item 12 (Continued from Page 191)						
23							
24	all its capital stock, as of that date respondent acquired and commenced the						
25	direct operation of railroad formerly owned and operated by the Fort Smith						
26	and Western Railway between Coal Creek and McCurtain, Oklahoma.						
27							
28							
29							
30							

Footnotes and Remarks

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.

670. FUNDED DEBT UNMATURED

Give particulars of the various issues of securities in accounts Nos. 764, "Equipment obligations and other debt due within one year" (excluding equipment obligations), and 765, "Funded debt unmatured," at close of the year. Funded debt, as here used, comprises all obligations maturing later than one year after date of issue in accordance with the instructions in the Uniform System of Accounts for Railroad Companies. Show

each issue separately, and make all necessary explanations in footnotes. For the purposes of this report, securities are considered to be actually issued when sold to a bona fide purchaser for a valuable consideration, and such purchaser holds free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. It should be noted that section 20a of the

Interstate Commerce Act makes it unlawful for a carrier to issue or assume any securities, unless and until, and then only to the extent that, the Commission by order authorizes such issue or assumption. Entries in columns (k) and (l) should include interest accrued on funded debt reacquired, matured during the year, even though no portion of the issue is outstanding at the close of the year.

Line No.	Name and character of obligation	Nominal date of issue	Date of maturity	Interest provisions		Total amount nominally and actually issued	Nominally issued and held by for respondent (Identify pledged securities by symbol "P")	Total amount actually issued	Required and held by or for respondent (Identify pledged securities by symbol "P")	Actually outstanding at close of year	Interest during year	
				Rate percent per annum	Dates due						Accrued	Actually paid
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1						\$	\$	\$	\$	\$	\$	\$
2												
3												
4					Total	None						None
5	Funded debt canceled. Nominally issued, \$						Actually issued, \$					
6	Purpose for which issue was authorized:											

590. CAPITAL STOCK

Give the particulars called for concerning the several classes and issues of capital stocks of the respondent outstanding at the close of the year, and make all necessary explanations in footnotes. For definition of securities actually issued and actually outstanding see instructions for schedule 670. It should be noted that section 20a of the Interstate Commerce Act makes it unlawful for a carrier to

issue or assume any securities, unless and until, and then only to the extent that, the Commission by order authorizes such issue or assumption.

Line No.	Class of stock (a)	Date issue was authorized (b)	Par value per share (c)	Authorized (d)	Authenticated (e)	Par value of par value or shares of nonpar stock			Actually outstanding at close of year		
						Nominally issued and held by for respondent (Identify pledged securities by symbol "P") (f)	Total amount actually issued (g)	Reacquired and held by or for respondent (Identify pledged securities by symbol "P") (h)	Par value of par-value stock (i)	Shares Without Par Value	
										Number (j)	Book value (k)
1	Common	4-9	\$		\$	\$	\$	\$		\$	
2		1910	100	250,000	12,000		12,000		12,000		
3											
4											
5	Par value of par value or book value of nonpar stock canceled. Nominally issued, \$					None			Actually issued, \$		
6	Amount of receipts outstanding at the close of the year for installments received on subscriptions for stocks					None			None		
7	Purpose for which issue was authorized? Construction of Railroad at Fort Smith, Arkansas										
8	The total number of stockholders at the close of the year was					Thirteen					

495. RECEIVERS' AND TRUSTEES' SECURITIES

Give particulars as to evidences of indebtedness issued and payment of equipment obligations assumed by receivers and trustees under orders of a court as provided for in account No. 767, "Receivers' and trustees' securities." For definition of securities actually issued and actually outstanding, see instructions for schedule 670.

orders of a court as provided for in account No. 767, "Receivers' and trustees' securities." For definition of securities actually issued and actually outstanding, see instructions for schedule 670.

