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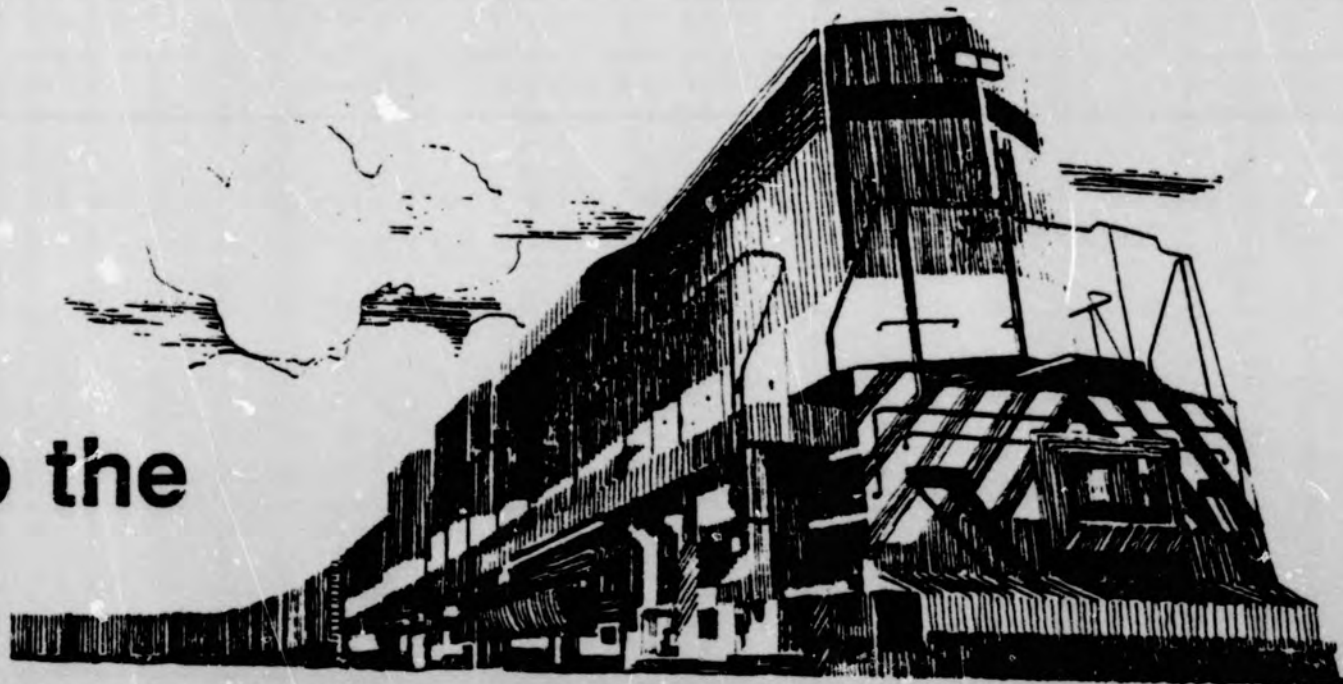
APPROVED BY OMB
3120-0029
EXPIRES 3-31-87

annual report



	RC000352 1 A1 THE KANSAS CITY SOUTHERN RY. CO. and CONTROLLED COMPANIES 114 WEST 11th STREET KANSAS CITY, MISSOURI 64105
Correct name and address if different than shown.	Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)

to the



Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1985

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 AND 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, 1985

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

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

SPECIAL NOTICE

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

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

Ex Parte No. 455

Title: Revision to the Uniform Systems of Accounts for Railroads

Decision Date

Listing of schedules that have been changed from the preceding year and description of the changes.

Schedule 210	Retitled Accounts 518 & 550 and deleted accounts 535 & 543 and renumbered line items.
Schedule 330	Added Account 46 computer systems and word processing equipment and renumbered.
Schedule 330A	Added Account 46 computer systems and word processing equipment and renumbered.
Schedule 332	Added Account 46 computer systems and word processing equipment and renumbered.
Schedule 335	Added Account 46 computer systems and word processing equipment and renumbered.
Schedule 339	Added Account 46 computer systems and word processing equipment and renumbered.
Schedule 340	Added Account 46 computer systems and word processing equipment and renumbered.
Schedule 342	Added Account 46 computer systems and word processing equipment and renumbered.
Schedule 350	Added Account 46 computer systems and word processing equipment and renumbered.
Schedule 351	Added Account 46 computer systems and word processing equipment and renumbered, and changed the heading of Col. c.
Schedule 352B	Added Account 46 computer systems and word processing equipment and renumbered.
Schedule 410	Eliminated line for Small Tools and Supplies and renumbered.
Schedule 415	Changed line 37 to read computer systems and word processing equipment.

Changes were made to the following schedules.

Schedule 220	Eliminated Col. b and c from lines 18-23.
Schedule 230	Eliminated line 15 Stock dividend from Part Two and added two blank lines.
Schedule 352A	Col. c Report rates in whole numbers.
Schedule 410	Changed line 305 to read computer system and word processing equipment.
Schedule 416	Eliminated line 27 accumulated Depreciation Grand Total.
Schedule 416A	Clarified instructions and changed the heading for Cols. d & e.
Schedule 510	Added Account 766.5 capitalized lease obligations to its instructions.
Schedule 720	Report in whole numbers for Cols. b & e and report two decimal places for Cols. c & d.
Schedule 724	Line 36 changed to read: Total track-miles of welded rail installed on system this year and total to date.

SPECIAL NOTICE

Docket No. 38559 Rail Classification Index, served January 20, 1983, modified the reporting requirements for class. II, III and all Switching and terminal companies. These carriers will notify the Commission only if the calculation results in a different revenue level than its current classification.

The dark border on the schedules represents data that are captured for processing by the Commission.

ESTIMATE OF REPORTING BURDEN

In order to monitor carrier reporting burden and to satisfy OMB requirements pursuant to Public Law 96-511, it is requested that you furnish the following information:

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

TOTAL HOURS (Estimated) _____

(2) Best estimate of the number of staff hours required to comply with the Uniform System of Accounts (USOA). In making this estimate include only the incremental staff hours required for the USOA (those hours in addition to the data needs of management and requirements of other Federal and State agencies).

TOTAL HOURS (Estimated) _____

(3) Best estimate of staff hours and storage costs to comply with the Commission's Record Retention Regulations. In making this estimate include only the incremental costs required for the Commission's rules (those costs in addition to retention requirements of management and other Federal and State agencies).

TOTAL HOURS (Estimated) _____

Storage costs (Estimated) _____

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Road Initials:

Year 19 85

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

1

A. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.
2. Show below the pages excluded and indicate the schedule number and title in the space provided below.
3. If no schedules were omitted indicate "NONE."

Page	Schedule No.	Title
		<u>N O N E</u>

B. 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 on this page have taken place during the year covered by this report, they should be explained in full detail.

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." 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. If the report is for a consolidated group, pursuant to Special Permission from the Commission, Accounting and Valuation Board, indicate such fact on line 1 below and list the consolidated group on page 4.

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 organizations; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date which such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.

3. 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. 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 reorganized during the year, involved in a consolidation or merger, or conducted its business under a different name, give full particulars
- No Change During 1985.

STOCKHOLDERS REPORTS

5. 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.

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common, \$ No Par per share; first preferred, \$ \$350,000 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. Stock Book not closed in 1985. Last closed April 3, 1981
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. 549 votes, as of December 31, 1985

8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. 1 (Date)
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, which 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 the names and addresses of the thirty largest holders of the voting trust certificates and the amounts 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.

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			Line No.
				Common (a)	PREFERRED		
					Second (a)	First (b)	
1	Kansas City	114 W. 11th ST.					1
2	Southern	Kansas City	549	492	None	57	2
3	Industries,	MO. 64105					3
4	INC.						4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
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20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 549
votes cast.
11. Give the date of such meeting. May 14, 1985
12. Give the place of such meeting. Kansas City, Missouri 64105

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Assets						
1		701	Cash	(3,333)	4,474	1
2		702	Temporary Cash Investments	39,557	21,020	2
3		703	Special Deposits	7	27	3
4		704	Accounts Receivable			
			- Loan and Notes			4
5		705	- Intertine and Other Balances	2,335	1,876	5
6		706	- Customers	12,778	7,619	6
7		707	- Other	6,047	4,518	7
8		709, 708	- Accrued Accounts Receivables	17,456	18,854	8
9		708.5	- Receivables from Affiliated Companies	12	353	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(309)	(733)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	2,094	1,524	11
12		712	Materials and Supplies	21,278	16,395	12
13		713	Other Current Assets	5		13
14			TOTAL CURRENT ASSETS	97,927	75,927	14
Other Assets						
15		715, 716, 717	Special Funds	496	492	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310) +310A	10,729	19,149	16
17		722, 723	Other Investments and Advances	99	86	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities—Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$ 3,611	2,386	3,795	19
20		739, 741	Other Assets	210	201	20
21		743	Other Deferred Debits	3,302	4,785	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	17,222	28,508	23
Road and Equipment						
24		731, 732	Road (Schedules 330 and 330A)	431,372	409,155	24
25			Equipment	283,761	281,887	25
26			Unallocated Items	19,533	24,939	26
27			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(292,616)	(269,358)	27
28			Net Road and Equipment	442,050	446,623	28
29			TOTAL ASSETS	557,199	551,058	29

NOTES AND REMARKS

300. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30	751		Loans and Notes Payable			30
31	752		Accounts Payable: Interline and Other Balances	2,052	2,416	31
32	753		Audited Accounts and Wages	10,787	12,384	32
33	754		Other Accounts Payable	1,373	1,746	33
34	755, 756		Interest and Dividends Payable	2,037	2,281	34
35	757		Payables to Affiliated Companies	200	200	35
36	759		Accrued Accounts Payable	40,520	43,184	36
37	760, 761, 761.5, 762		Taxes Accrued	11,872	6,572	37
38	763		Other Current Liabilities	72	122	38
39	764		Equipment Obligations and Other Long-Term Debt due Within One Year	19,519	19,298	39
40			TOTAL CURRENT LIABILITIES	88,732	88,203	40
Non-Current Liabilities						
41	765, 767		Funded Debt Unamortized	9,584	10,555	41
42	766		Equipment Obligations	63,870	72,915	42
43	766.5		Capitalized Lease Obligations	14,410	16,883	43
44	768		Debt in Default			44
45	769		Accounts payable: Affiliated Companies	1,132	1,132	45
46	770.1, 770.2		Unamortized Debt Premium			46
47	781		Interest in Default			47
48	783		Deferred Revenues-Transfers from Government Authorities			48
49	786		Accumulated Deferred Income Tax Credits	127,472	119,628	49
50	771, 772, 774, 775, 782, 784		Other Long-Term Liabilities and Deferred Credits	11,650	11,103	50
51			TOTAL NONCURRENT LIABILITIES	228,118	232,216	51
Shareholders' Equity						
52	791, 792		Total Capital Stock: (Schedule 230) (L 53&54)	57,514	57,514	52
53			Common Stock	36,514	36,514	53
54			Preferred Stock	21,000	21,000	54
55			Discount on Capital Stock			55
56	794, 795		Additional Capital (Schedule 230)	6,173	6,173	56
Retained Earnings:						
57	797		Appropriated			57
58	798		Unappropriated (Schedule 220)	178,792	169,082	58
59	798.1		Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60	798.5		Less Treasury Stock	(2,130)	(2,130)	60
61			Net Stockholders Equity	240,349	230,639	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	557,199	551,058	62

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES
(Dollars in Thousands)

The notes listed below are provided to disclose supplementary information on 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 statements explaining (1) service interruption insurance policies and indicating the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads; (2) particulars concerning obligations for stock purchase options granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

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

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

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year In 1980 the Company implemented a qualified Profit Sharing Plan. The amount charged to income each year is the amount to be deposited under the plan.

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund Not Applicable. \$

(c) Is any part of pension plan funded? Specify. Yes No "

(i) If funding is by insurance, give name of insuring company "

If funding is by trust agreement, list trustees: "

Date of trust agreement or latest amendment "

If respondent is affiliated in any way with the trustees, explain affiliation: "

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement Not Applicable.

(e) (i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify.

Yes No

Not Applicable.

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? Not Applicable.

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

5. (a) The amount of employers contribution to employee stock ownership plans for the current year was \$ None

(b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was \$ None

6. In reference to Docket No. 37465 specify the total amount of business entertainment expenditures charged to the non-operating expense account.
\$ None

Continued on following page

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

7. Give particulars with respect to contingent assets and liabilities at the close of the year, in accordance with Instruction 5-6 in the Uniform System of Accounts for Railroad Companies, that are not reflected in the accounts of the respondent.

Disclose all items amounting to \$100,000 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 obligations as a result of pending or threatened litigation, assessments or possible assessments of additional taxes and agreements or obligations to repurchase securities or property. Additional pages may be added if more space is needed.

The Company participates in a service interruption insurance policy and is contingently liable for additional premiums up to a maximum of \$5,200,000 in the event of work stoppage on other participating railroads.

(a) Changes in Valuation Accounts

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

(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 the filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

NOTE: / / (date) Balance sheet date of reported year unless specified as previous year.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION—EXPLANATORY NOTES—Concluded

NOTES AND REMARKS

210. RESULTS OF OPERATIONS (Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 12.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513. "Dividend income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 for Account No. 513 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.
5. Cross-checks

Schedule 210

Line 15, column (b)
Line 49 plus 50 plus 51, column (b)
Line 52, column (b)

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)

Schedule 210

= Line 64, column (b)
= Line 65, column (b)
= Line 66, column (b)

Schedule 410

= Line 620, column (b)
= Line 620, column (f)
= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
1		(101) Freight Railway Operating Income	302,180	316,116	302,180		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	11,613	12,269	11,613		4
5		(105) Water Transfers					5
6		(106) Demurrage	1,576	1,714	1,576		6
7		(110) Incidental	1,335	1,361	1,335		7
8		(121) Joint Facility-Credit					8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	316,704	331,460	316,704		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	316,704	331,460	316,704		13
14		(531) Railway operating expenses	270,164	277,042	270,164		14
15		Net revenue from railway operations	46,540	54,418	46,540		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	2,093	1,703			16
17		(510) Miscellaneous rent income	992	933			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend income (cost method)	48	48			19
20		(514) Interest income	3,701	5,423			20
21		(516) Income from sinking and other funds	48	47			21
22		(517) Release of premiums on paid debt		8			22
23		(518) Contributions from other companies					23
24		(519) Miscellaneous income	994	988			24
		Income from affiliated companies					
		Dividends (equity method)					
25		Equity in undistributed earnings (losses)	4	43			25
26		TOTAL OTHER INCOME (lines 16-25)	7,880	9,193			26
27		TOTAL INCOME (lines 15, 27)	54,420	63,611			27
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	1,999	1,148			29
30		(535) Taxes on property used in other than carrier operations	2	18			30
31		(543) Miscellaneous rent expense	(3)				31
32		(544) Miscellaneous taxes					32
33		(545) Separately operated properties-Loss					33
34		(549) Maintenance of investment organization					34
35		(550) Income transferred to other companies					35
36		(551) Miscellaneous income charges	457	422			36
37		(553) Uncollectible accounts	330	240			37
38		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-37)	2,785	1,828			38
39		Income available for fixed charges (Lines 28, 38)	51,635	61,783			39

210. RESULTS OF OPERATIONS-Continued
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
40		(546) Interest on funded debt:			
		(a) Fixed interest not in default	12,085	14,232	40
41		(b) Interest in default			
42		(547) Interest on unfunded debt	106	68	41
43		(548) Amortization of discount on funded debt	47	56	42
44		TOTAL FIXED CHARGES (lines 40-43)	12,238	14,356	43
45		Income after fixed charges (lines 39, 44)	39,397	47,427	44
OTHER DEDUCTIONS					
46		(546) Interest on funded debt:			
		(c) Contingent interest			46
UNUSUAL OR INFREQUENT ITEMS					
47		(555) Unusual or infrequent items (debit) credit			
48		Income (Loss) from continuing operations (before income taxes)	39,397	47,427	47
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
49	*	Federal income taxes	6,074	2,177	49
50	*	State income taxes	1,637	1,430	50
51	*	Other income taxes	49	39	51
52	*	(557) Provision for deferred taxes	7,845	15,214	52
53		TOTAL PROVISIONS FOR INCOME TAXES (lines 49-52)	15,605	18,860	53
54	*	Income from continuing operations	23,792	28,567	54
DISCONTINUED OPERATIONS					
55		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			
56		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			55
57		Income before extraordinary items	23,792	28,567	56
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
58		(570) Extraordinary items (Net)			
59		(590) Income taxes on extraordinary items			58
60		(591) Provision for deferred taxes-Extraordinary items			59
61		TOTAL EXTRAORDINARY ITEMS (lines 58-60)			60
62		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)			61
63	*	Net income (Loss)	23,792	28,567	62
Reconciliation of net railway operating income (NROI)					
64	*	Net revenues from railway operations	46,540	54,418	63
65	*	(556) Income taxes on ordinary income (-)	7,760	3,646	64
66	*	(557) Provision for deferred income taxes (-)	7,845	15,214	65
67		Income from lease of road and equipment (-)	128	132	66
68		Rent for leased roads and equipment (+)	637	361	67
69		Net railway operating income (loss)	31,444	35,787	68

NOTES AND REMARKS FOR SCHEDULES 210 and 220

220. RETAINED EARNINGS

(Dollars in Thousands)

1. Show below the items of Retained Earnings 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 shown in parentheses.
3. Show under "Remarks" the amount of assigned Federal income tax consequences for 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 26, column (b), Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 59, column (b), Schedule 210.
6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No.	Cross Check	Item (a)	Retained earnings— Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)	Line No.
1		Balances at beginning of year	\$ 168,998	\$ 84	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
CREDITS					
3	*	(602) Credit balance transferred from income	23,788	4	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	23,788	4	6
DEBITS					
7	*	(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings			8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock	13,284		11
12		Preferred stock ¹	798		12
13		TOTAL	14,082		13
14		Net increase (decrease) during year (Line 6 minus line 13)	9,706	4	14
15	*	Balances at close of year (Lines 1, 2 and 14)	178,704	88	15
16	*	Balances from line 15(c)	88	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	178,792	NA	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of year \$ _____			21
Amount of assigned Federal income tax consequences:					
22		Account 606 \$ _____			22
23		Account 616 \$ _____			23

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

230. CAPITAL STOCK

PART I. CAPITAL STOCK
(Dollars in Thousands)

1. Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.
2. Present in column (b) the par or stated value of each issue. If none, so state.
3. Disclose in columns (c), (d), (e) and (f) the required information concerning the number of shares authorized, issued, in treasury and outstanding for the various issues.
4. For the purposes of this report, capital stock and other securities are considered to be actually issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by 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, and not canceled or retired, they are considered to be nominally outstanding.