Line No.	Name and character of obligation (a)	Nominal date of issue (b)	Date of maturity (c)	Interest provisions		Total par value authorized (f)	Total par value held by or for respondent at close of year		Total par value actually outstanding at close of year (i)	Interest during year	
				Rate percent per annum (d)	Dates due (e)		Nominally issued (g)	Nominally outstanding (h)		Accrued (j)	Actually paid (k)
1						\$	\$	\$	\$	\$	\$
2	NONE										
3											
4					Total						

If by the State Board of Railroad Commissioners, or other public authority, if any, having control over the issue of securities, if no public authority has such control, state the purpose and amounts as authorized by the board of directors and approved by stockholders.

208. 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 (a). 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.

IN DOLLARS

Line No.	Account or Item (a)	Balance at close of year (b)	Balance at beginning of year (c)
	CURRENT ASSETS	\$	\$
1	(701) Cash	196	(1,020)
2	(702) Temporary cash investments		
3	(703) Special deposits (p. 108)		
4	(704) Loans and notes receivable		
5	(705) Traffic, car service and other balances-Dr.		
6	(706) Net balance receivable from agents and conductors		
7	(707) Miscellaneous accounts receivable		
8	(708) Interest and dividends receivable		
9	(709) Accrued accounts receivable	6,649	15,360
10	(710) Working fund advances		
11	(711) Prepayments		
12	(712) Material and supplies		
13	(713) Other current assets		
14	(714) Deferred income tax charges (p. 10A)		
15	Total current assets	6,845	14,340
	SPECIAL FUNDS	(a1) Total book assets at close of year	(a2) Respondent's own issued included in (a1)
16	(715) Sinking funds		
17	(716) Capital and other reserve funds		
18	(717) Insurance and other funds		
19	Total special funds		
	INVESTMENTS		
20	(721) Investments in affiliated companies (pp. 16 and 17)		
21	Undistributed earnings from certain investments in account 721 (p. 17A)		
22	(722) Other investments (pp. 16 and 17)		
23	(723) Reserve for adjustment of investment in securities—Credit		
24	(724) Allowance for net unrealized loss and noncurrent marketable equity securities - Cr.		
25	Total investments (accounts 721, 722, and 724)		
	PROPERTIES		
26	(731) Road and equipment property: Road	417,313	421,315
27	Equipment		
28	General expenditures	5,537	4,578
29	Other elements of investment		
30	Construction work in progress		
31	Total (p. 13)	422,850	425,893
32	(732) Improvements on leased property: Road		
33	Equipment		
34	General expenditures		
35	Total (p. 12)		
36	Total transportation property (accounts 731 and 732)	422,850	425,893
37	(733) Accrued depreciation—Improvements on leased property		
38	(735) Accrued depreciation—Road and equipment (pp. 21 and 22)	(22,571)	(31,086)
39	(736) Amortization of defense projects—Road and Equipment (p. 24)		
40	Recorded depreciation and amortization (accounts 733, 735 and 736)	(22,571)	(31,086)
41	Total transportation property less recorded depreciation and amortization	400,279	394,807
42	(737) Miscellaneous physical property	97,288	97,288
43	(738) Accrued depreciation - Miscellaneous physical property (p. 25)		
44	Miscellaneous physical property less recorded depreciation (account 737 less 738)	97,288	97,288
45	Total properties less recorded depreciation and amortization	497,567	492,095

Note.—See page 6 for explanatory notes, which are an integral part of the Comparative General Balance Sheet.

100. COMPARATIVE GENERAL BALANCE SHEET—ASSETS—Continued

IN DOLLARS

Line No.	Account or Item (a)	Balance at close of year (b)	Balance at beginning of year (c)
	OTHER ASSETS AND DEFERRED CHARGES		
46	(741) Other assets	\$	\$
47	(743) Other deferred charges (p. 28)		
48	(744) Accumulated deferred income tax charges (p. 10A)		
49	Total other assets and deferred charges		
50	TOTAL ASSETS	504,412	506,435

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 (1) should be restated to conform with the account requirements followed in column (2). The entries in short column (a) should reflect total book liability at close of year. The entries in the short column (a) should be deducted from those in column (1) in order to obtain corresponding entries for column (2). All contra entries hereunder should be indicated in parentheses.

IN DOLLARS

Line No.	Account or item	Balance at close of year (1)	Balance at beginning of year (2)
	CURRENT LIABILITIES		
51	(751) Liens and notes payable (p. 26)		
52	(752) Traffic car service and other balances-Cr.	233	
53	(753) Audited accounts and wages payable	195,818	212,649
54	(754) Miscellaneous accounts payable	11	11
55	(755) Interest matured unpaid		
56	(756) Dividends matured unpaid		
57	(757) Unmatured interest accrued		
58	(758) Unmatured dividends declared		
59	(759) Accrued accounts payable		
60	(760) Federal income taxes accrued	2,464	2,409
61	(761) Other taxes accrued	(2,325)	
62	(762) Deferred income tax credits (p. 10A)		
63	(763) Other current liabilities	196,201	215,069
64	Total current liabilities (exclusive of long-term debt due within one year)		
	LONG-TERM DEBT DUE WITHIN ONE YEAR (a) Total issued (a2) Held by or for respondent		
65	(764) Equipment obligations and other debt (pp. 11 and 14)		
	LONG-TERM DEBT DUE AFTER ONE YEAR (a) Total issued (a2) Held by or for respondent		
66	(765) Funded debt unsecured (p. 11)		
67	(766) Equipment obligations (p. 14)		
68	(766.5) Capitalized lease obligations		
69	(767) Receivers' and Trustees' securities (p. 11)		
70	(768) Debt in default (p. 26)	101,000	101,000
71	(769) Amounts payable to affiliated companies (p. 14)		
72	(770.1) Unamortized discount on long-term debt		
73	(770.2) Unamortized premium on long-term debt	101,000	101,000
74	Total long-term debt due after one year		
	RESERVES		
75	(771) Pension and welfare reserves		
76	(774) Casualty and other reserves		
77	Total reserves		
	OTHER LIABILITIES AND DEFERRED CREDITS		
78	(781) Interest in default	12,279	12,279
79	(782) Other liabilities	18,010	1
80	(784) Other deferred credits (p. 25)		
81	(785) Accrued liabilities—leased property (p. 25)		
82	(786) Accumulated deferred income tax credits (p. 10A)		
83	Total other liabilities and deferred credits	30,289	12,280
	SHAREHOLDERS' EQUITY (a) Total issued (a2) Nominally issued securities		
	Capital stock (Par or stated value)		
84	(791) Capital stock issued: Common stock (p. 11)	12,000	12,000
85	Preferred stock (p. 11)	12,000	12,000
86	Total	12,000	12,000
87	(792) Stock liability for conversion		
88	(793) Discount on capital stock	12,000	12,000
89	Total capital stock		
	Capital surplus		
90	(794) Premiums and assessments on capital stock (p. 25)	286,058	286,058
91	(795) Paid-in surplus (p. 25)		
92	(796) Other capital surplus (p. 25)	286,058	286,058
93	Total capital surplus		

(Continued on page 5A)

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

IN DOLLARS

Retained income			
94	(797) Retained income—Appropriated (p. 25) _____	(121,136)	(119,972)
95	(798) Retained income—Unappropriated (p. 10) _____		
96	(798.1) Net unrealized loss on noncurrent marketable equity securities _____		
97	Total retained income _____	(121,136)	(119,972)
TREASURY STOCK			
98	(798.5) Less-Treasury stock _____		
99	Total shareholders' equity _____	176,922	178,086
100	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY _____	504,412	506,435

Note.—See page 6 for explanatory notes, which are an integral part of the Comparative General Balance Sheet.

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. All contra entries hereunder should be indicated in parentheses.

2. Any unusual accruals involving substantial amounts included in column (b) on lines 7 to 57, inclusive, should be fully explained in a footnote.

3. 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.