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares				Book Value at End of Year		Line No.
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)	
1	Common	Non - Par	507	507	15	492	35,424	1,080	1
2									2
3	Preferred	100	1,000	100					3
4	Common - Carland, Inc.	350,000	60	60	3	100	10		4
5						57	19,950	1,050	5
6									6
7									7
8									8
9									9
10									10
	TOTAL	XXXXX	1,567	667	18	649	55,384	2,130	

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR
(Dollar in Thousands)

1. The purpose of this part is to disclose capital stock changes during the year.
2. Column (a) presents the items to be disclosed.
3. Columns (b), (d) and (f) require disclosures of the number of preferred, common and treasury stock, respectively, applicable to the items presented in column (a).
4. Columns (c), (e) and (g) require the applicable disclosure of the book values of preferred, common and treasury stock.
5. Disclose in column (h) the additional paid-in capital realized from changes in capital stock during year.
6. Unusual circumstances arising from changes in capital stock changes shall be fully explained in footnotes to this schedule.

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No.
		Number of Shares (b)	Amount \$ (c)	Number of Shares (d)	Amount \$ (e)	Number of Shares (f)	Amount \$ (g)		
11	Balance at beginning of year								11
12	Capital Stock Sold ¹								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15									15
16	Balance at close of year								16

¹By footnote on page 17 state the purpose of the issue and authority.

240. STATEMENT OF CHANGES IN FINANCIAL POSITION

(Dollars in Thousands)

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 of 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.

Line No.	Cross Check	Description (a)	Current year (b)	Prior year (c)	Line No.
SOURCES OF WORKING CAPITAL					
1	*	Working capital provided by operations: Income (loss) from continuing operations (sch 210 line 52)	23,792	28,567	1
2		Add expenses not requiring outlay of working capital: (subtract) credits not generating working capital: Loss (gain) on sale or disposal of tangible property			2
3		Depreciation and amortization expenses	37,656	35,477	3
4		Net increase (decrease) in deferred income taxes	7,844	15,214	4
5		Net decrease (increase) in parent's share of subsidiary's undistributed income for the year	(4)	(43)	5
6		Net increase (decrease) in noncurrent portion of estimated liabilities	547	(1,854)	6
7		Other (specify):			7
8					8
9					9
10					10
11					11
12		TOTAL WORKING CAPITAL FROM CONTINUING OPERATIONS	69,835	77,361	12
13		Add funds generated by reason of discontinued operations, extraordinary items, and changes in accounting principles			13
14		TOTAL WORKING CAPITAL FROM OPERATIONS	69,835	77,361	14
15		Working capital from sources other than operating: Proceeds from issuance of long-term liabilities (Carland)	7,356	12,510	15
16		Proceeds from sale/disposition of carrier operating property	4,537	2,157	16
17		Proceeds from sale/disposition of other tangible property	95	6,265	17
18		Proceeds from sale/repayment of investments and advances	30,747		18
19		Net decrease in sinking and other special funds			19
20		Proceeds from issue of capital stock			20
21		Other (specify):			21
22		Decrease in Other Assets & Deferred Charges	1,474	(91)	22
23		Property Donation From KCSI in Capital Surplus	-	942	23
24					24
25					25
26		TOTAL WORKING CAPITAL FROM SOURCES OTHER THAN OPERATING	44,209	21,783	26
27		TOTAL SOURCES OF WORKING CAPITAL	114,044	99,144	27

240. STATEMENT OF CHANGES IN FINANCIAL POSITION-Continued
(Dollars in Thousands)

Line No.	Cross Check	Description (a)	Current year (b)	Prior year (c)	Line No.
APPLICATION OF WORKING CAPITAL					
28		Amount paid to acquire/retire long-term liabilities	19,845	23,244	28
29		Cash dividends declared	14,082	15,558	29
30		Purchase price of carrier operating property	36,111	36,761	30
31		Purchase price of other tangible property	195	2,916	31
32		Purchase price of long-term investment and advances	22,336	3,130	32
33		Net increase in sinking or other special funds	4	3	33
34		Purchase price of acquiring treasury stock	-		34
35		Other (specify):			35
36		Account 770-Reduction of Unamortized debt premium	-	8	36
37		Dividend of Stock & Equity of Southern Dev. Co.	-	(1,560)	37
38		Dividend of Advance to Tolmak, Inc. & Southern Dev. Co.	-	11,810	38
39		Property Dividend	-	3,782	39
40		Carland Adjusting of Trans-Serve Equity dividend			40
41		in 1983	-	429	41
42					42
43					43
44		TOTAL APPLICATION OF WORKING CAPITAL	92,573	96,081	44
45		Net increase (decrease) in working capital	21,471	3,063	45

NOTES AND REMARKS

245. WORKING CAPITAL
(Dollars in Thousands)

1. This schedule should include only data pertaining to railway transportation services.
2. Carry out calculation of lines 8, 9, 10, 19, 20, and 21, to two decimal places.

Line No.	Item (a)	Source No.	Amount (b)	Line
CURRENT OPERATING ASSETS				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	2,335	1
2	Customers (706)	Schedule 200, line 6, column b	12,778	2
3	Other (707)	Note A	6,047	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	21,160	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	316,704	5
6	Rent Income	Note B	29,814	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	346,518	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	962.55	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	21.97	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	36.97	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	2,052	11
12	Audited Accounts and Wages Payable (753)	Note A	10,787	12
13	Accounts Payable—Other (754)	Note A	1,673	13
14	Other Taxes Accrued (761.5)	Note A	5,147	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	19,659	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	270,164	16
17	Depreciation	Schedule 410, lines 135, 136, 137, 213, 232, 317, column b	36,143	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	263,835	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	732.88	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 ÷ line 19	27.15	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	9.82	21
22	Cash Working Capital Required	Line 21 x line 19	7,198	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	36,224	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	7,198	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	21,278	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	937	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	20,341	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	27,780	28

- Notes: (A) Use common carrier portion only. Common carrier refers to railway transportation service.
- (B) Rent Income is the sum of Schedule 410, column b, lines 120, 121, 122, 126, 127, 128, 132, 133, 134, 208, 210, 212, 227, 229, 231, 312, 314, and 316. Rent income is added to railway operating revenues to produce total revenues. Rent income is also added to total operating expenses to exclude the rent revenue items from operating expense.
- (C) If result is negative, use zero.

NOTES AND REMARKS

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A

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

2. 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

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

4. 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

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

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

7. 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.

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

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

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

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

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

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

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 18, 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__." Abbreviations in common use in standard financial publications may

Line No.	Account No.	Class No.	Kind of Industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	715	B-1	VII	Series C First Mortgage 3-1/4% Bonds.		1
2						2
3	716	B-3	IX	Deposits for destroyed equipment		3
4						4
5	717	C-3	VI	Barclay's Bank-Nassau Bahamas - Insurance		5
6						6
7	721			Investments in Affiliated Companies		7
8						8
9				Capital Stock		9
10						10
11		A-1	VII	Kansas City Terminal Rwy. Co.	8-1/3%	11
12				Joplin Union Depot Co.	33-1/3%	12
13				Louisiana Arkansas & Texas Transpn. Co.	100 %	13
14				Landa Motor Lines	100 %	14
15				Trailer Train Co.	3 %	15
16			X	Kansas City Southern Industries - Preferred		16
17						17
18				Total Class A		18
19		C-1	VII	Trailer Train Co.	3 %	19
20						20
21				Advances		21
22						22
23		E-1	VII	Kansas City Terminal Rwy. Co.	8-1/3%	23
24				Joplin Union Depot Co.	33-1/3%	24
25				Kansas City Southern Transport Co., Inc.	100 %	25
26				Landa Motor Lines	100 %	26
27				Louisiana, Arkansas & Texas Transpn. Co.	100 %	27
28						28
29				Total E-1		29
30						30
31		E-3	X	Southern Leasing Co.		31
32				Kansas City Southern Industries, Inc.		32
33						33
34						34
35				Total E-3		35
36						36
37				Total Advances		37
38						38
39				Total Account 721		39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued
(Dollars in Thousands)

be used to conserve space.

6. If any of the companies included in this schedule are controlled by respondent the percent of control should be shown in column (e). In case any company listed is controlled other than through direct 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. Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.

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

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

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

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
	Opening balance	Additions	Deductions (if other than sale, explain)	Closing balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	12		12	---				1
2								2
3	238		2	236			22	3
4								4
5	242	18		260			27	5
6								6
7								7
8								8
9								9
10								10
11	183			183				11
12	10			10				12
13	10			10				13
14	20			20				14
15	99			99				15
16	1,038			1,038			48	16
17								17
18	1,360			1,360			48	18
19	154			154			11	19
20								20
21								21
22								22
23	3,721		39	3,682				23
24	128			128				24
25	595			595				25
26	194			194				26
27	600			600				27
28								28
29	5,238		39	5,199				29
30								30
31	763	3,165		3,928				31
32	11,550	19,150	30,700	---			1,190	32
33								33
34								34
35	12,313	22,315	30,700	3,928			1,190	35
36								36
37	17,551	22,315	30,739	9,127			1,190	37
38								38
39	19,065	22,315	30,739	10,641			1,249	39
40								40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES-Continued
(Dollars in Thousands)

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18				Completed on Pages 20 and 21.		18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Concluded
(Dollars in Thousands)

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income (l)	Line No.
	Opening balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1								1
2								2
3								3
4								4
5								5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18			Completed on Pages 20 and 21.					18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES (Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

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

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments 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)	Line No.
1	Carriers: (List specifics for each company)							1
2	Kansas City Southern Transport Co., Inc.							2
3	Common Stock	(791)		29			(762)	3
4								4
5	Landa Motor Lines Common Stock	(441)		(176)			(617)	5
6								6
7	Louisiana, Arkansas & Texas Transportation							7
8	Co., Common Stock	(287)		8			(279)	8
9								9
10	The Kansas and Missouri Railway and							10
11	Terminal Co., Common Stock	1,603		143			1,746	11
12								12
13	Total	84		4			88	13
14	Noncarrier: (List specifics for each company)							14
15								15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330 AND 330A

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. If the amount in Account 732 for road or for equipment is less than 5% of the amount in Account 731 at the beginning and end of year, the details in the corresponding portion of Schedule 330A may be omitted. However, line 44, Grand Total should be completed. 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 (f), inclusive. Column (h) is the aggregate of columns (b) to (f), inclusive. Grand totals of columns (b) and (h) 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 column (c) and (e) should be included all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
5. In column (f) should be entered all credits representing property sold, abandoned, or otherwise retired.
6. 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.
7. 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.
8. Report on line 29 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.
9. 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.
10. If an amount of less than \$2,000 is used as the minimum 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.

NOTES AND REMARKS

330. ROAD AND EQUIPMENT PROPERTY

(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment. and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	5,901			1
2		(3) Grading	29,320			2
3		(4) Other right-of-way expenditures	672			3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	21,609			5
6		(7) Elevated structures				6
7		(8) Ties	107,032			7
8		(9) Rail and other track material	132,517			8
9		(11) Ballast	30,998			9
10		(13) Fences, snowsheds, and signs	703			10
11		(16) Station and office buildings	10,632			11
12		(17) Roadway buildings	436			12
13		(18) Water stations	107			13
14		(19) Fuel stations	2,329			14
15		(20) Shops and enginehouses	20,552			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	5,455			19
20		(26) Communication systems	3,023			20
21		(27) Signals and interlockers	16,651			21
22		(29) Power plants	26			22
23		(31) Power-transmission systems	703			23
24		(35) Miscellaneous structures	255			24
25		(37) Roadway machines	11,672			25
26		(39) Public improvements - Construction	3,164			26
27		(44) Shop machinery	2,657			27
28		(45) Power-plant machinery	166			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	406,580			30
31		(46) Computer systems and word processing equipment				31
32		(52) Locomotives	105,256			32
33		(53) Freight-train cars	152,691			33
34		(54) Passenger-train cars				34
35		(55) Highway revenue equipment				35
36		(56) Floating equipment				36
37		(57) Work equipment	9,516			37
38		(58) Miscellaneous equipment	13,823			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	281,286			39
40		(76) Interest during construction	2,575			40
41		TOTAL	690,441			41
42		(80) Other elements of investment				42
43		(90) Construction in progress	24,939			43
44		GRAND TOTAL	715,380			44

Road Initials:

Year 19 85

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

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330. ROAD AND EQUIPMENT PROPERTY - Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions and betterments during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1						
2		1,841	19	(19)	5,882	1
3		7	35	1,806	31,126	2
4				7	679	3
5		71				4
6			76	(5)	21,604	5
7		4,894				6
8		13,798	2,016	2,878	109,910	7
9		6,030	4,801	8,997	141,514	8
10			1,288	4,742	35,740	9
11		757			703	10
12		23	160	597	11,229	11
13			5	18	454	12
14		49			107	13
15		881		49	2,378	14
16			7	874	21,426	15
17						16
18						17
19		13				18
20		905	17	(4)	5,451	19
21		1,092	7	898	3,921	20
22			168	924	17,575	21
23					26	22
24		8			703	23
25		2,106		8	263	24
26		17	1,839	267	11,939	25
27		141	3	14	3,178	26
28		12	19	122	2,779	27
29				12	178	28
30		32,645				29
31			10,460	22,185	428,765	30
32		5,491				31
33		1,123	2,094	3,397	108,653	32
34			3,372	(2,249)	150,442	33
35						34
36						35
37		283				36
38		1,920	187	96	9,612	37
39	*	8,817	909	1,011	14,834	38
40			6,562	2,255	283,541	39
41		41,462	7	(7)	2,568	40
42			17,029	24,433	714,874	41
43		(5,406)				42
44		36,056		(5,406)	19,533	43
			17,029	19,027	734,407	44

330A. IMPROVEMENTS ON LEASED PROPERTY
(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment cost, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes				1
2		(3) Grading				2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts				5
6		(7) Elevated structures				6
7		(8) Ties				7
8		(9) Rail and other track material				8
9		(11) Ballast				9
10		(13) Fences, snowsheds, and signs				10
11		(16) Station and office buildings				11
12		(17) Roadway buildings				12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and engine houses				15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COPC terminals				19
20		(26) Communication systems				20
21		(27) Signals and interlockers				21
22		(29) Power plants				22
23		(31) Power-transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines				25
26		(39) Public improvements - Construction				26
27		(44) Shop machinery				27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD				30
31		(46) Computer systems and word processing equipment				31
32		(52) Locomotives				32
33		(53) Freight-train cars	276			33
34		(54) Passenger-train cars	325			34
35		(55) Highway revenue equipment				35
36		(56) Floating equipment				36
37		(57) Work equipment				37
38		(58) Miscellaneous equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT	601			39
40		(76) Interest during construction				40
41		TOTAL	601			41
42		(80) Other elements of investment				42
43		(90) Construction in progress				43
44		GRAND TOTAL	601			44

Road Initials:

Year 19 85

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

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338A. IMPROVEMENTS ON LEASED PROPERTY - Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions and betterments during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11		39		39	39	11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30		39		39	39	30
31		16	72	(56)	220	31
32			325	(325)	---	32
33						33
34						34
35						35
36						36
37						37
38	*	16	397	(381)	220	38
39		55	397	(342)	259	39
40						40
41		55	397	(342)	259	41
42						42
43						43
44						44

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

(Dollars in Thousands)

1. Show in columns (b) and (c), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (d) and (e) show the depreciation base used to compute the depreciation charges for the month of December; in columns (f) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 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 and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, 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 not included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

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

5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		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	(3) Grading	29,321	30,023	1.09				1
2	(4) Other, right-of-way expenditures	672	672	2.13				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	21,609	21,525	1.46				4
5	(7) Elevated structures							5
6	(8) Ties	107,021	109,502	4.37				6
7	(9) Rail and other track material	132,501	141,425	3.12				7
8	(11) Ballast	30,997	35,274	6.74				8
9	(13) Fences, snow sheds, and signs	703	702	1.96				9
10	(16) Station and office buildings	10,632	11,001	2.09				10
11	(17) Roadway buildings	436	454	2.26				11
12	(18) Water stations	108	108	1.57				12
13	(19) Fuel stations	2,329	2,329	2.94				13
14	(20) Shops and enginehouses	20,552	20,545	2.25				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOPC/COPC terminals	5,454	5,420	4.26				18
19	(26) Communication systems	3,023	3,457	4.21				19
20	(27) Signals and interlockers	16,651	17,529	2.52				20
21	(29) Power plants	25	26	1.33				21
22	(31) Power-transmission systems	702	702	2.83				22
23	(35) Miscellaneous structures	254	255	3.21				23
24	(37) Roadway machines	11,672	11,920	8.84				24
25	(39) Public improvements—Construction	3,164	3,172	2.53				25
26	(44) Shop machinery	2,657	2,779	3.53				26
27	(45) Power-plant machinery	166	178	2.80				27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	400,649	418,998	3.60				30
	EQUIPMENT							
31	(46) Computer systems and word processing equipment							31
32	(52) Locomotives	105,256	108,653	7.35				32
33	(53) Freight-train cars	152,691	150,442	5.91				33
34	(54) Passenger-train cars							34
35	(55) Highway revenue equipment							35
36	(56) Floating equipment							36
37	(57) Work equipment	9,517	9,612	12.88				37
38	(58) Miscellaneous equipment	13,822	14,834	14.91				38
39	TOTAL EQUIPMENT	281,286	293,541	7.17				39
40	GRAND TOTAL	681,935	702,539	5.04				40

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

1. Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals—Credit—Equipment" accounts and "Other Rents—Credit—Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental—Debit—Equipment" account and "Other Rents—Debit—Equipment" accounts (See Schedule 342 for the accumulated depreciation relating to road and equipment owned but not used by respondent).