IN DOLLARS

Line No.	Item (a)	Amount for current year (b)
	ORDINARY ITEMS	\$
	OPERATING INCOME	
	RAILWAY OPERATING INCOME	
1	(501) Railway operating revenues (p. 27) _____	43,433
2	(531) Railway operating expenses (p. 28) _____	26,672
3	Net revenue from railway operations _____	16,761
4	(532) Railway tax accruals _____	10,295
5	(533) Provision for deferred taxes _____	
6	Railway operating income _____	6,466
	RENT INCOME	
7	(503) Hire of freight cars and highway revenue equipment—Credit balance _____	
8	(504) Rent from locomotives _____	
9	(505) Rent from passenger-train cars _____	
10	(506) Rent from floating equipment _____	
11	(507) Rent from work equipment _____	
12	(508) Joint facility rent income _____	
13	Total rent income _____	
	RENTS PAYABLE	
14	(536) Hire of freight cars and highway revenue equipment—Debit balance _____	8,095
15	(537) Rent for locomotives _____	531
16	(538) Rent for passenger-train cars _____	
17	(539) Rent for floating equipment _____	
18	(540) Rent for work equipment _____	
19	(541) Joint facility rents _____	
20	Total rents payable _____	8,626
21	Net rents (line 13 less line 20) _____	(8,626)
22	Net railway operating income (lines 6,21) _____	(2,160)
	OTHER INCOME	
23	(502) Revenues from miscellaneous operations (p. 28) _____	
24	(509) Income from lease of road and equipment (p. 31) _____	
25	(510) Miscellaneous rent income (p. 29) _____	696
26	(511) Income from nonoperating property (p. 30) _____	
27	(512) Separately operated properties—Profit _____	
28	(513) Dividend income (from investments under cost only) _____	
29	(514) Interest income _____	
30	(516) Income from sinking and other reserve funds _____	
31	(517) Release of premiums on funded debt _____	
32	(518) Contributions from other companies (p. 31) _____	
33	(519) Miscellaneous income (p. 29) _____ (a1)	510
34	Dividend income (from investments under equity only) _____ \$	XXXXX
35	Undistributed earnings (losses) _____	XXXXX
36	Equity in earnings (losses) of affiliated companies (lines 34,35) _____	
37	Total other income _____	1,200
38	Total income (lines 22,37) _____	(960)
	MISCELLANEOUS DEDUCTIONS FROM INCOME	
39	(534) Expenses of miscellaneous operations (p. 28) _____	
40	(535) Taxes on miscellaneous operating property (p. 28) _____	
41	(543) Miscellaneous rents (p. 29) _____	
42	(544) Miscellaneous tax accruals _____	
43	(545) Separately operated properties—Loss _____	

300. INCOME ACCOUNT FOR THE YEAR—Continued

IN DOLLARS

Line No.	Item (a)	Amount for current year (b)
		\$
44	(549) Maintenance of investment organization	
45	(550) Income transferred to other companies (p. 31)	
46	(551) Miscellaneous income charges (p. 29)	204
47	Total miscellaneous deductions	204
48	Income available for fixed charges (lines 38, 47)	(1,164)
	FIXED CHARGES	
49	(542) Rent for leased roads and equipment	
	(546) Interest on funded debt:	
50	(a) Fixed interest not in default	
51	(b) Interest in default	
52	(547) Interest on unfunded debt	
53	(548) Amortization of discount on funded debt	
54	Total fixed charges	
55	Income after fixed charges (lines 48, 54)	(1,164)
	OTHER DEDUCTIONS	
	(546) Interest on funded debt:	
56	(c) Contingent interest	
	UNUSUAL OR INFREQUENT ITEMS	
57	(555) Unusual or infrequent items-Net-(Debit) credit*	
58	Income (loss) from continuing operations (lines 55-57)	(1,164)
	DISCONTINUED OPERATIONS	
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)	(1,164)
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
63	(570) Extraordinary items-Net-(Debit) credit (p. 9)	
64	(590) Income taxes on extraordinary items-Debit (credit) (p. 9)	
65	(591) Provision for deferred taxes-Extraordinary items	
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)	(1,164)

* Less applicable income taxes of:

\$

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

560 Income (loss) from operations of discontinued segments

562 Gain (loss) on disposal of discontinued segments

592 Cumulative effect of changes in accounting principles

NOTE.—See page 9 for explanatory notes which are an integral part of the Income Account for the Year.