2. If any data are included in columns (d) or (f), explain the entries in detail.

3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."

4. 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.

5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	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)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	11,484	404		35		11,853	1
2		(4) Other, right-of-way expenditures	188	13				201	2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	8,272	313		62		8,523	4
5		(7) Elevated structures							5
6		(8) Ties	36,305	4,738		2,168		38,875	6
7		(9) Rail and other track material	39,331	4,264		760		42,835	7
8		(11) Ballast	17,046	2,176		1,288		17,934	8
9		(13) Fences, snow sheds, and signs	417	14				431	9
10		(16) Station and office buildings	4,269	221		127		4,363	10
11		(17) Roadway buildings	256	13		5		264	11
12		(18) Water stations	106	2				108	12
13		(19) Fuel stations	591	69				660	13
14		(20) Shops and enginehouses	4,782	464		7		5,239	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	1,076	232		17		1,291	18
19		(26) Communication systems	2,271	129		3		2,397	19
20		(27) Signals and interlocks	3,434	426		129		3,731	20
21		(29) Power plants	14					14	21
22		(31) Power-transmission systems	393	20				413	22
23		(35) Miscellaneous structures	117	9				126	23
24		(37) Roadway machines	8,296	1,052		1,839		7,509	24
25		(39) Public improvements—Construction	1,934	81		2		2,013	25
26		(44) Shop machinery*	1,332	98		18	45	1,367	26
27		(45) Power-plant machinery*	149	5				154	27
28		All other road accounts							28
29		Amortization (Adjustments)	(1,789)	105				(1,684)	29
30		TOTAL ROAD	140,274	14,848		6,460	* 45	148,617	30
		EQUIPMENT							
31		(46) Computer systems and word processing equipment							31
32	*	(52) Locomotives	59,726	8,036		1,847		65,915	32
33	*	(53) Freight-train cars	54,299	8,977	550	3,120		60,706	33
34	*	(54) Passenger-train cars							34
35	*	(55) Highway revenue equipment							35
36	*	(56) Floating equipment							36
37	*	(57) Work equipment	6,509	1,303		184	552	7,076	37
38	*	(58) Miscellaneous equipment	8,863	2,212	47	879		10,243	38
39	*	Amortization Adjustments	(1,192)	638				(554)	39
40		TOTAL EQUIPMENT	128,205	21,166	* 597	6,030	* 552	143,386	40
41		GRAND TOTAL	268,479	36,014	* 597	12,490	* 597	292,003	41

*To be reported with equipment expenses rather than W&S expenses.

339. ACCRUED LIABILITY—LEASED PROPERTY

(Dollars in Thousands)

1. Disclose the required information relating to credits and debits of Account 772, "Accrued Liability Leased Property," during the year concerning road and equipment leased from others.
2. In column (c), enter amounts charged to operating expenses; in column (e), enter debits to account arising from retirements; in column (f), enter amounts paid to lessor.
3. Any inconsistencies between credits to account, charges to operating expenses and payments to lessors should be fully explained.
4. Required disclosure may be omitted if leased road and equipment property represents 5% or less of total property owned and used.
5. If settlement for depreciation is made currently between lessee and lessor, and no debits or credits to Account No. 772 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.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD							30
EQUIPMENT									
31		(46) Computer systems and word processing equipment							31
32		(52) Locomotives							32
33		(53) Freight-train cars							33
34		(54) Passenger-train cars							34
35		(55) Highway revenue equipment							35
36		(56) Floating equipment							36
37		(57) Work equipment							37
38		(58) Miscellaneous equipment							38
39		Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL	None					None	41

*To be reported with equipment expenses rather than W&S expenses.

340. DEPRECIATION BASE AND RATES—IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

1. Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December. In column (d) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to Account 732, "Improvements on Leased Property." The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any charges in rates were effective during the year, give full particulars in a footnote.
2. All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
3. If 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.
4. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(2) Grading				1
2	(4) Other, right-of-way expenditures			%	2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings		39	22.03	11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements—Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	TOTAL ROAD		39	22.03	30
	EQUIPMENT				
31	(46) Computer systems and word processing equipment				31
32	(52) Locomotives	275	219	27.54	32
33	(53) Freight-train cars	326	---		33
34	(54) Passenger-train cars				34
35	(55) Highway revenue equipment				35
36	(56) Floating equipment				36
37	(57) Work equipment				37
38	(58) Miscellaneous equipment				38
39	Amortization Adjustments				39
40	TOTAL EQUIPMENT	601	219	27.54	40
41	GRAND TOTAL	601	258	29.29	41

*To be reported with equipment expense rather than W&S expenses.

*To be reported with equipment expense rather than W&S expenses.

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

Year 19 85

342. ACCUMULATED DEPRECIATION—IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS
(Dollars in Thousands)

1. Enter the required information concerning debits and credits to Account 733, "Accumulated Depreciation—Improvements on Leased Property," during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent.
2. If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 35. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
3. Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained on page 35.
4. Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.
5. Details in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Total equipment owned, respectively. However, line 39, Grand Total, should be com-									
Line No.	Cross Check	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)	List No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings		9				9	11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD		9				9	29
EQUIPMENT									
30		(46) Computer systems and word processing equipment							30
31		(52) Locomotives	110	88		71		127	31
32		(53) Freight-train cars	289	36		325		---	32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		TOTAL EQUIPMENT	399	124		396		127	38
39		GRAND TOTAL	399	133		396		136	39

*To be reported separately.

*To be reported with equipment expense rather than W&S expenses.

Road Initials:

Year 19⁸⁵

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

35

NOTES AND REMARKS FOR SCHEDULE 342

350. DEPRECIATION BASE AND RATES—ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands)

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.

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

3. In column (d) show the composite rates used to compute the depreciation for the month of December and on lines 29 and 38 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary accounts composite rates to the depreciation base used to compute the depreciation for December and dividing the total also computed by the depreciation base.

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

5. If total road leased to others is less than 5% of total road owned; omit. If total equipment leased to others is less than 5% of total equipment owned; omit.

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements—Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	TOTAL ROAD				29
	EQUIPMENT				
30	(46) Computer systems and word processing equipment				30
31	(52) Locomotives				31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	TOTAL EQUIPMENT			N/A	38
39	GRAND TOTAL	None	None		39

351. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands)

1. This schedule is to be used in cases where the depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.

2. Disclose credits and debits to Account 735, "Accumulated Depreciation—Road and Equipment Property," during the year relating to road and equipment leased to others, the depreciation charges for which are not includible in operating expenses of the respondent. (See Schedule 330 for the reserve relating to road and equipment owned and used by the respondent).

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

4. Details in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No.	Cross Check	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)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC, COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(46) Computer systems and word processing equipment							30
31		(52) Locomotives							31
32		(53) Freight-train cars							32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL	None					None	39

J52A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)
(Dollars in Thousands)

1. Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of property owned or leased by the respondent and used in the respondent's transportation service. Such property includes (a) the investment reported in Accounts 731, "Road and Equipment Property," and 732, "Improvements on Leased Property," of the respondent, less any 731 or 732 property leased to others for their exclusive use of road, track, or bridges (including equipment or other railway property covered by the contract). Equipment leased to others under separate distinct contracts shall not be deducted from the respondent's 731 or 732 property, and (b) the investment of other companies' 731 or 732 property (including operating and lessor railroads) used by the respondent when the lease is for exclusive use or control of roads, tracks, or bridges (including equipment of other railway property covered by the contract). This excludes leased equipment from operating railroads under separate distinct contracts and the investment of other carriers in property jointly used by the respondent.

2. 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 column (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 in column (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.

4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.

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, explanations should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 24, 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 or 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 733, 734, 735, 736, and 772, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

Line No.	Class (See Ins. 2)	Name of company	Miles of road used (See Ins. 4) (whole number)	Investments in property (See Ins. 5)	Depreciation and amortization of defense projects (See Ins. 6)	Line No.
(a)		(b)	(c)	(d)	(e)	
1	R	The Kansas City Southern Rwy. Co.	840	454,677	156,589	1
2		732 Improvements on leased property		141	105	2
3						3
4	R	Louisiana & Arkansas Rwy. Co.	634	196,246	77,070	4
5		732 Improvements on leased property		96	24	5
6						6
7	R	Maywood and Sugar Creek Rwy. Co.	2	120	33	7
8						8
9	R	The Arkansas Western Rwy. Co.	33	6,636	1,102	9
10						10
11	R	Fort Smith and Van Buren Rwy. Co.	20	2,364	922	11
12						12
13	O	Carland, Inc.	-	74,365	56,765	13
14		732 Improvements on leased property		21	6	14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		TOTAL	1,529	734,666	292,616	31

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

352B. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE
(By Property Accounts)
(Dollars in Thousands)

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 44 herein, should correspond with the amounts for each class of company and properties shown in Schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in the schedule.
3. Report on line 29 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 on page 37 methods of estimating value of property of non-carriers or property of other carriers.
4. Report on line 30 amounts not includable in the accounts shown, or in line 29. The items reported should be briefly identified and explained. Also include here those items 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.

Line No.	Cross Check	Account (a)	Respondent (b)	Leased railroads (c)	Inactive (proprietary companies) (d)	Other Leased properties (e)	Line No.
1		(2) Land for transportation purposes					1
2		(3) Grading	5,882				2
3		(4) Other, right-of-way expenditures	31,126				3
4		(5) Tunnels and subways	679				4
5		(6) Bridges, trestles, and culverts					5
6		(7) Elevated structures	21,604				6
7		(8) Ties					7
8		(9) Rail and other track material	109,910				8
9		(11) Ballast	141,514				9
10		(13) Fences, snow sheds, and signs	35,740				10
11		(16) Station and office buildings	703				11
12		(17) Roadway buildings	10,303				12
13		(18) Water stations	454			964	13
14		(19) Fuel stations	107				14
15		(20) Shops and enginehouses	2,378				15
16		(22) Storage warehouses	21,407			19	16
17		(23) Wharves and docks					17
18		(24) Coal and ore wharves					18
19		(25) TOFC, COFC terminals					19
20		(26) Communication systems	4,688			763	20
21		(27) Signals and interlockers	3,083			838	21
22		(29) Power plants	17,575				22
23		(31) Power-transmission systems	26				23
24		(35) Miscellaneous structures	703				24
25		(37) Roadway machines	263				25
26		(39) Public improvements—Construction	853			11,086	26
27		(44) Shop machinery	3,178				27
28		(45) Power-plant machinery	2,584			195	28
29		Leased property capitalized rentals (explain)	178				29
30		Other (specify and explain)					30
31		Total expenditures for road	414,938				31
32		(46) Computer systems and word processing equipment				13,865	32
33		(52) Locomotives					33
34		(53) Freight-train cars	76,518			32,356	34
35		(54) Passenger-train cars	145,585			4,856	35
36		(55) Highway revenue equipment					36
37		(56) Floating equipment					37
38		(57) Work equipment					38
39		(58) Miscellaneous equipment	1,120			8,492	39
40		Total expenditures for equipment	17			14,817	40
41		(76) Interest during construction	223,240			60,521	41
42		(80) Other elements of investment	2,568				42
43		(90) Construction work in progress	19,534				43
44		GRAND TOTAL	660,280			74,386	44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross-checks

Schedule 410		Schedule 210
Line 620, column (h)	=	Line 14, column (b)
Line 620, column (f)	=	Line 14, column (d)
Line 620, column (g)	=	Line 14, column (e)
		Schedule 412
Lines 135 thru 137, column (f)	=	Line 31, column (b)
Lines 117 thru 122, and 129 thru 134, column (f)	=	Line 31, column (c)
		Schedule 414
Line 231, column (f)	=	Line 19, columns (b) thru (d)
Line 230, column (f)	=	Line 19, columns (e) thru (g)
		Schedule 415
Lines 207, 208, 211, 212, column (f)	=	Lines 5, 38, column (f)
Lines 226, 227, column (f)	=	Lines 24, 39, column (f)
Lines 311, 312, 315, 316, column (f)	=	Lines 32, 35, 36, 37, 40, 41, column (f)
		And
		Schedule 414
		Minus line 24, columns (b) thru (d) plus line 24, columns (e) thru (g)
		Schedule 415
Line 213, column (f)	=	Lines 5, 38, columns (c) and (d)
Line 232, column (f)	=	Lines 24, 39, columns (c) and (d)
Line 317, column (f)	=	Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Lines 202, 203, 216, column (f) (equal to or greater than, but variance cannot exceed line 216, column (f))	=	Lines 5, 38, column (b)
Lines 221, 222, 235, column (f) (equal to or greater than, but variance cannot exceed line 235, column (f))	=	Lines 24, 39, column (b)
Lines 302 thru 307 and 320, column (f) (equal to or greater than, but variance cannot exceed line 320, column (f))	=	Lines 32, 35, 36, 37, 40, 41, column (b)
		Schedule 417
Line 507, column (f)	=	Line 1, column (j)
Line 508, column (f)	=	Line 2, column (j)
Line 509, column (f)	=	Line 3, column (j)
Line 510, column (f)	=	Line 4, column (j)
Line 511, column (f)	=	Line 5, column (j)
Line 512, column (f)	=	Line 6, column (j)
Line 513, column (f)	=	Line 7, column (j)
Line 514, column (f)	=	Line 8, column (j)
Line 515, column (f)	=	Line 9, column (j)
Line 516, column (f)	=	Line 10, column (j)
Line 517, column (f)	=	Line 11, column (j)

410. RAILWAY OPERATING EXPENSES (Dollars in Thousands)

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 allocate the common operating expenses in accordance with the Commission's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		WAY AND STRUCTURES								
		ADMINISTRATION								
1		Track	2,075	94	17	179	2,365			1
2		Bridge and Building	199	8	7	24	238			2
3		Signal	367	8	6	18	399			3
4		Communication	102	6	7		115			4
5		Other	306	12	140	43	501			5
		REPAIR AND MAINTENANCE								
6		Roadway - Running	806	103	719	47	1,675		SAME	6
7		Roadway - Switching	96	5	294		395			7
8		Tunnels and Subways - Running								8
9		Tunnels and Subways - Switching							AS	9
10		Bridges and Culverts - Running	717	245	877	23	1,862			10
11		Bridges and Culverts - Switching	7	1			8			11
12		Ties - Running	741	282	2	(64)	961			12
13		Ties - Switching	245	166			411		COL	13
14		Rail and other track material - Running	1,952	563	221	31	2,767			14
15		Rail and other track material - Switching	369	178	253		800			15
16		Ballast - Running	413	66	2	182	663		"F"	16
17		Ballast - Switching	34	(?)	64		96			17
18		Road Property Damaged - Running	185	105		2	292			18
19		Road Property Damaged - Switching	135	37			172			19
20		Road Property Damaged - Other								20
21		Signals and Interlockers - Running	555	671	1,254	33	2,513			21
22		Signals and Interlockers - Switching	13	(10)	9		12			22
23		Communications Systems		109	616		725			23
24		Power Systems			10		10			24
25		Highway Grade Crossings - Running	365	72	229		666			25
26		Highway Grade Crossings - Switching	12	1	25		38			26
27		Station and Office Buildings	2	40	99		141			27
28		Shop Buildings - Locomotives	41	34	65		140			28
29		Shop Buildings - Freight Cars		5	4		9	N/A		29
30		Shop Buildings - Other Equipment		2	1	2	5			30