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 undistributed 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 69, column (b), schedule 300.
6. Include in column (b) only amounts applicable to Retained Income *exclusive* of any amounts included in column (c).

Line No.	Item (a)	IN DOLLARS	
		Retained income— Unappropriated (b)	Equity in undistri- buted earnings (losses) of affili- ated companies (c)
1	Balances at beginning of year _____	\$ 119,972	\$
2	(601.5) Prior period adjustments to beginning retained income _____		
	CREDITS		
3	(602) Credit balance transferred from income _____		
4	(606) Other credits to retained income† _____		
5	(622) Appropriations released _____		
	Total _____		
	DEBITS		
7	(612) Debit balance transferred from income _____	1,164	
8	(616) Other debits to retained income _____		
9	(620) Appropriations for sinking and other reserve funds _____		
10	(621) Appropriations for other purposes _____		
11	(623) Dividends _____		
	Total _____	1,164	
12	Net increase (decrease) during year (Line 6 minus line 12) _____	(1,164)	
13	Balances at close of year (Lines 1, 2 and 13) _____	121,136	
14	Balance from line 14 (c) _____		xxxxxxx
15	Total unappropriated retained income and equity in undistributed earn- ings (losses) of affiliated companies at end of year _____	(121,136)	xxxxxxx
	Remarks		
	Amount of assigned Federal income tax consequences:		
17	Account 606 _____		xxxxxxx
18	Account 616 _____		xxxxxxx

†Show principal items in detail.

1302. DEPRECIATION BASE AND RATES—ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS

1. Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation charges for the month of January and in columns (d) and (f) show the depreciation base used in computing the depreciation charges for the month of December; in columns (e) 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 No. 547.

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 accounts affected.

IN DOLLARS

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)	
		\$	\$	%	\$	\$	%
	ROAD						
1	(1) Engineering	5,272	5,117	40			
2	(2 1/2) Other right-of-way expenditures	712	695	2 70			
3	(3) Grading	39,038	29,252	12			
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	43,111	42,663	4 24			
6	(7) Elevated structures						
7	(13) Fences, snowsheds, and signs	2,690	2,647				
8	(16) Station and office buildings	477	477				
9	(17) Roadway buildings						
10	(18) Water stations						
11	(19) Fuel stations						
12	(20) Shops and enginehouses	89	89				
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	149	149				
19	(27) Signals and interlockers						
20	(29) Power plants						
21	(31) Power-transmission systems						
22	(35) Miscellaneous structures						
23	(37) Roadway machines	46	46				
24	(39) Public improvements—Construction	4,092	4,070	1 60			
25	(44) Shop machinery						
26	(45) Power-plant machinery						
27	All other road accounts						
28	Amortization (other than defense projects)						
29	Total road	95,676	85,205	2 29			
	EQUIPMENT						
30	(52) Locomotives						
31	(53) Freight-train cars						
32	(54) Passenger-train cars						
33	(55) Highway revenue equipment						
34	(56) Floating equipment						
35	(57) Work equipment						
36	(58) Miscellaneous equipment						
37	Total equipment						
38	Grand Total	95,676	85,205	2 29			

1501. 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 1502 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 red 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.

IN DOLLARS

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)	
			\$	\$	\$	\$	\$
	ROAD						
1	(1) Engineering	(4,137)	21		155		(4,271)
2	(2 1/2) Other right-of-way expenditures	504	18		16		506
3	(3) Grading	(21,378)	38		9,786		(31,126)
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	41,282	1,814		449		42,647
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs	8,968			43		8,925
8	(16) Station and office buildings	477					477
9	(17) Roadway buildings	1,742					1,742
10	(18) Water stations	416					416
11	(19) Fuel stations						
12	(20) Shops and enginehouses	229					229
13	(21) Grain elevators						
14	(22) Storage warehouses						
15	(23) Wharves and docks						
16	(24) Coal and ore wharves						
17	(25) TOPC/COPC terminals						
18	(26) Communication systems	638					638
19	(27) Signals and interlockers						
20	(29) Power plants						
21	(31) Power-transmission systems						
22	(35) Miscellaneous structures						
23	(37) Roadway machines	382					382
24	(39) Public improvements--Construction	1,963	65		22		2,006
25	(44) Shop machinery						
26	(45) Power-plant machinery						
27	All other road accounts						
28	Amortization (other than defense projects)						
29	Total road	31,086	1,956		10,471		22,571
	EQUIPMENT						
30	(52) Locomotives						
31	(53) Freight-train cars						
32	(54) Passenger-train cars						
33	(55) Highway revenue equipment						
34	(56) Flooding equipment						
35	(57) Work equipment						
36	(58) Miscellaneous equipment						
37	Total equipment						
38	Grand total	31,086	1,956		10,471		22,571

*Chargeable to account 1223

Road Initials:

Year:

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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)
			\$	\$
	CURRENT ASSETS			
1	(701) Cash		47	106
2	(702) Temporary cash investments (p. 23)		700	400
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		2	1
8	(708) Interest and dividends receivable			
9	(709) Accrued accounts receivable (p. 23)			
10	(710) Working fund advances			
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		749	507
	SPECIAL FUNDS			
		(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)			
18	(717) Insurance and other funds (pp. 24 and 25)			
19	Total special funds			
	INVESTMENTS			
20	(721) Investments in affiliated companies (pp. 28-31)			
21	Undistributed earnings from certain investments in account 721 (pp. 35A and 35B)			
22	(722) Other investments (pp. 32-35)			
23	(723) Reserve for adjustment of investment in securities—Credit (p. 27, Instruction 9)			
24	(724) Allowance for net unrealized loss on noncurrent marketable equity securities—Cr.			
25	Total investments (accounts 721, 722, 723, and 724)			
	PROPERTIES			
26	(731) Road and equipment property: Road		9,118	9,674
27	Equipment		10,205	9,403
28	General expenditures			
29	Other elements of investment			
30	Construction work in progress			
31	Total (pp. 38-41)		19,323	19,077
32	(732) Improvements on leased property: Road			
33	Equipment			
34	General expenditures			
35	Total (pp. 38-41)			
36	Total transportation property (accounts 731 and 732)		19,323	19,077
37	(733) Accrued depreciation—Improvements on leased property (p. 45 B)			
38	(735) Accrued depreciation—Road and equipment (pp. 45 and 46)		(15,777)	(15,369)
39	(736) Amortization of defense projects—Road and Equipment (p. 47)			
40	Recorded depreciation and amortization (accounts 733, 735 and 736)		(15,777)	(15,369)
41	Total transportation property less recorded depreciation and amortization		3,546	3,708
42	(737) Miscellaneous physical property (pp. 52 and 53)			
43	(738) Accrued depreciation - Miscellaneous physical property (pp. 52 and 53)			
44	Miscellaneous physical property less recorded depreciation (account 737 less 738)			
45	Total properties less recorded depreciation and amortization		3,546	3,708

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 begin- ning of year (c)
	OTHER ASSETS AND DEFERRED CHARGES	\$	\$
46	(741) Other assets (p. 54)	2	2
47	(743) Other deferred charges (p. 54)		
48	(744) Accumulated deferred income tax charges (p. 87)		
49	Total other assets and deferred charges	2	2
50	TOTAL ASSETS	4,297	4,217

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 — \$

(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 — \$

— 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 — \$

(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 — \$

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes — \$

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax accrual — \$

Other adjustments (indicate nature such as recapture on early disposition) — \$

(iii) Show the amount of investment tax credit carryover at year end — \$

(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 — \$

(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 — \$

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

Description of obligation	Year accrued	Account No.	Amount
			\$

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 parentheses.