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
101		REPAIR AND MAINTENANCE - Continued								
102		Locomotive Servicing Facilities								
103		Miscellaneous Buildings and Structures		12	(16)		(4)			
104		Coal Terminals	32	6	(17)	4	25			101
105		Oil Terminals								102
106		Other Marine Terminals						N/A		103
107		TOFC/COFC - Terminals						N/A		104
108		Motor Vehicle Loading and Distribution Facilities		39	123		162	N/A		105
109		Facilities for Other Specialized Service Operations						N/A		106
110		Roadway Machines						N/A		107
111		Small Tools and Supplies	356	1,029	742	70	2,197	N/A		108
112		Snow Removal		816	27		843		SAME	109
113		Fringe Benefits - Running	31		3		34			110
114		Fringe Benefits - Switching	N/A	N/A	N/A	1,852	1,852			111
115		Fringe Benefits - Other	N/A	N/A	N/A	338	338		AS	112
116		Casualties and Insurance - Running	N/A	N/A	N/A	2,050	2,050			113
117		Casualties and Insurance - Switching	N/A	N/A	N/A	784	784			114
118		Casualties and Insurance - Other	N/A	N/A	N/A	88	88		COL	115
119		Lease Rentals - Debit - Running	N/A	N/A	N/A	1,862	1,862			116
120		Lease Rentals - Debit - Switching	N/A	N/A	396	N/A	396			117
121		Lease Rentals - Debit - Other	N/A	N/A	632	N/A	632		"F"	118
122		Lease Rentals - [Credit] - Running	N/A	N/A	5,525	N/A	5,525			119
123		Lease Rentals - [Credit] - Switching	N/A	N/A	()	N/A	()	()	()	120
124		Lease Rentals - [Credit] - Other	N/A	N/A	(128)	N/A	(128)	()	()	121
125		Joint Facility Rent - Debit - Running	N/A	N/A	(3,128)	N/A	(3,128)	()	()	122
126		Joint Facility Rent - Debit - Switching	N/A	N/A	651	N/A	651			123
127		Joint Facility Rent - Debit - Other	N/A	N/A	160	N/A	160			124
128		Joint Facility Rent - [Credit] - Running	N/A	N/A	1	N/A	1			125
129		Joint Facility Rent - [Credit] - Switching	N/A	N/A	(296)	N/A	(296)	()	()	126
130		Joint Facility Rent - [Credit] - Other	N/A	N/A	(80)	N/A	(80)	()	()	127
131		Other Rents - Debit - Running	N/A	N/A	(35)	N/A	(35)	()	()	128
132		Other Rents - Debit - Switching	N/A	N/A		N/A		()	()	129
133		Other Rents - Debit - Other	N/A	N/A		N/A				130
		Other Rents - [Credit] - Running	N/A	N/A	283	N/A	283			131
			N/A	N/A	()	N/A	()	()	()	132
										133

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Inland

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410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
134	*	REPAIR AND MAINTENANCE - Continued								
135	*	Other Rents - [Credit] - Switching	N/A	N/A	()	N/A	()	()	()	134
136	*	Other Rents - [Credit] - Other	N/A	N/A	(4)	N/A	(4)	()	()	135
137	*	Depreciation - Running	N/A	N/A	N/A	10,680	10,680			136
138	*	Depreciation - Switching	N/A	N/A	N/A	1,706	1,706			137
139	*	Depreciation - Other	N/A	N/A	N/A	2,339	2,339			138
140		Joint Facility - Debit - Running	N/A	N/A	780	N/A	780			139
141		Joint Facility - Debit - Switching	N/A	N/A	544	N/A	544			140
142		Joint Facility - Debit - Other	N/A	N/A	1	N/A	1			141
143		Joint Facility - [Credit] - Running	N/A	N/A	(1,019)	N/A	(1,019)	()	()	142
144		Joint Facility - [Credit] - Switching	N/A	N/A	(435)	N/A	(435)	()	()	143
145		Joint Facility - [Credit] - Other	N/A	N/A	()	N/A	()	()	()	144
146		Dismantling Retired Road Property - Running	12		8		20		AS	145
147		Dismantling Retired Road Property - Switching	9				9			146
148		Dismantling Retired Road Property - Other								147
149		Other - Running	697			327	1,024		COL	148
150		Other - Switching	370		3	1	374			149
151		Other - Other	144	(16)	273	33	434		"F"	150
		TOTAL WAY AND STRUCTURES	11,388	4,687	9,915	22,654	48,644			151
		EQUIPMENT								
		LOCOMOTIVES								
201		Administration	797	23	13	73	906			201
202	*	Repairs and Maintenance	3,516	10,305	521	27	14,369			202
203	*	Machinery Repair	35	44	36		115			203
204		Equipment Damaged								204
205		Fringe Benefits	N/A	N/A	N/A	2,029	2,029			205
206	*	Other Casualties and Insurance	N/A	N/A	N/A	342	342			206
207	*	Lease Rentals - Debit	N/A	N/A	3,393	N/A	3,393			207
208	*	Lease Rentals - [Credit]	N/A	N/A	(7,304)	N/A	(7,304)	()	()	208
209		Joint Facility Rent - Debit	N/A	N/A	7	N/A	7			209
210		Joint Facility Rent - [Credit]	N/A	N/A	()	N/A	()	()	()	210
211	*	Other Rents - Debit	N/A	N/A	9	N/A	9			211
212	*	Other Rents - [Credit]	N/A	N/A	(475)	N/A	(475)	()	()	212
213	*	Depreciation	N/A	N/A	N/A	7,761	7,761			213
214		Joint Facility - Debit	N/A	N/A	287	N/A	287			214
215		Joint Facility - [Credit]	N/A	N/A	(87)	N/A	(87)	()	()	215
216	*	Repairs Billed to Others - [Credit]	N/A	N/A	(4)	N/A	(4)	()	()	216

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THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Freight Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
217		LOCOMOTIVES - Continued								217
218		Dismantling Retired Property								218
219		Other								219
		TOTAL LOCOMOTIVES		2	2		4			217
220		FREIGHT CARS	4,348	10,374	(3,602)	10,232	21,352			218
		Administration	597	11	7	26	641			219
221	*	Repair and Maintenance	2,425	3,547	1,973	72	8,017	N/A		220
222	*	Machinery Repair		32	42		74	N/A		221
223		Equipment Damaged	417	609	24	12	1,062	N/A		222
224		Fringe Benefits	N/A	N/A	N/A	1,750	1,750	N/A		223
225		Other Casualties and Insurance	N/A	N/A	N/A	5,223	5,223	N/A	SAME	224
226	*	Lease Rentals - Debit	N/A	N/A	1,041	N/A	1,041	N/A		225
227	*	Lease Rentals - (Credit)	N/A	N/A	(129)	N/A	(129)	N/A	(AS)	226
228		Joint Facility Rent - Debit	N/A	N/A	129	N/A	129	N/A		227
229		Joint Facility Rent - (Credit)	N/A	N/A	(129)	N/A	(129)	N/A	()	228
230	*	Other Rents - Debit	N/A	N/A	31,012	N/A	31,012	N/A	()	229
231	*	Other Rents - (Credit)	N/A	N/A	(14,170)	N/A	(14,170)	N/A	COL	230
232	*	Depreciation	N/A	N/A	N/A	10,113	10,113	N/A		231
233		Joint Facility - Debit	N/A	N/A	N/A	N/A		N/A		232
234		Joint Facility - (Credit)	N/A	N/A	N/A	N/A		N/A		233
235	*	Repairs Billed to Others - (Credit)	N/A	N/A	N/A	N/A		N/A	("F")	234
236		Dismantling Retired Property			(5,494)	N/A	(5,494)	N/A	()	235
237		Other								236
238		TOTAL FREIGHT CARS		13	8	54	75	N/A		237
301		OTHER EQUIPMENT	3,439	4,212	14,314	17,250	39,215	N/A		238
		Administration	55	2	145	3	205			301
302	*	Repair and Maintenance								302
303	*	Trucks, Trailers, and Containers - Revenue Service		92	385		477	N/A		303
304	*	Floating Equipment - Revenue Service						N/A		304
305	*	Passenger and Other Revenue Equipment								305
306	*	Computers and Data Processing Systems								306
307	*	Machinery			185		191			307
308	*	Work and Other Non-Revenue Equipment		14	6		20			308
309		Equipment Damaged	240	243	336		819			309
310		Fringe Benefits	N/A	N/A	N/A	143	143			310
311	*	Other Casualties and Insurance	N/A	N/A	N/A	141	141			311
312	*	Lease Rentals - Debit	N/A	N/A	3,734	N/A	4,734			312
313	*	Lease Rentals - (Credit)	N/A	N/A	(3,485)	N/A	(3,485)			313

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Income

Year 19 85

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages * (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
313		OTHER EQUIPMENT - Continued								
314		Joint Facility Rent - Debit	N/A	N/A		N/A				313
315	*	Joint Facility Rent - [Credit]	N/A	N/A		N/A				314
316	*	Other Rents - Debit	N/A	N/A	(2,446)	N/A	(2,446)	()	()	315
317	*	Other Rents - [Credit]	N/A	N/A	(580)	N/A	(580)	()	()	316
318		Depreciation	N/A	N/A	N/A	3,544	3,544			317
319		Joint Facility - Debit	N/A	N/A		N/A				318
320	*	Joint Facility - [Credit]	N/A	N/A		N/A				319
321		Repairs Billed to Others - [Credit]	N/A	N/A	()	N/A	()	()	()	320
322		Dismantling Retired Property	N/A	N/A	(203)	N/A	(203)	()	()	321
323		Other								322
324		TOTAL OTHER EQUIPMENT	295	358	(1)		1			323
401		TOTAL EQUIPMENT	8,082	14,944	3,968	3,832	8,453			324
402		TRANSPORTATION:			14,680	31,314	69,020		SAME	401
403		TRAIN OPERATIONS								402
404		Administration	1,327	92	38	252	1,709			403
405		Engine Crews	7,443	67	4	437	7,951		AS	404
406		Train Crews	16,757	180	6	1,332	18,275			405
407		Dispatching Trains	803	7	3		813			406
408		Operating Signals and Interlockers	282	2	162		446			407
409		Operating Drawbridges	143		5		148		COL	408
410		Highway Crossing Protection		74	23		97			409
411		Train Inspection and Lubrication	927	145	15		1,087		"F"	410
412		Locomotive Fuel	25	25,046	5		25,076			411
413		Electric Power Purchased or Produced for Motive Power	523	908	45		1,476			412
414		Servicing Locomotives	N/A	N/A	N/A	792	792			413
415		Freight Lost or Damaged - Solely Related	53	4	1,043		1,100			414
416		Clearing Wrecks	N/A	N/A	N/A	7,705	7,705			415
417		Fringe Benefits	N/A	N/A	N/A	4,610	4,610			416
418		Other Casualties and Insurance	N/A	N/A	N/A					417
419		Joint Facility - Debit	N/A	N/A	131	N/A	131			418
420		Joint Facility - [Credit]	N/A	N/A	(173)	N/A	(173)	()	()	419
421		Other	684	115	410	551	1,760			420
422		TOTAL TRAIN OPERATIONS	28,967	26,640	1,717	15,679	73,003			421
423		YARD OPERATIONS								422
424		Administration	763	59	33	28	883			423
425		Switch Crews	14,248	34	6	3	14,291			424
426										425

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THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		YARD OPERATIONS - Continued								
422		Controlling Operations	755		142		897			422
423		Yard and Terminal Clerical	2,732	4	191	2	2,929			423
424		Operating Switches, Signals, Retarders and Humps	191		3		194			424
425		Locomotive Fuel	12	2,865			2,877			425
426		Electric Power Purchased or Produced for Motive Power								426
427		Servicing Locomotives	303	8	21		332			427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	(36)	(36)		SAME	428
429		Clearing Wrecks	8		29		37			429
430		Fringe Benefits	N/A	N/A	N/A	5,852	5,852			430
431		Other Casualties and Insurance	N/A	N/A	N/A	833	833		AS	431
432		Joint Facility - Debit	N/A	N/A	1,002	N/A	1,002			432
433		Joint Facility - (Credit)	N/A	N/A	(3,257)	N/A	(3,257)	()	()	433
434		Other	15	4	47	42	108		COL	434
435		TOTAL YARD OPERATIONS	19,027	2,974	(1,783)	6,724	26,942			435
		TRAIN AND YARD OPERATIONS COMMON								
501		Cleaning Car Interiors	45	1	56	N/A	102		"F"	501
502		Adjusting and Transferring Loads		3	182	N/A	185	N/A		502
503		Car Loading Devices and Grain Doors				N/A		N/A		503
504		Freight Lost or Damaged - all other	N/A	N/A	N/A	26	26			504
505		Fringe Benefits	N/A	N/A	N/A	19	19			505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	45	4	238	45	332			506
		SPECIALIZED SERVICE OPERATIONS								
507	*	Administration						N/A		507
508	*	Pickup and Delivery and Marine Line Haul						N/A		508
509	*	Loading and Unloading and Local Marine		26	907		933	N/A		509
510	*	Protective Services			1	10	11	N/A		510
511	*	Freight Lost or Damaged - Solely Related	N/A	N/A	N/A			N/A		511
512	*	Fringe Benefits	N/A	N/A	N/A	1	1	N/A		512
513	*	Casualties and Insurance	N/A	N/A	N/A			N/A		513
514	*	Joint Facility - Debit	N/A	N/A		N/A		N/A		514
515	*	Joint Facility - (Credit)	N/A	N/A	()	N/A	()	N/A	()	515
516	*	Other	6		19		25	N/A		516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	6	26	927	11	970	N/A		517

410. RAILWAY OPERATING EXPENSES - Concluded (Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		ADMINISTRATIVE SUPPORT OPERATIONS								
518		Administration	778	15	120	94	1,007			518
519		Employees Performing Clerical and Accounting Functions	1,857	66	542	47	2,512			519
520		Communication Systems Operation	9		10		19			520
521		Loss and Damage Claims Processing	234	3		18	255			521
522		Fringe Benefits	N/A	N/A	N/A	923	923			522
523		Casualties and Insurance	N/A	N/A	N/A	68	68			523
524		Joint Facility - Debit	N/A	N/A	15	N/A	15			524
525		Joint Facility - (Credit)	N/A	N/A	(12)	N/A	(12)	()	()	525
526		Other			10		10		SAME	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	2,878	84	685	1,150	4,797			527
528		TOTAL TRANSPORTATION	50,923	29,728	1,784	23,609	106,044			528
		GENERAL AND ADMINISTRATIVE								
601		Officers - General Administration	2,817	316	4,085	241	7,459		AS	601
602		Accounting, Auditing and Finance	3,503	85	2,825	43	6,456			602
603		Management Services and Data Processing	121	87	5,754	15	5,977			603
604		Marketing	1,268	34	440	125	1,867		COL	604
605		Sales	3,750	12	307	823	4,892			605
606		Industrial Development						N/A		606
607		Personnel and Labor Relations	961	202	66	220	1,449		"F"	607
608		Legal and Secretarial	258	16	6,494	76	6,844			608
609		Public Relations and Advertising			99		99			609
610		Research and Development			13		13			610
611		Fringe Benefits	N/A	N/A	N/A	6,332	6,332			611
612		Casualties and Insurance	N/A	N/A	N/A	65	65			612
613		Writedown of Uncollectible Accounts	N/A	N/A	N/A					613
614		Property Taxes	N/A	N/A	N/A	2,685	2,685			614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	1,447	1,447			615
616		Joint Facility - Debit	N/A	N/A	37	N/A	37			616
617		Joint Facility - (Credit)	N/A	N/A	(10)	N/A	(10)	()	()	617
618		Other	559	23	264	(2)	844			618
619		TOTAL GENERAL AND ADMINISTRATIVE	13,237	775	20,374	12,070	46,456			619
620	*	TOTAL CARRIER OPERATING EXPENSES	83,630	50,134	46,753	89,647	270,164			620

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412. WAY AND STRUCTURES

(Dollars in Thousands)

1. Report freight expenses only.
2. The total depreciation expense reported in column (b), line 31, should balance to the sum of the depreciation expense reported in schedule 410, column (f) lines, 135, 136, and 137.
3. Report in column (c) the lease/rentals for the various property categories of Way and Structures. The total net lease/rentals reported in column (c), line 31 should balance the net amount reported in schedule 410, column (f), lines 117 through 122, plus lines 129 through 134.
If an entire road or segment of track is leased and if the actual breakdown of lease/rentals by property categories is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases to the depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report for obtaining the depreciation bases of the categories of leased property.
4. Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item; the net adjustment on line 31 shall equal the adjustment reported on line 29 of schedule 335.
5. Report on line 30 all other lease rentals not apportioned to any category listed on lines 1-29.
6. Line 11, Account 16, should not include computer and data processing equipment reported on line 37 of Schedule 415.