Line No.	Account or item (a)	(Dollars in thousands)	Balance at close of year (b)	Balance at beginning of year (c)
CURRENT LIABILITIES				
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		37	195
55	(755) Interest matured unpaid			
56	(756) Dividends matured unpaid			
57	(757) Unmatured interest accrued		7	8
58	(758) Unmatured dividends declared		75	75
59	(759) Accrued accounts payable (p. 63)			
60	(760) Federal income taxes accrued (p. 64)		334	240
61	(761) Other taxes accrued (p. 64)		1	
62	(762) Deferred income tax credits (p. 87)			
63	(763) Other current liabilities (p. 63)			
64	Total current liabilities (exclusive of long-term debt due within one year)		454	518
LONG-TERM DEBT DUE WITHIN ONE YEAR				
65	(764) Equipment obligations and other debt (pp. 56-59)	(a1) Total issued 1,100	(a2) Held by or for respondent 1,100	1,500
LONG-TERM DEBT DUE AFTER ONE YEAR				
66	(765) Funded debt unmatured (pp. 56-59)	(a1) Total issued 1,941	(a2) Held by or for respondent 1,941	1,513
67	(766) Equipment obligations (pp. 56-59)			
68	(766.5) Capitalized lease obligations			
69	(767) Receivers' and Trustees' securities (pp. 56-59)			
70	(768) Debt in default (pp. 56-59)			
71	(769) Amounts payable to affiliated companies (p. 62)			
72	(770.1) Unamortized discount on long-term debt			
73	(770.2) Unamortized premium on long-term debt			
74	Total long-term debt due after one year		1,941	1,513
RESERVES				
75	(771) Pension and welfare reserves (p. 65)			
76	(774) Casualty and other reserves (p. 65)			
77	Total reserves			
OTHER LIABILITIES AND DEFERRED CREDITS				
78	(781) Interest in default (p. 58)			
79	(782) Other liabilities (p. 65)			
80	(784) Other deferred credits (p. 65)			
81	(785) Accrued liability—Leased property (p. 45A)			
82	(786) Accumulated deferred income tax credits (p. 87)			
83	Total other liabilities and deferred credits			
SHAREHOLDERS' EQUITY				
Capital stock (Par or stated value)				
84	(791) Capital stock issued: Common stock (p. 67)	(a1) Total issued 10	(a2) Nominally issued securities 10	10
85	Preferred stock (p. 67)			
86	Total	10		
87	(792) Stock liability for conversion (p. 68)			
88	(793) Discount on capital stock			
89	Total capital stock		10	10
Capital surplus				
90	(794) Premiums and assessments on capital stock (p. 69)			
91	(795) Paid-in surplus (p. 69)			
92	(796) Other capital surplus (p. 69)			
93	Total capital surplus			

**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 begin- ning of year (c)
	<i>Retained income</i>		\$	\$
94	(797) Retained income—Appropriated (p. 69)			
95	(798) Retained income—Unappropriated (p. 20)		792	676
96	(798.1) Net unrealized loss on noncurrent marketable equity securities			
97	Total retained income		792	676
	<i>Treasury Stock</i>			
98	(798.5) Less: Treasury stock		802	686
99	Total shareholders' equity			
100	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,297	4,217

200. COMPARATIVE GENERAL BALANCE SHEET-EXPLANATORY NOTES—Continued

3. 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 \$

4. 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 \$

5. (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: _____

(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? _____

6. 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 _____

7. State separately amounts of deferred maintenance and delayed capital improvements as reported to the Commission in Ex Parte No. 305 as of close of year:

Deferred maintenance \$

Delayed capital improvements \$

EXPLANATORY NOTES ARE CONTINUED ON PAGE 14

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

IN THOUSANDS

Line No.	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Offsetting debits and credits for current year (d)
	ORDINARY ITEMS	\$	\$	\$
	OPERATING INCOME			
	Railway Operating Income			
1	(501) Railway operating revenues (p. 73)	1,808	1,682	
2	(531) Railway operating expenses (p. 74)	(1,808)	(1,682)	
3	Net revenue from railway operations	132	75	
4	(532) Railway tax accruals (p. 86)			
5	(533) Provision for deferred taxes (p. 87)	(1,940)	(1,755)	
6	Railway operating income			
	Rent Income			
7	(503) Hire of freight cars and highway revenue equipment—			
	Credit balance (p. 90)			
8	(504) Rent from locomotives (p. 91)			
9	(505) Rent from passenger-train cars (p. 91)			
10	(506) Rent from floating equipment			
11	(507) Rent from work equipment			
12	(508) Joint facility rent income			
13	Total rent income			
	Rents Payable			
14	(536) Hire of freight cars and highway revenue equipment—			
	Debit balance (p. 90)			
15	(537) Rent for locomotives (p. 91)			
16	(538) Rent for passenger-train cars (p. 91)			
17	(539) Rent for floating equipment			
18	(540) Rent for work equipment			
19	(541) Joint facility rents			
20	Total rents payable			
21	Net rents (lines 13, 20)	(1,940)	(1,755)	
22	Net railway operating income (lines 6, 21)			
	Other Income			
23	(502) Revenues from miscellaneous operations (p. 53)			
24	(509) Income from lease of road and equipment (p. 88)	2,222	2,036	
25	(510) Miscellaneous rent income (p. 88)			
26	(511) Income from nonoperating property (p. 53)			
27	(512) Separately operated properties—Profit (p. 89)			
28	(513) Dividend income (from investments under cost only)			
29	(514) Interest income			
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)	(a) 147	77	
34	Dividend income (from investments under equity only)	\$ x x x x	x x x x	x x x x
35	Undistributed earnings (losses)	x x x x	x x x x	x x x x
36	Equity in earnings (losses) of affiliated companies (lines 34, 35)			x x x x
37	Total other income	2,369	2,113	
38	Total income (lines 22, 37)	429	358	
	Miscellaneous Deductions From Income			
39	(534) Expenses of miscellaneous operations (p. 53)			
40	(535) Taxes on miscellaneous operating property (p. 53)			
41	(543) Miscellaneous rents (p. 93)			
42	(544) Miscellaneous tax accruals (p. 53)			
43	(545) Separately operated properties—Loss (p. 89)			

300. INCOME ACCOUNT FOR THE YEAR—Concluded
IN THOUSANDS

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)			
47	Total miscellaneous deductions			
48	Income available for fixed charges (lines 38, 47)			
	Fixed Charges			
49	(542) Rent for leased roads and equipment (p. 92)			
	(546) Interest on funded debt:			
50	(a) Fixed interest not in default	238	243	
51	(b) Interest in default			
52	(547) Interest on unfunded debt			
53	(548) Amortization of discount on funded debt			
54	Total fixed charges	238	243	
55	Income after fixed charges (lines 48, 54)	191	115	
	Other Deductions			
	(546) Interest on funded debt:			
56	(c) Contingent interest			
	UNUSUAL OR INFREQUENT ITEMS			
57	(555) Unusual or infrequent items-Net-(Debit) credit*			
58	Income (loss) from continuing operations (lines 55-57)	191	115	
	DISCONTINUED OPERATIONS			
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)	191	115	
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES			
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)	191	115	

* Less applicable income taxes of:

5

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

560 Income (loss) from operations of discontinued segments

562 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.

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 69, 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	\$ 676	\$
2	(601.5) Prior period adjustments to beginning retained income		
CREDITS			
3	(602) Credit balance transferred from income	191	
4	(606) Other credits to retained income		
5	(622) Appropriations released		
6			
	Total	191	
DEBITS			
7	(612) Debit balance transferred from income		
8	(616) Other debits to retained income		
9	(620) Appropriations for sinking and other reserve funds		
10	(621) Appropriations for other purposes		
11	(623) Dividends (p. 20)	75	
12		75	
13	Net increase (decrease) during year (Line 6 minus line 12)	116	
14	Balances at close of year (Lines 1, 2 and 13)	792	
15	Balance from line 14 (c)		
16	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year	792	X X X X X
Remarks			
Amount of assigned Federal income tax consequences:			
17	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		100 SH.	\$	\$ 75	02-14-77	01-19-78
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
	Total				75		

MEMORANDA
(FOR USE OF COMMISSION ONLY)

CORRESPONDENCE

[illegible]

CORRECTIONS

[illegible]

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