Line No.	Cross Check	Property account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No.
1		2	Land for transportation purposes	N/A	9		1
2		3	Grading	408	49	4	2
3		4	Other right-of-way expenditures	13			3
4		5	Tunnels and subways				4
5		6	Bridges, trestles and culverts	299		(14)	5
6		7	Elevated structures				6
7		8	Ties	4,740	172	2	7
8		9	Rail and other track material	4,272	222	8	8
9		11	Ballast	2,178	56	2	9
10		13	Fences, snowsheds and signs	5		(9)	10
11		16	Station and office buildings	274	589	53	11
12		17	Roadway buildings	17		4	12
13		18	Water stations	6		4	13
14		19	Fuel stations	71		2	14
15		20	Shops and enginehouses	509		45	15
16		22	Storage warehouses				16
17		23	Wharves and docks				17
18		24	Coal and ore wharves				18
19		25	TOFC/COFC terminals	232			19
20		26	Communications systems	160	2,368	31	20
21		27	Signals and interlockers	383	394	(43)	21
22		29	Power plants				22
23		31	Power transmission systems	14		(6)	23
24		35	Miscellaneous structures	6		(3)	24
25		37	Roadway machines	1,052	(283)		25
26		39	Public improvements: construction	82		1	26
27		45	Power plant machines	1		1	27
28		76	Interest during construction	N/A			28
29		30	Other elements of investment	N/A			29
30		—	Other lease/rentals				30
31	*	—	TOTAL	14,722	3,576	82	31

414. RENTS FOR INTERCHANGED FREIGHT TRAIN CARS AND OTHER FREIGHT-CARRYING EQUIPMENT (Dollars in Thousands)

1. Report *freight expenses only*.
 2. Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad, owned or leased equipment and privately owned equipment (reporting for leased equipment covers equipment that carrier on railroad markings).
 3. The gross amounts receivable and payable for freight train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedule 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
 4. Report in columns (b) and (c) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.
 5. Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Commission in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.
- NOTES: Mechanical designations for each car type are shown in Schedule 710.

NOTES: Mechanical designations for each car type are shown in Schedule 710.

Line No.	Cross Check	Type of equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box-Plain 40 Foot			733		4	188	1
2		Box-Plain 50 Foot and Longer		1,841	4,751	129	583	1,316	2
3		Box-Equipped		736	1,983		573	1,272	3
4		Gondola-Plain		487	840	151	218	371	4
5		Gondola-Equipped		26	57		114	238	5
6		Hopper-Covered		339	1,051	3,151	687	1,936	6
7		Hopper-Open Top-General Service			400		604	1,647	7
8		Hopper-Open Top-Special Service		12	111	4	3	32	8
9		Refrigerator-Mechanical			63	34	90	118	9
10		Refrigerator-Non-Mechanical		1	23	8	93	199	10
11		Flat TOFC/COFC		2	8	2,812	184	351	11
12		Flat Multi-Level			7	419	41	67	12
13		Flat-General Service		10	21		20	70	13
14		Flat-Other		44	179	30	126	317	14
15		Tank-Under 22,000 Gallons				4,960			15
16		Tank-22,000 Gallons and Over				7,715			16
17		All Other Freight Cars		1	313	40	10	35	17
18		Auto Racks			131	52			18
19		TOTAL FREIGHT TRAIN CARS		3,499	10,671	19,505	3,350	8,157	19
OTHER FREIGHT-CARRYING EQUIPMENT									
20		Refrigerated Trailers			453	1,039		1,197	20
21		Other Trailers							21
22		Refrigerated Containers							22
23		Other Containers			453	1,039		1,197	23
24	*	TOTAL TRAILERS AND CONTAINERS			453	1,039		1,197	24
25		GRAND TOTAL (LINES 19 AND 24)		3,499	11,124	20,544	3,350	9,354	25

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Read Initials:

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RC-134500 KANSAS CITY SOUTHERN 1985 2 OF 4

NOTES AND REMARKS

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

Year 19 85

Revised 7/84

51

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 415

1. Report freight expenses only.
2. Report by type of equipment all natural expenses relating to the equipment functions (salaries and wages, materials, tools, supplies, fuels and lubricants, purchased services and general).
3. Report in column (b) net repair expense excluding the cost to repair damaged equipment.

Schedule 415, column (b), will balance to Schedule 410, column (f), as follows:

(a) Locomotives, line 5 plus line 38 compared to the sum of Schedule 410, lines 202, 203 plus 216 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 204.

(b) Freight Cars, line 24 plus line 39 compared to the sum of Schedule 410, lines 221, 222 plus 235 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 223.

(c) Sum of Highway Equipment (line 32), Floating Equipment (line 35), Passenger and Other Revenue Equipment (line 36), Computer and Data Processing Equipment (line 37), Machinery-Other Equipment (line 40), plus Work and Other Non-Revenue Equipment (line 41) compared to Schedule 410, the sum of lines 302 through 307, inclusive, plus line 320 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 308.

Note: Lines 216, 235 and 320 of Schedule 410 are credit amounts.

The allocation of freight car repair expense reportable on Schedule 415 by car types shall be in accordance with Instruction 2-21, Freight train repair costing, 49 CFR 1201.

4. Depreciation expense for each class of equipment by car type shall be reported in columns (c) and (d). For improvements on leased property, Accounts 732 and 733, use a supplementary Schedule 415, which will relate to Schedules 340 and 342.

Depreciation charges reported on columns (c) and (d) will balance to Schedule 410, column (f), as follows:

a. Locomotives, line 5 plus 38 compared to Schedule 410, line 213

b. Freight Cars, line 24 plus line 39 compared to Schedule 410, line 232

c. Sum of Highway Equipment (line 32); Floating Equipment (line 35); Passenger and Other Revenue Equipment (line 36); Computer and Data Processing Equipment (line 37); Machinery-Other Equipment (line 40); and Work and Other Non-Revenue Equipment (line 41) compared to Schedule 410, line 317.

5. Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item; the net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 38, column (c), of Schedule 335.

6. Lease/Rentals reported in column (f) should balance to column (f) of Schedule 410 as follows:

a. Locomotives, line 5 plus 38 compared with Schedule 410, lines 207, 208, 211 and 212.

b. Freight Cars, line 24 plus line 39 compared with Schedule 410, lines 226 plus 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 414 and are not to be included in Schedule 415).

(c) Sum of Lease/Rentals for All Other Equipment, lines 32, 35, 36, 37, 40 and 41, will balance to Schedule 410, lines 311, 312, 315 and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414. Therefore, both Schedules 414 and 415 should be used when balancing Lease/Rentals Other Equipment to Schedule 410. Do not report in Schedule 415 the Trailer and Container rentals reported in Schedule 414.

7. Depreciation base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of Equipment Used But Not Owned when the rents therefore are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00 and 35-23-00. It should include the Cost of Equipment Owned and Leased to Others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00 and 36-23-00.

Property Used But Not Owned should also be included when the rent is included in Account Nos. 31-12-00, 31-13-00, 31-21-00, 31-22-00 and 31-23-00, inclusive.

The grand total of each equipment account in column (h) of Schedule 330 should equal the totals of line items constituting the equipment account totals of columns (g) and (h), of Schedule 415.

8. Accumulated depreciation for each class of equipment shall be reported in columns (i) and (j). The grand total of each equipment reserve account in column (g), Schedule 335, shall equal the combined aggregate total accumulated depreciation for line items constituting the corresponding equipment accounts reported in columns (i) and (j), on Schedule 415.

415. SUPPORTING SCHEDULE—EQUIPMENT
(Dollars in Thousands)

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization	Line No.
				Owed (c)	Capitalized lease (d)	Adjustment net during year (e)	
1		LOCOMOTIVES					
		Diesel Locomotive-Yard	1,445	177	234	(82)	1
2		Diesel Locomotive-Road	12,920	6,688	537	(318)	2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL	14,365	6,865	771	(400)	5
6		FREIGHT TRAIN CARS					
		Box-Plain 40 Foot	5	115		42	6
7		Box-Plain 50 Foot and Longer	1,113	2,119	1,162	11	7
8		Box-Equipped	410	2,041	206	229	8
9		Gondola-Plain	109	1,354	67	140	9
10		Gondola-Equipped	13	12			10
11		Hopper-Covered	258	1,087		347	11
12		Hopper-Open Top-General Service	69	55		42	12
13		Hopper-Open Top-Special Service	106	731		63	13
14		Refrigerator-Mechanical	2				14
15		Refrigerator-Nonmechanical	1	198		49	15
16		Flat TOPC/COPC	1	1			16
17		Flat Multi-level		16		16	17
18		Flat-General Service	26	155		1	18
19		Flat-Other	116	55		46	19
20		All Other Freight Cars	224	367		16	20
21		Caboose	70	113	23	35	21
22		Auto Racks		18	119		22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	2,523	8,437	1,577	1,037	24
25		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
		Refrigerated Trailers					25
26		Other Trailers	300				26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	300				32
33		FLOATING EQUIPMENT-REVENUE SERVICE					
		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
36		OTHER EQUIPMENT					
		Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems and word processing equip.	191				37
38	*	Machinery-Locomotives ¹	115	36		8	38
39	*	Machinery-Freight Cars ²	74	63		15	39
40	*	Machinery-Other Equipment ³	(6)	27			40
41	*	Work and Other Non-revenue Equipment	819	3,517			41
42		TOTAL OTHER EQUIPMENT	1,193	3,643		23	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	18,381	18,945	2,348	660	43

¹The data to be reported on line 38 in column (b) is the amount reported in Schedule 410, column (f), line 203, reduced by the allocable portion of line 216.

²The data to be reported on line 39 in column (b) is the amount reported in Schedule 410, column (f), line 222, reduced by the allocable portions of line 235.

³The data to be reported on line 40 in column (b) is the amount reported in Schedule 410, column (f), lines 302 through 306, reduced by the allocable portion of line 320.

415. SUPPORTING SCHEDULE—EQUIPMENT—Continued

Line No.	Cross Check	Lease and rentals (net) (f)	Depreciation base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		(441)	28,023	3,525	24,543	3,097	1
2		(3,945)	69,705	7,400	32,952	5,323	2
3							3
4		(4,386)	97,728	10,925	57,495	8,420	4
5			207		(475)		5
6		185	35,221	17,445	16,077	7,409	6
7		65	23,573	3,125	8,013	1,770	7
8			18,373		4,908		8
9			202		88		9
10		359	16,100		7,162		10
11		36	1,154		1,197		11
12			20,146		7,370		12
13							13
14			605		18		14
15			72		18		15
16			14		697		16
17			3,471		1,489		17
18			831		763		18
19		249	7,090		1,961		19
20		18	1,040	327	938	193	20
21			219	1,226	206	904	21
22							22
23		912	128,318	22,123	50,430	10,276	23
24							24
25							25
26		382					26
27							27
28							28
29							29
30							30
31							31
32		382					32
33							33
34							34
35							35
36							36
37		630					37
38		9					38
39							39
40							40
41		320	24,447		17,319		41
42		959	24,447		17,319		42
43		(2,133)	250,493	33,048	125,244	18,696	43

*The data to be reported on lines 38, 39 and 40 in columns (g) and (h) is the investment recorded in Property Account 44, allocated to Locomotives, Freight Cars, and Other Equipment.

*The depreciation to be reported on lines 38, 39, and 40 in column (e) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c). Schedule 335.

For Improvements on
Leased Property415. SUPPORTING SCHEDULE—EQUIPMENT
(Dollars in Thousands)

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization	Line No.
				Owned (c)	Capitalized lease (d)	Adjustment net during year (e)	
1		LOCOMOTIVES					
		Diesel Locomotive-Yard					1
2		Diesel Locomotive-Road					2
3		Other Locomotive-Yard			89		3
4		Other Locomotive-Road					4
5	*	TOTAL			89		5
6		FREIGHT TRAIN CARS					
		Box-Plain 40 Foot					6
7		Box-Plain 50 Foot and Longer					7
8		Box-Equipped					8
9		Gondola-Plain			36		9
10		Gondola-Equipped					10
11		Hopper-Covered					11
12		Hopper-Open Top-General Service					12
13		Hopper-Open Top-Special Service					13
14		Refrigerator-Mechanical					14
15		Refrigerator-Nonmechanical					15
16		Flat TOP/COFC					16
17		Flat Multi-level					17
18		Flat-General Service					18
19		Flat-Other					19
20		All Other Freight Cars					20
21		Caboose					21
22		Auto Racks					22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS			36		24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers					25
26		Other Trailers					26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT					32
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Linn-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems and word processing equip.					37
38	*	Machinery-Locomotives					38
39	*	Machinery-Freight Cars					39
40	*	Machinery-Other Equipment					40
41	*	Work and Other Non-revenue Equipment					41
42		TOTAL OTHER EQUIPMENT					42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)			125		43

The data to be reported on line 38 in column (b) is the amount reported in Schedule 410, column (f), line 203, reduced by the allocable portion of line 216.
 The data to be reported on line 39 in column (b) is the amount reported in Schedule 410, column (f), line 222, reduced by the allocable portions of line 235.
 The data to be reported on line 40 in column (b) is the amount reported in Schedule 410, column (f), lines 302 through 306, reduced by the allocable portion of line 320.

VERIFICATION

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

OATH

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

State of MISSOURI

County of Jackson

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

Of THE KANSAS CITY SOUTHERN RAILWAY COMPANY
(Insert here the exact legal title or name of the respondent)

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

January 1, 1985, to and including December 31, 1985

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 24th day of March, 1986

My commission expires _____

Use an
L.S.
impression seal

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

SUPPLEMENTAL OATH

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

JAMES J. BERKEBILE, JR.
Notary Public - State of Missouri
Commissioned in Jackson County
My Commission Expires September 21, 1990

State of MISSOURI

County of Jackson

Donald L. Graf makes oath and says that he is Senior Vice President-Finance
(Insert here name of the affiant) (Insert here the official title of the affiant)

Of THE KANSAS CITY SOUTHERN RAILWAY COMPANY
(Insert here the exact legal title or name of the respondent)

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

January 1, 1985, to and including December 31, 1985

Donald L. Graf
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 24th day of March, 1986

My commission expires _____

Use an
L.S.
impression seal

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

VERIFICATION

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

OATH

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

State of MISSOURI

County of Jackson

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

Of THE KANSAS CITY SOUTHERN RAILWAY COMPANY

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

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

January 1, 1985 to and including December 31, 1985

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 24th day of March 1986

My commission expires _____

Use an
L.S.
impression seal.

James J. Berkebile Jr.

(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

JAMES J. BERKEBILE, JR.
Notary Public - State of Missouri
Commissioned in Jackson County
My Commission Expires September 21, 1988

State of MISSOURI

County of Jackson

Donald L. Graf makes oath and says that he is Senior Vice President-Finance
(Insert here name of the affiant) (Insert here the official title of the affiant)

Of THE KANSAS CITY SOUTHERN RAILWAY COMPANY

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

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

January 1, 1985 to and including December 31, 1985

Donald L. Graf

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 24th day of March 1986

My commission expires _____

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L.S.
impression seal

James J. Berkebile Jr.

(Signature of officer authorized to administer oaths)

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Ties—Additional tracks, new lines, and extensions	87	TOFC/COFC number of revenues trailer and containers loaded and unloaded	98
Tracks operated at close of year	72	Voting powers and elections	3
		Weight of rail	90

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 STATEMENT OF FINANCIAL POSITION - ASSETS
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Assets						
1		701	Cash	(1,050)	2,645	1
2		702	Temporary Cash Investments	39,557	20,899	2
3		703	Special Deposits	7	27	3
4		704	Accounts Receivable			4
			- Loan and Notes			
5		705	- Interline and Other Balances	1,924	1,563	5
6		706	- Customers	7,478	1,691	6
7		707	- Other	3,813	3,417	7
8		709, 708	- Accrued Accounts Receivables	16,548	14,611	8
9		708.5	- Receivables from Affiliated Companies	75	417	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(273)	(278)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	1,341	1,106	11
12		712	Materials and Supplies	21,278	16,395	12
13		713	Other Current Assets			13
14			TOTAL CURRENT ASSETS	90,698	62,493	14
Other Assets						
15		715, 716, 717	Special Funds	260	256	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310)	15,619	27,110	16
17		722, 723	Other Investments and Advances	82	84	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities—Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$ 136	576	590	19
20		739, 741	Other Assets	114	138	20
21		743	Other Deferred Debits	1,894	2,993	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	18,545	31,171	23
Road and Equipment						
24		731, 732	Road (Schedules 330 and 330A)	286,698	269,477	24
25			Equipment	152,106	156,510	25
26			Unallocated Items	16,134	21,729	26
27			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(156,728)	(149,923)	27
28			Net Road and Equipment	298,210	297,793	28
29	*		TOTAL ASSETS	407,453	391,457	29

NOTES AND REMARKS

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

Road Initials: KCS

Year 19 85

105

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30		751	Loans and Notes Payable			
31		752	Accounts Payable; Interline and Other Balances			30
32		753	Audited Accounts and Wages	882	1,233	31
33		754	Other Accounts Payable	(9,724)	(21,083)	32
34		755, 756	Interest and Dividends Payable	1,646	1,746	33
35		757	Payables to Affiliated Companies	392	1,123	34
36		759	Accrued Accounts Payable	200	200	35
37		760, 761, 761.5, 762	Taxes Accrued	26,021	25,888	36
38		763	Other Current Liabilities	8,114	5,271	37
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	59	101	38
40			TOTAL CURRENT LIABILITIES	7,332	7,536	39
				35,422	22,015	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured			
42		766	Equipment Obligations			41
43		766.5	Capitalized Lease Obligations	35,340	40,625	42
44		768	Debt in Default	11,861	13,958	43
45		769	Accounts payable: Affiliated Companies			44
46		770 1, 770.2	Unamortized Debt Premium	1,132	1,132	45
47		781	Interest in Default			46
48		783	Deferred Revenues-Transfers from Government Authorities			47
49		786	Accumulated Deferred Income Tax Credits			48
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	95,177	88,300	49
51			TOTAL NONCURRENT LIABILITIES	9,143	25,379	50
				152,653	169,394	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230) (L 53&54)			
53			Common Stock			52
54			Preferred Stock	36,504	36,504	53
55			Discount on Capital Stock	21,000	21,000	54
56		794, 795	Additional Capital (Schedule 230)			55
57		797	Retained Earnings:	338	338	56
58		798	Appropriated			
59		798.1	Unappropriated (Schedule 220)			57
60		798.5	Net Unrealized Loss on Noncurrent Marketable Equity Securities	163,666	144,336	58
61			Less Treasury Stock			59
62	*		Net Stockholders Equity	(2,130)	(2,130)	60
			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	219,378	200,048	61
				407,453	391,457	62

NOTES AND REMARKS

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 12.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513. "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 for Account No. 513 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Set 210

Line 15, column (b)
Line 49 plus 50 plus 51, column (b)
Line 52, column (b)

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)

Schedule 210
= Line 64, column (b)
= Line 65, column (b)
= Line 66, column (b)
Schedule 410
= Line 620, column (b)
= Line 620, column (f)
= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	194,744	205,403	194,744		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	6,750	6,645	6,750		4
5		(105) Water Transfers					5
6		(106) Demurrage	1,028	1,058	1,028		6
7		(110) Incidental	995	928	995		7
8		(121) Joint Facility-Credit					8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	203,517	214,034	203,517		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	203,517	214,034	203,517		13
14	*	(531) Railway operating expenses	171,966	176,004	171,966		14
15	*	Net revenue from railway operations	31,551	38,030	31,551		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	78	696			16
17		(510) Miscellaneous rent income	629	584			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	16,300	23,241			19
20		(514) Interest Income	3,699	5,419			20
21		(516) Income from sinking and other funds	27	25			21
22		(517) Release of premiums on funded debt		8			22
23		(518) Contributions from other companies					23
24		(519) Miscellaneous income	624	404			24
25		Income from affiliated companies					
25		Dividends (equity method)					25
26		Share in undistributed earnings (losses)	172	175			26
27		TOTAL OTHER INCOME (lines 16-25)	21,529	30,552			27
28		TOTAL INCOME (lines 15, 27)	53,080	68,582			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	336	447			29
30		(535) Taxes on property used in other than carrier operations	2	17			30
31		(543) Miscellaneous rent expense	(3)				31
32		(544) Miscellaneous taxes					32
33		(545) Separately operated properties-Loss					33
34		(549) Maintenance of investment organizations					34
35		(550) Income transferred to other companies					35
36		(551) Miscellaneous income charges	447	407			36
37		(553) Uncollectible accounts	620	120			37
38		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-37)	1,402	991			38
39		Income available for fixed charges (Line 28, 38)	51,678	67,591			39

210. RESULTS OF OPERATIONS-Continued
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
40		(a) Fixed interest not in default	6,660	8,280	40
41		(b) Interest in default			41
42		(547) Interest on unfunded debt	105	66	42
43		(548) Amortization of discount on funded debt	29	29	43
44		TOTAL FIXED CHARGES (lines 40-43)	6,794	8,375	44
45		Income after fixed charges (lines 39, 44)	44,884	59,216	45
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
46		(c) Contingent interest			46
UNUSUAL OR INFREQUENT ITEMS					
47		(555) Unusual or infrequent items (debit) credit			47
48		Income (Loss) from continuing operations (before income taxes)	44,884	59,216	48
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
49	*	Federal income taxes	3,325	1,305	49
50	*	State income taxes	1,222	1,201	50
51	*	Other income taxes	49	39	51
52	*	(557) Provision for deferred taxes	6,876	12,796	52
53		TOTAL PROVISIONS FOR INCOME TAXES (lines 49-52)	11,472	15,341	53
54	*	Income from continuing operations	33,412	43,875	54
DISCONTINUED OPERATIONS					
55		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			55
56		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			56
57		Income before extraordinary items	33,412	43,875	56
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
58		(570) Extraordinary items (Net)			58
59		(590) Income taxes on extraordinary items			59
60		(591) Provision for deferred taxes-Extraordinary items			60
61		TOTAL EXTRAORDINARY ITEMS (lines 58-60)			61
62		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)			62
63	*	Net income (Loss)	33,412	43,875	63
Reconciliation of net railway operating income (NROI)					
64	*	Net revenue from railway operations			64
65	*	(556) Income taxes on ordinary income (-)			65
66	*	(557) Provision for deferred income taxes (-)			66
67		Income from lease of road and equipment (-)			67
68		Rent for leased roads and equipment (-)			68
69		Net railway operating income (loss)			69

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220. RETAINED EARNINGS

(Dollars in Thousands)

1. Show below the items of Retained Earnings 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 shown in parentheses.

3. Show under "Remarks" the amount of assigned Federal income tax consequences for 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 26, column (b), Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 59, column (b), Schedule 210.

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

Line No.	Cross Check	Item	Retained earnings— Unappropriated	Equity in undistributed earnings (losses) of affiliated companies	Line No.
		(a)	(b)	(c)	
1		Balances at beginning of year	\$ 143,524	\$ 812	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income	33,240	172	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	33,240	172	6
		DEBITS			
7	*	(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings			8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock	13,284		11
12		Preferred stock ¹	798		12
13		TOTAL	14,082		13
14		Net increase (decrease) during year (Line 6 minus line 13)	19,158	172	14
15	*	Balances at close of year (Lines 1, 2 and 14)	162,682	984	15
16	*	Balances from line 15(c)	984	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	163,666	NA	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of year \$ _____			21
22		Amount of assigned Federal income tax consequences: Account 606 \$ _____			22
23		Account 616 \$ _____			23

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

316. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."
2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 18, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).
3. Indicate by means of an asterisk 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__." Abbreviations in common use in standard financial publications may be used.

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
(a)	(b)	(c)	(d)	(e)		
1	715	B-1	VII	Series C First Mortgage 3-1/4% Bonds		1
2						2
3	716	B-3	IX	Deposit for Destroyed Equipment		3
4						4
5						5
6						6
7	717	C-3	VI	Barclay's Bank-Nassau, Bahamas - Insurance		7
8						8
9	721			Investment in Affiliated Companies		9
10						10
11		A-1	VII	The Arkansas Western Railway Co.	100 %	11
12				Kansas City Terminal Rwy. Co.	8-1/3%	12
13				Joplin Union Depot Co.	33-1/3%	13
14				Louisiana & Arkansas Rwy. Co.		14
15				Common Stock		15
16				Preferred Stock	100 %	16
17				Prior Preferred Stock	100 %	17
18				Fort Smith and Van Buren Rwy. Co.	100 %	18
19				Trailer Train Co.	100 %	19
20					3 %	20
21				Total Class A		21
22						22
23				Advances		23
24						24
25		A-1	VII	Trailer Train Co.		25
26				1-1-67 due 4-17-97		26
27				1-1-67 due 7-01-99	3 %	27
28				Total Notes	3 %	28
29		E-1	VII	Joplin Union Dept Co.-Reserve for adjustment	33-1/3%	29
30				Fort Smith and Van Buren Rwy. Co.	100 %	30
31				Kansas City Terminal Rwy. Co.	8-1/3%	31
32				Joplin Union Depot Co.	33-1/3%	32
33				Kansas City Southern Transport Co., Inc.	100	33
34				Kansas City Southern Industries, Inc.		34
35						35
36				Total Advances		36
37						37
38				Total Account 721		38
39						39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued
(Dollars in Thousands)

be used to conserve space.

6. If any of the companies included in this schedule are controlled by respondent the percent of control should be shown 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. Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.

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

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

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

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income (l)	Line No.
	Opening balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1	12		12	---				1
2								2
3	2		2	---				3
4								4
5								5
6								6
7	242	18		260			27	7
8								8
9								9
10								10
11								11
12	828			828				12
13	183			183				13
14	10			10				14
15								15
16	4,072			4,072			16,000	16
17	2,000			2,000			120	17
18	2,715			2,715			180	18
19	142			142				19
20	99			99				20
21								21
22	10,049			10,049			16,300	22
23								23
24								24
25								25
26								26
27	77			77			5	27
28	77			77			6	28
29	154			154			11	29
30	(40)			(40)				30
31	101		74	27				31
32	3,721		39	3,682				32
33	168			168				33
34	595			595				34
35	11,550	19,150	30,700	---			1,190	35
36								36
37	16,095	19,150	30,813	4,432			1,190	37
38								38
39	26,298	19,150	30,813	14,635			17,501	39
40								40

330. ROAD AND EQUIPMENT PROPERTY

(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment. and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes				
2		(3) Grading	4,330			1
3		(4) Other right-of-way expenditures	20,838			2
4		(5) Tunnels and subways	546			3
5		(6) Bridges, trestles, and culverts				4
6		(7) Elevated structures	13,884			5
7		(8) Ties				6
8		(9) Rail and other track material	67,163			7
9		(11) Ballast	87,753			8
10		(13) Fences, snowsheds, and signs	19,327			9
11		(16) Station and office buildings	461			10
12		(17) Roadway buildings	6,428			11
13		(18) Water stations	396			12
14		(19) Fuel stations	57			13
15		(20) Shops and enginehouses	1,935			14
16		(22) Storage warehouses	19,368			15
17		(23) Wharves and docks				16
18		(24) Coal and ore wharves				17
19		(25) TOFC COFC terminals				18
20		(26) Communication systems	2,132			19
21		(27) Signals and interlockers	1,332			20
22		(29) Power plants	13,978			21
23		(31) Power-transmission systems	3			22
24		(35) Miscellaneous structures	355			23
25		(37) Roadway machines	178			24
26		(39) Public improvements - Construction	2,208			25
27		(44) Shop machinery	2,279			26
28		(45) Power-plant machinery	2,464			27
29		Other (specify and explain)	133			28
30		TOTAL EXPENDITURES FOR ROAD	267,548			29
31		(46) Computer systems and word processing equipment				30
32		(52) Locomotives	57,484			31
33		(53) Freight-train cars	97,622			32
34		(54) Passenger-train cars				33
35		(55) Highway revenue equipment				34
36		(56) Floating equipment				35
37		(57) Work equipment				36
38		(58) Miscellaneous equipment	868			37
39		TOTAL EXPENDITURES FOR EQUIPMENT	155,989			38
40		(76) Interest during construction	1,929			39
41		TOTAL	425,466			40
42		(80) Other elements of investment				41
43		(90) Construction in progress	21,729			42
44		GRAND TOTAL	447,195			43

330. ROAD AND EQUIPMENT PROPERTY - Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions and betterments during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1			2	(2)	4,328	1
2		1,526	15	1,511	22,349	2
3		7		7	553	3
4						4
5		78	64	14	13,898	5
6						6
7		3,572	1,474	2,098	69,261	7
8		13,591	4,601	8,990	96,743	8
9		5,275	1,092	4,183	23,510	9
10						10
11		636	152	484	6,912	11
12		22	1	21	417	12
13						13
14		48		48	1,983	14
15		285	6	279	19,647	15
16						16
17						17
18						18
19		13	11	2	2,134	19
20		905		905	2,237	20
21		422	168	254	14,232	21
22					3	22
23					355	23
24		8		8	186	24
25		95	1,717	(1,622)	586	25
26		16	1	15	2,294	26
27		3		3	2,467	27
28		12		12	145	28
29						29
30		26,514	9,304	17,210	284,758	30
31						31
32		16	1,665	(1,649)	55,833	32
33		566	2,923	(2,357)	95,266	33
34						34
35						35
36						36
37					869	37
38					15	38
39	*	582	4,588	(4,006)	151,983	39
40			7	(7)	1,922	40
41		27,096	13,899	13,197	438,663	41
42						42
43		(5,595)		(5,595)	16,154	43
44		21,501	13,899	7,602	454,797	44

330A. IMPROVEMENTS ON LEASED PROPERTY
(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment maint. and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes				1
2		(3) Grading				2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts				5
6		(7) Elevated structures				6
7		(8) Ties				7
8		(9) Rail and other track material				8
9		(11) Ballast				9
10		(13) Fences, snowsheds, and signs				10
11		(16) Station and office buildings				11
12		(17) Roadway buildings				12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses				15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals				19
20		(26) Communication systems				20
21		(27) Signals and interlockers				21
22		(29) Power plants				22
23		(31) Power-transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines				25
26		(39) Public improvements - Construction				26
27		(44) Shop machinery				27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD				30
31		(46) Computer systems and word processing equipment				31
32		(52) Locomotives	196			32
33		(53) Freight-train cars	325			33
34		(54) Passenger-train cars				34
35		(55) Highway revenue equipment				35
36		(56) Floating equipment				36
37		(57) Work equipment				37
38		(58) Miscellaneous equipment				38
39	*	TOTAL EXPENDITURES FOR EQUIPMENT	521			39
40		(76) Interest during construction				40
41		TOTAL	521			41
42		(80) Other elements of investment				42
43		(90) Construction in progress				43
44		GRAND TOTAL	521			44

Road Initials:

Year 19 85

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

53A

415. SUPPORTING SCHEDULE—EQUIPMENT—Continued

Line No.	Cross Check	Lease and rentals (net) (f)	Depreciation base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1							1
2				220		127	2
3							3
4							4
5				220		127	5
6							6
7							7
8							8
9				---		---	9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24				---		---	24
25							25
26							26
27							27
28							28
29							29
30							30
31							31
32							32
33							33
34							34
35							35
36							36
37							37
38							38
39							39
40							40
41							41
42							42
43				220		127	43

The data to be reported on lines 38, 39 and 40 in columns (g) and (h) is the investment recorded in Property Account 44, allocated to Locomotives, Freight Cars, and Other Equipment.

The depreciation to be reported on lines 38, 39, and 40 in column (i) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44, and adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (j), Schedule 335.

416. SUPPORTING SCHEDULE—ROAD
(Dollars in Thousands)

10. SUPPORTING SCHEDULE - ROAD
(Dollars in Thousands)

G.P.O. Jkt. 483-682

Line No.	(a) Density category (Class)	(b) Account No.	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		Line No.
			(c) Base \$000	(d) Accum. depr. \$000	(e) Depr. rate %	(f) Base \$000	(g) Accum. depr. \$000	(h) Depr. rate %	(i) Base \$000	(j) Current year Amort. \$000	(k) Accum. Amort. \$000	(l) Base	(m) Accum. depr. & Amort.	
1	I	3	1,868	711	1.093							1,868	711	1
2		8	8,142	9,940	5.532							8,142	9,940	2
3		9	18,835	14,033	4.525							18,835	14,033	3
4		11	3,408	5,756	10.000							3,408	5,756	4
5	SUB-TOTAL		32,253	30,440								32,253	30,440	5
6	II	3	21,166	8,060	1.093							21,166	8,060	6
7		8	78,881	21,105	2.675							78,881	21,105	7
8		9	104,564	22,446	2.146							104,564	22,446	8
9		11	27,020	9,535	3.502							27,020	9,535	9
10	SUB-TOTAL		231,631	61,146								231,631	61,146	10
11	III	3		N/A	N/A		N/A	N/A		N/A	N/A			11
12		8		N/A	N/A		N/A	N/A		N/A	N/A			12
13		9		N/A	N/A		N/A	N/A		N/A	N/A			13
14		11		N/A	N/A		N/A	N/A		N/A	N/A			14
15	SUB-TOTAL			N/A	N/A		N/A	N/A		N/A	N/A			15
16	IV	3	8,093	3,082	1.093							8,093	3,082	16
17		8	22,887	7,830	3.421							22,887	7,830	17
18		9	18,115	6,356	3.508							18,115	6,356	18
19		11	5,312	2,644	4.977							5,312	2,644	19
20	SUB-TOTAL		54,407	19,912								54,407	19,912	20
21	V	3												21
22		8												22
23		9												23
24		11												24
25	SUB-TOTAL													25
26	GRAND TOTAL		318,291	111,498	N/A			N/A				318,291	111,498	26

THE NANSAS CITY SOUTHERN LINES CONSOLIDATED

(1) Columns (3) + (6) + (9) = Column 12
Columns (4) + (7) + (11) = Column 13

(2) The base grand total for owned and used, improvements to leased property and capitalized leases should equal the sum of Accounts 3, 8, 9 and 11 shown at year end on Schedule 330 and Schedule 330A.

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

Year 85

G.P.O. Jkt. 483-982

Railroad Annual Report R-1

Schedule 416A

Instruction:

This schedule will show the investment in capitalized leases in road and equipment by primary account.

Columns

- (a) = primary account number and title for which capital lease amounts are included therein.
- (b) = the total investment in that primary account.
- (c) = the investment in capital leases at the end of the year.
- (d) = the current year amortization.
- (e) = the accumulated amortization relating to the leased properties.

NOTES AND REMARKS

417. SPECIALIZED SERVICE SUBSCHEDULE — TRANSPORTATION
(Dollars in Thousands)

1. Report freight expenses only.
2. Report in lines 1, 2, 3, 4, and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchased services, and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion expenses, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See schedule 755, note R.
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
7. Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h), relate to refrigerator cars only.
8. Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, I.C.T. terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations and livestock feeding operations only.

G.P.O. JIC 483-592

Line No.	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load and distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b-i) (j)	Line No.
1	*	Administration										1
2	*	Pick up and delivery, marine line haul										2
3	*	Loading and unloading and local marine										3
4	*	Protective services, total debit and credits	583						N/A			4
5	*	Freight lost or damaged—solely related						101	N/A	249	933	5
6	*	Fringe benefits							11		11	6
7	*	Casualty and insurance										7
8	*	Joint facility — Debit								1	1	8
9	*	Joint facility — Credit										9
10	*	Other	()	()	()	()	()	()	()	()	()	10
11	*	TOTAL	583					101	11	25	25	11
									275	970		

Revised Initials:

Year 1985

450. ANALYSIS OF TAXES (Dollars in Thousands)

A. Railway Taxes.

Line No.	Cross Check	Kind of tax (a)	Amount (b)	Line No.
1		Other than U.S. Government Taxes	4,182	1
		U.S. Government Taxes		
		Income Taxes:	6,074	2
2		Normal Tax and Surtax		3
3		Excess Profits		4
4	*	Total - Income Taxes	6,074	5
5		Railroad Retirement	15,205	6
6		Hospital Insurance	1,010	7
7		Supplemental Annuities	1,167	8
8		Unemployment Insurance	1,437	9
9		All Other United States Taxes		10
10		Total - U.S. Government Taxes	24,893	11
11		Total - Railway Taxes	29,075	

B. Adjustments to 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 (Specify), 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 (Specify).

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 reinstate 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 19 in columns (c) and (d) should agree with the total of the contra changes (credits) to Account 557, 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.

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No.
1	Accelerated depreciation, Sec. 167 I.R.C.; Guideline lives pursuant to Rev. Proc. 62-21.	81,761	2,147		83,908	1
2	Accelerated amortization of facilities, Sec. 168 I.R.C.					2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.					3
4	Amortization of rights of way, Sec. 185 I.R.C.					4
5	Other (Specify) Reserve for Claims	(2,055)	327		(1,728)	5
6	Reacquisition of 1st Mortgage Bonds	1,041			1,041	6
7	Future Benefits of Capitalized Leases	(570)	277		(293)	7
8	Provisions for Contingencies	3,023	319		3,342	8
9	Accelerated depreciation-change from RRB Accounting to Depreciation Accounting	41,202			41,202	9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit*	(4,774)	4,774		---	18
19	TOTALS	119,628	7,844		127,472	19

498. ANALYSIS OF TAXES - Continued
(Dollars in Thousands)

*Footnotes:

1. If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit _____ \$ 3,395
 If deferral method for investment tax credit was elected:
- (1) Indicate amount of credit utilized as a reduction of tax liability for current year _____ \$ _____
 (2) Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes _____ \$ _____
 (3) Balance of current year's credit used to reduce current year's tax accrual _____ \$ _____
 (4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual _____ \$ _____
 (5) Total decrease in current year's tax accrual resulting from use of investment tax credits _____ \$ 3,395
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made _____ \$ None

460. ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR
(Dollars in Thousands)

Give a brief description for all items, regardless of amount, included during the year in Accounts 555, Unusual or Infrequent Items; 560, Income or Loss From Operations of Discontinued Segments; 562, Gain or Loss on Disposal of Discontinued Segments; 570, Extraordinary Items; 590, Income Taxes on Extraordinary Items; 592, Cumulative Effect of Changes in Accounting Principles; 603, Appropriations Released; 606, Other Credits to Retained Earnings; 616, Other Debits to Retained Earnings; 620, Appropriations for Sinking and Other Funds; 621, Appropriations for Other Purposes. If appropriations released reflect appropriations provided during the year, each account should not be reported.

For Accounts 519, Miscellaneous Income, and 551, Miscellaneous Income Charges, if the total in either account exceeds 10% of net income before extraordinary items, describe the three largest items in the account and any other items in excess of 10% of net income.

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1	519	Miscellaneous income		N/A	1
2					2
3	551	Miscellaneous income charges	N/A		3
4					4
5	555	Unusual or infrequent items		None	5
6					6
7	560	Operations of discontinued segments	None		7
8					8
9	562	Disposal of discontinued segments	None		9
10					10
11	570	Extraordinary items	None		11
12					12
13	590	Income Taxes on extraordinary items	None		13
14					14
15	592	Changes in accounting principles	None		15
16					16
17	603	Appropriations released			17
18		First Mortgage Bonds redeemed		None	18
19					19
20	606	Other credits to retained earnings		None	20
21					21
22	616	Other debits to retained earnings	None		22
23					23
24	620	Appropriations for sinking fund			24
25		Retirement of First Mortgage Bonds	None		25
26		Bonds retired 12-01-84			26
27					27
28	621	Appropriations for other purposes	None		28
29					29
30					30

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

501. GUARANTIES AND SURETYSHIPS

(Dollars in Thousands)

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 the date of issue. Items of less than \$50,000 may be shown as one total.

Line No.	Names of all parties principally and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No.
1					1
2					2
3	City of	Jointly and severally liable			3
4	New Orleans, LA.	for principal and interest for			4
5		New Orleans Union Passenger			5
6		Terminal Revenue Bonds 1-1-48			6
7		to 1-1-98 Finance Docket 15920			7
8		The L&A Ry. Co. is guarantor			8
9		of their proportion of	1,902	Joint	9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					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 the particulars called for hereunder for each such 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, nor does it include ordinary suits, 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 contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No.
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS
(Dollars in Thousands)

Using the following notes as a guideline, show the requirements compensating balances and short-term borrowing arrangements. 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 included in Account 703, Special Deposits, and in Account 717, Other Funds, should also be separately disclosed below.
5. 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).
6. 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 prime rate. This agreement included 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 1985 and 1984 no funds were borrowed on the above described line of credit and compensating balance requirements have been met.

NOTES AND REMARKS

510. INSTRUCTIONS CONCERNING RETURNS IN SCHEDULE

Give particulars of the various issues of securities of the respondent and disclose the name and address of the creditor, the character (nature) of the debt, nature of the security, if any, the date of origin, the date of maturity, the total amount of the debt, the rate of interest, the total amount of interest to be paid. Where such indebtedness is widely held, such as bonds and debentures, provide the name of the trustee in place of the creditor.

Accounts to be considered in completing this schedule:

- 765. Funded Debt Unsecured
- 766. Equipment Obligations
- 766.5. Capitalized lease obligations
- 767. Receivers' and Trustees' Securities
- 768. Debt in Default
- 769. Accounts Payable; Affiliated Companies

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

Indicate in the description or by footnote the property pledges for each issue, stating assets covered by first lien and by junior lien.

If an issue is a serial issue, state amount due annually. If amounts are not due regularly, give full particulars.

If an issue is an income bond, the interest rate shown should be the maximum rate specified by the indenture. State in the description or by footnote the amount of interest that is contingent, the percent paid for the current year, and the aggregate percent of contingent interest unpaid at the beginning and end of the year.

If any issue is in default, indicate the date of the first default, payments of interest made during the current year, and total amount of interest in default at beginning and end of the year.

If any issue contains a conversion feature, call feature, or is subject to a sinking fund provision prior to maturity, describe particulars in footnotes.

(8) The major use of this schedule is to determine the cost of capital for road property and equipment for rate making purposes. Complete the following summary to reconcile the categories within Schedule 510.

	Debt		Interest		
	Within one year (d)	After one year (e)	Accrued during Year (f)	Amount capitalized in column (f) (g)	Paid during year (h)
(9) Directly related to road property Items (1) and (2) above					
(10) Directly related to equipment obligations Item (4) above	19,519	87,864	12,085	--0--	12,329
(11) Account 769 affiliated companies obligations		1,132			
(12) Other not related to Item (1), (2) and (4)*					
(13) TOTAL	19,519	88,996	12,085	--0--	12,329

*If certain debts not related to (1), (2) or (4) is directly related to road property or equipment, include it with directly related and not other.

510. DEBTHOLDINGS
(Dollars in Thousands)

Line No.	Description of obligation (a)	Name and address of creditor or trustee (b)	Original amount (c)	Portion due		Line No.
				Within one year (d)	After one year (e)	
1	Equipment Obligations 4A					1
2						2
3	Contract 25092	Chemical Bank, N.Y.	10,148	None	None	3
4	25650	" "	5,151	343	343	4
5	25820	" "	3,426	228	228	5
6	25944	" "	6,055	404	606	6
7	26120	" "	6,570	438	1,095	7
8	27940	Mercantile Safe Deposit	28,420	1,895	17,052	8
9	28124	Metropolitan Life	10,899	727	7,266	9
10	28335	Chemical Bank, N.Y.	11,224	1,250	8,750	10
11						11
12	Total KCS Rwy. Co. Equip. Obligations		81,893	5,285	35,340	12
13						13
14	Contract 10920	Chemical Bank, N.Y.	27,446	1,830	12,808	14
15	11068	" "	20,825	1,388	11,107	15
16	11093	" "	8,144	543	4,615	16
17						17
18	Total L&A Rwy. Co. Equip. Obligations		56,415	3,761	28,530	18
19						19
20						20
21		CAPITALIZED LEASES				21
22						22
23	Contract 25225	Bankers Trust N.Y.	3,924	None	None	23
24	25400	Chemical & Mellon	5,064	313	None	24
25	26555	American Nat'l Bank	1,248	44	478	25
26	27235	1st Security - Utah	14,801	884	6,495	26
27	27416-25	Borg Warner Leasing	411	48	79	27
28	27416-30	" "	843	93	199	28
29	28294	Rex Railways	4,697	530	2,489	29
30	28390	" "	2,728	135	2,121	30
31						31
32	Total KCS Rwy. Co. Capitalized Leases		33,716	2,047	11,861	32
33						33
34	Contract 10731	American Nat'l Bank	2,000	124	854	34
35	10732	" "	4,022	128	1,695	35
36						36
37	Total L&A Rwy. Co. Capitalized Leases		6,022	252	2,549	37
38						38
39	Total KCS and L&A Rwy. Co. Funded Debt		178,046	11,345	78,280	39
40						40
41						41
42	Kansas & Missouri Rwy. & Terminal Co.				1,132	42
43						43
44						44
45	Carland, Inc.	Notes Various Banks		8,174	9,584	45
46						46
47			178,046	19,519	88,996	47
48						48
49						49
50						50

Road Initials:

Year 19 85

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

67

510. DEBTHOLDINGS—Continued
(Dollars in Thousands)

Line No.	Date of issue (f)	Date of maturity (g)	Interest			Line No.
			Rate (h)	Accrued during year (i)	Paid during year (j)	
1						1
2						2
3	01-01-70	01-15-85	9-3/4 %	4	49	3
4	01-01-72	02-01-87	7-5/8 %	55	65	4
5	11-01-72	11-01-87	7-3/4 %	50	53	5
6	03-15-73	05-15-88	7-3/4 %	98	102	6
7	01-15-74	02-15-89	8-1/4 %	140	154	7
8	03-01-80	11-01-95	13 %	2,668	2,709	8
9	06-01-81	06-01-96	13-1/8 %	1,089	1,097	9
10	12-01-81	06-01-93	11-3/8 %	1,138	1,138	10
11						11
12				5,242	5,367	12
13						13
14	03-15-78	10-01-93	9 %	1,400	1,441	14
15	04-15-79	09-01-94	10 %	1,307	1,354	15
16	06-15-79	03-01-95	10-1/8 %	545	563	16
17						17
18				3,252	3,358	18
19						19
20						20
21						21
22						22
23	06-70	06-85	7.34 %	8	9	23
24	05-71	05-86	7.54 %	52	57	24
25	01-76	01-91	7.70 %	45	45	25
26	07-77	07-92	5.75 %	439	460	26
27	02-78	05-88	6.65 %	10	10	27
28	07-78	10-88	6.65 %	22	22	28
29	09-81	06-97	15 %	492	492	29
30	02-82	09-97	15 %	350	350	30
31						31
32				1,418	1,445	32
33						33
34	01-77	01-92	6.82 %	71	73	34
35	04-77	04-92	6.26 %	126	126	35
36						36
37				197	199	37
38						38
39				10,109	10,369	39
40						40
41						41
42						42
43						43
44						44
45	08-81	07-88	10-16-3/4 %	1,976	1,881	45
46						46
47				12,085	12,250	47
48						48
49						49
50						50

510. DEBTHOLDINGS—Concluded
(Notes and other disclosures)

Line No.	a. Nature of security or collateral, if any	Line No.
1		1
2		2
3		3
4		4
5		5
6		6
7		7
8		8
9		9
10		10
11		11
12		12
13		13
14		14
15		15
16		16
17		17

b. With respect to each holder of more than five percent of each issue reported, provide the name, address, and type of holder—bank, broker, holding company, individual or other specified category.

Line No.	Name and address of holder	Type of holder	Line No.
1			1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13			13
14			14
15			15
16			16
17			17
18			18

c. Other notes and comments

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

1. Furnish the information called for below between the respondent and the affiliated companies 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 are 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:

- Charges for transportation services
- Payments to or from other carriers for interline services and interchange of equipment
- Payment to or from other carriers which may reasonably be regarded as ordinarily connected with routine operation or maintenance, but any special or unusual transactions should be reported.
- Payments to public utility companies for rates or charges fixed in conformity with government authority.

2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$50,000 or more for the year. If an affiliated company provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of charges. If the respondent provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 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.

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro forma" balance sheet and income statement for that portion or entity of each affiliate

which furnished the agreed to services, equipment, or other reportable transaction. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the respondent carrier.

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

- If respondent directly controls affiliate, insert the word "direct"
- If respondent controls through another company, insert the word "indirect"
- If respondent is under common control with affiliate, insert the word "common"
- If respondent is controlled directly or indirectly by the company listed in column (a), insert the word "controlled"
- 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 transactions 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 (c).

5. In column (d) report the dollar amounts of transaction shown and the effect of any change in the method of establishing the terms from that used in the preceding period.

6. In column (e) report the dollar amounts due from or to related parties and, if not otherwise apparent, the terms and manner of settlement. Insert (P) paid and (R) received by the amount in column (e).

SCHEDULE 512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED

70. THE KANSAS CITY SOUTHERN LINES CONSOLIDATED
 Road Initials:
 Year 19 85

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Kansas City Southern Industries, Inc.	6	Controlled	Management fee	8,754		1
2				Common dividends	13,284		2
3				Preferred dividends	798	200	3
4				Insurance premiums	372		4
5				Employee stock purchase	1,465		5
6				Proportion of income tax	1,811		6
7				Employee Profit sharing	2,904		7
8				Intel master lease	95		8
9				Advance to KCSI	19,150		9
10				Advances repaid	30,700		10
11				Billings to KCSI			11
12				Proportion of salary	141		12
13				Telephone	88		13
14				Other items	14		14
15				Interest	1,190		15
16				Dividends from KCSI	48	12	16
17	Argus	100		Computer programming	6,889.67		17
18				Bills vs Argus	624		18
19							19
20							20
21	American Coleman Co.	2					21
22				Materials & supplies	111		22
23							23
24							24
25							25

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SCHEDULE 512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Carland, Inc.	86		Lease of equipment	13,883		1
2				Use of engine to Carland	41		2
3							3
4							4
5	DST, Inc.			Computer tapes	5		5
6				Bills for materials & supplies	3		6
7							7
8							8
9	Investors Fiduciary Trust Co.	48		Employee insurance prem	1,384		9
10							10
11							11
12	LDX Network	100		Microwave mtce.	1,968		12
13	Mid South Microwave	100		and rental	388		13
14							14
15	LDX Network			Bills vs LDX for construction	971		15
16				Telephone service	112		16
17	LDX, Inc.						17
18							18
19							19
20	Lonestar KC Concrete	41		Pies and foundations	1,352		20
21							21
22							22
23	Pioneer Western			Bills for travel exp	4		23
24							24
25							25

70A THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

Year 1985

SCHEDULE 312. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Rice Carden Corporation	79		Lot Box detector & Mtce.	1,612		1
2				CTC Maintenance	156		2
3				Dockage-Pt. Arthur, TX.	150		3
4				CCTV Cameras	483		4
5				Telephone Maintenance	17		5
6				Repair & protection of			6
7				dredge	93		7
8				Lease of Modems	144		8
9				Refund unearned			9
10				Rent	149		10
11				Other	57		11
12					2,861		12
13				Bills for			13
14				Construction of plant	137		14
15				Taxes	4		15
16				Insurance	4		16
17							17
18							18
19	Southern Development Co.	36		Rental of building	480		19
20				Supplies & Furniture	21		20
21	Superior Tie & Timber	14		Cross ties	1,408		21
22				Bills for material			22
23				and supplies	6		23
24							24
25							25

SCHEDULE 512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transaction (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1							1
2	Support Resources, Inc.	.28		Materials & supplies	34		2
3							3
4							4
5	Tolmak, Inc.	34		Track Rental	203		5
6				Track Maintenance	232		6
7				Bills to Tolmak	63		7
8							8
9	Trans-Serve, Inc.	3		Maintenance and inspector service	342		9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

70C THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Round Initials:

Year 19 85

70D

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INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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 truckage 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.

700. MILEAGE OPERATED AT CLOSE OF YEAR												
Line No.	Cross Check	Class	Proportion owned or leased by respondent:	Main (M) or branch (B) line	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks	Miles of yard switching tracks	TOTAL	Line No.
					Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs, and turnouts				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
1												1
2		1	100%	M	1,476	9		203	180	292	2,160	2
3												3
4		1-J	50%	M		4		1	3	66	74	4
5												5
6		1-J	33-1/3%	M					1		1	6
7												7
Total		1-J	Main	M		4		1	4	66	75	8
9												9
Total		1-J	Main	M	1,476	13		204	184	358	2,235	10
11												11
12												12
13												13
14		3B	100%	M					4	9	13	14
15												15
16		3A	100%	M					17	1	18	16
17												17
18		5	100%	M	103	10	2	14	7	4	140	18
19												19
20		1	100%	B	53			6	13	23	95	20
21												21
22		1-J	50%	B					2	24	26	22
23												23
24		1-J	33%	B					1		1	24
25												25
Total		1-J	Branch	B					3	24	27	26
27												27
Total		1-J	Branch	B	53			6	16	47	122	28
29												29
30												30
31												31
32		3A	100%	B					3		3	32
33												33
34		3A	50%	B					1		1	34
35												35
36		5	100%	B	29				1		30	36
37												37
38												38
39												39
40												40
41												41
42												42
43												43
44												44
45												45
46												46
47												47
48												48
49												49
50												50
51												51
52												52
53												53
54												54
55			TOTAL MAIN LINE	N/A	1,579	23	2	218	212	372	2,406	55
56			TOTAL BRANCH LINES	N/A	82			6	21	47	156	56
57			GRAND TOTAL		1,661	23	2	224	233	419	2,562	57
58			Miles of electrified road or track included in preceding grand total	N/A								58

701. 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	Line No.
				Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs, turn-outs				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)		
1											1
2											2
3											3
4											4
5											5
6											6
7							None				7
8											8
9											9
10											10
11											11
12											12
13											13
14											14
15		TOTAL	N/A								15

702. 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 (i) 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.	Cross Check	State or territory (a)	ROAD OPERATED BY RESPONDENT							LINE OWNED, NOT OPERATED BY RESPONDENT		New line constructed during year (k)	Line No.
			LINE OWNED		Line of prop- rietary 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	186	11					197				1
2													2
3		Kansas	18	6					24				3
4													4
5		Arkansas	224	1				9	234				5
6													6
7		Oklahoma	157					20	177				7
8													8
9		Louisiana	653	20				62	735				9
10													10
11		Texas	238	15				41	294				11
12													12
13													13
14													14
15													15
16													16
17													17
18													18
19													19
20													20
21													21
22													22
23													23
24													24
25													25
26													26
27													27
28													28
29													29
30													30
31													31
32		TOTAL MILEAGE (single track)	1,476	53				132	1,661				32

705. 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 fact, it may be used in answering any particular inquiry. Changes in 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. Any certificates of convenience and necessity, issued under (49) U.S.C. 10901 of the Interstate Commerce Act should make reference to such authority by docket number as may be appropriate.

3. Show 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. Show other important changes not elsewhere provided for, involving more than \$50,000, giving full particulars.

INCREASES IN MILEAGE

Line No.	Class	Main (M) or branch (B) line	Running Tracks, Passing Tracks, Cross-Overs, Etc.				Miles of way switching tracks	Miles of yard switching tracks	TOTAL	Remarks	Line No.
			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	1	M									
2	3A	M					2	8	10		
3	5	M	7	6		1	2		2		1
4									14		2
5											3
6											4
7											5
8											6
9											7
10											8
11											9
12											10
13	TOTAL INCREASE		7	6		1	4	8	26		11
											12
											13

DECREASES IN MILEAGE

Line No.	Class	Main (M) or branch (B) line	Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs and turn-outs	Miles of way switching tracks	Miles of yard switching tracks	TOTAL	Remarks	Line No.
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)		
14	1	M	7			4	5	4	20		14
15	3A	M						2	2		15
16	1J	M						2	2		16
17											17
18											18
19											19
20											20
21											21
22											22
23											23
24											24
25	TOTAL DECREASE		7			4	5	8	24		25

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

Owned by respondent:

Miles of road constructed _____

Miles of road abandoned _____

Owned by proprietary companies:

Miles of road constructed _____

Miles of road abandoned _____

Total Increase 2

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

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units purchased new or built in company shops. In column (d) 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 (f). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive or whether power may at times be supplied from an external conductor. Units other than diesel electric, e.g., diesel hydraulic, should be identified in a footnote giving the number and a brief description. An "electric" unit includes all units which receive electric power from an overhead contact wire or a third rail, and use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel, or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "auxiliary unit" includes all units used in conjunction with locomotives, but which draw their power from the "mother" unit, e.g.,

boosters, slugs, etc. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate. Radio-controlled units that are not self-powered, i.e., those without a diesel, should be reported on line 13 under "auxiliary units."

7. Column (k) should show aggregate capacity for all units reported in column (j), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.

8. Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations. Descriptions of car codes and designations are published in The Official Railway Equipment Register.

9. Cross-checks

Schedule 710

Schedule 710

Line 5, column (j)	=	Line 11, column (l)
Line 6, column (j)	=	Line 12, column (l)
Line 7, column (j)	=	Line 13, column (l)
Line 8, column (j)	=	Line 14, column (l)
Line 9, column (j)	=	Line 15, column (l)
Line 10, column (j)	=	Line 16, column (l)

When data appear in column (j) lines 1 thru 8, column (k) should have data on same lines.

When data appear in columns (k) or (l) lines 36 thru 53, and 55, column (m) should have data on same lines.

710. INVENTORY OF EQUIPMENT
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including re-classification (g)	Units at Close of Year					Line No.
				Units installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h)&(i)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including re-classification and second hand units purchased or leased from others (f)							
1		Locomotive Units Diesel-freight units	200					7	131	62	193	(H P) 538,750		1
2		Diesel-passenger units												2
3		Diesel-multiple purpose units	11						11		11	17,500		3
4		Diesel switching units	99					4	72	23	95	124,700		4
5	*	TOTAL (lines 1 to 4) units	310					11	214	85	299	680,950		5
6	*	Electric-locomotives												6
7	*	Other self-powered units												7
8	*	TOTAL (lines 5, 6 and 7)	310					11	214	85	299	680,950		8
9	*	Auxiliary units	16						3	13	16	N/A		9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	326					11	217	98	315	N/A	None	10

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

Line No.	Cross Check	Type or design of units (a)	Before Jan. 1, 1965 (b)	Between Jan. 1, 1965 and Dec. 31, 1969 (c)	Between Jan. 1, 1970 and Dec. 31, 1974 (d)	Between Jan. 1, 1975 and Dec. 31, 1979 (e)	Between Jan. 1, 1980 and Dec. 31, 1984 (f)	During Calendar Year					TOTAL (h)	Line No.
								1985 (g)	1986 (h)	1987 (i)	1988 (j)	1989 (k)		
11	*	Diesel	90	84	75	32	18						299	11
12	*	Electric												12
13	*	Other self-powered units												13
14	*	TOTAL (lines 11 to 13)	90	84	75	32	18						299	14
15	*	Auxiliary units	14	2									16	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	104	86	75	32	18					N/A	315	16

710. INVENTORY OF EQUIPMENT—Continued
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

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Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including re-classification (g)	Units at Close of Year					Line No.
				Units installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h)&(i)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including re-classification and second hand units purchased or leased from others (f)							
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)												17
18		Combined cars (All class C, except CSB)												18
19		Parlor cars (PBC, PC, PL, PO)												19
20		Sleeping cars (PS, PT, PAS, PDS)												20
21		Dining, grill and tavern cars (All class D, PD)												21
22		Non passenger carrying cars (All class B, CSB, M, PSA, IA)										N/A		22
23		TOTAL (lines 17 to 22)										N/A		23
24		Self-Propelled Electric passenger cars (EP, ET)												24
25		Electric combined cars (EC)												25
26		Internal combustion rail motorcars (ED, EG)												26
27		Other self-propelled cars (Specify types)												27
28		TOTAL (lines 24 to 27)												28
29		TOTAL (lines 23 and 28)	None								None			29
30		COMPANY SERVICE CARS Business cars (PV)	2											30
31		Board outfit cars (MWX)	7							2	2	N/A		31
32		Derrick and snow removal cars (MWU, MWV, MWW, MWK)	7							7	7	N/A		32
33		Dump and ballast cars (MWB, MWD)							2	5	7	N/A		33
34		Other maintenance and service equipment cars	119					2	43	74	117	N/A		34
35		TOTAL (lines 30 to 34)	135					2	45	88	133	N/A	None	35

Read Instructions

Year 19 85

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data.

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 (i). Units rented from others for a period less than one year should not be included in column (j).

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

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS									
Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Time-mileage cars (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt 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)	
FREIGHT TRAIN CARS									
36		Plain box cars - 40' (B100-8287)	118						36
37		Plain box cars - 50' and longer (B300-8887)	2,094						37
38		Equipped box cars (All Code A)	828					222	38
39		Plain gondola cars (All Codes G & J-1, J-2, J-3, and J-4)	584					78	39
40		Equipped gondola cars (All Code E)	32				71		40
41		Covered hopper cars (All Code C - 1 -)	990						41
42		Open top hopper cars-general service (All Code H)	225					28	42
43		Open top hopper cars-special service (All Codes K, J-0 and C - 2 -)	762					50	43
44		Refrigerator cars-non-mechanical (R100-120, 200-220, 300-320, 400-420, 500-520, 600-620, 700-720 and 800-820)	25						44
45		Refrigerator cars-mechanical (R150-170, 250-270, 350-370, 450-470, 550-570, 650-670, 750-770 and 850-870)							45
46		Flat cars-TOPC/COPC (All Code P)							46
47		Flat cars-multi-level (All Code V)	1						47
48		Flat cars-general service (F101-106, F201-206, F301-306)	131						48
49		Flat cars-other (F111-166, 211-266, 311-366, 411-466, 501-826)	192						49
50		Tank cars-under 22,000 gallons (T-0, T-1, T-2, T-3, T-4, T-5)						17	50
51		Tank cars-22,000 gallons and over (T-6, T-7, T-8, T-9)	51						51
52		All other freight cars (All Codes L & S and F171-176, 271-276, 371-376, 471-476)	691						52
53		TOTAL (lines 36 to 52)	6,724						53
54		Caboose (All Code N)	N/A	77			71	395	54
55		TOTAL (lines 53, 54)	6,724	77			73	395	55

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710. 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. 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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year					Line No.
		Units retired from service of respondent whether owned or leased, including reclassification	Owned and used	Leased from others	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4)	Leased to others
					Time-mileage cars	All other		
		(h)	(i)	(j)	(k)	(l)	(m)	(n)
36		2	99	17	116		6,320	36
37		24	1,227	1,065	2,292		199,285	37
38		5	724	177	901		82,183	38
39		85	564	6	570		58,218	39
40			32		32		2,556	40
41		20	712	286	998		98,170	41
42		45	45	185	230		17,985	42
43			732	30	762		65,218	43
44		8	14	3	17		1,102	44
45								45
46								46
47			1		1		50	47
48			131		131		6,930	48
49			179	30	209		18,575	49
50								50
51			51		51		4,318	51
52		53	364	274	638		64,478	52
53		242	4,875	2,073	6,948		625,388	53
54		2	19	58	N/A	77	N/A	54
55		244	4,894	2,131	6,948	77	625,388	55

710. INVENTORY OF EQUIPMENT - Continued

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

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Per diem (b)	All others (c)	Units installed				
					New units purchased or built (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									
56		Self-propelled vessels (Tugboats, car ferries, etc.)	N/A						56
57		Non-self-propelled vessels (Car floats, lighters, etc.)	N/A						57
58		TOTAL (lines 56 and 57)	N/A						58
HIGHWAY REVENUE EQUIPMENT									
59		Bogie-chassis							59
60		Dry van	171					346	60
61		Flat bed	16					71	61
62		Open top							62
63		Mechanical refrigerator							63
64		Bulk							64
65		Insulated							65
66		Platform removable sides							66
67		Other trailer or container							67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	187					417	70

NOTES AND REMARKS

710. INVENTORY OF EQUIPMENT - Concluded

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased, including reclassification (rh)	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)	Leased to others (n)	
					Per diem (k)	All other (l)			
56					N/A				56
57					N/A				57
58					N/A				58
59									59
60				517	517				60
61				87	87				61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70				604	604				70

NOTES AND REMARKS

710S. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR

(Dollars in Thousands)

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 710. Locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, such as multiple-purpose diesel locomotive A units (B-8), 2500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (LO), steel boxcars-special service (XAP), etc. For TOFC/COFC show type of equipment as enumerated in Schedule 710.
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 reported in Schedule 710, columns (c) and (e) for locomotive units, passenger-train cars and company service cars and columns (d) and (f) for freight train cars, floating equipment and highway revenue equipment. Disclose new units in the upper section of this schedule and in the lower section disclose rebuilt units acquired or rewritten into the respondent's accounts. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.
6. All unequipped boxcars acquired in whole or in part with incentive per diem funds should be reported on separate lines and appropriately identified by footnotes or sub-heading.

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)	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL		N/A		N/A	25

REBUILT UNITS

26						26
27	Contract 25225 of 5-1-70					27
28	covering Capitalized Lease					28
29	of 71 unit coal train					29
30	cars and 2 cabooses were					30
31	purchased by The					31
32	Kansas City Southern Railway					32
33	Company in 1985					33
34	cars	71	2,982	514	P	34
35	cabooses	2	50	4	P	35
36						36
37						37
38	TOTAL	73	N/A	518	N/A	38
39	GRAND TOTAL	73	N/A	518	N/A	39

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULES 720, 721, 723, 726, AND 728

1. For purposes of these schedules, the track categories are defined as follows:

Track category¹

- A - Freight density of 20 million or more gross ton-miles per mile per year
- B - Freight density of less than 20 million gross ton-miles per mile per year, but at least 5 million
- C - Freight density of less than 5 million gross ton-miles per mile per year, but at least 1 million
- D - Freight density of less than 1 million gross ton-miles per year
- E - Way and yard switching tracks (passing tracks, crossovers and turnouts shall be included in category A, B, C, D, F, and Potential abandonments, as appropriate).
- F - Track over which any passenger service is provided (other than potential abandonments)

Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10904 of the Interstate Commerce Act.

- 2. These schedules shall only include those lines maintained by the reporting carrier. They shall not include track maintained by others over which the reporting carrier has trackage rights.
- 3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.
- 4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

¹For line segments containing more than single tracks, the total density over the route shall be used to determine track category.

720. TRACK AND TRAFFIC CONDITIONS

- 1. Disclose the requested information pertaining to track and traffic conditions.
- 2. Miles under slow order in column (e) shall not include those due to ongoing maintenance, or other temporary track conditions such as floods or derailments.

Line No.	Track category (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile ² (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (Deviation from timetable speed limit) (whole numbers) (e)	Line No.
1	A	427	21.01	39.16	3	1
2	B	999	12.60	37.89	5	2
3	C					3
4	D	324	33	24.74	-	4
5	E	652	XXXXXXXX	XXXXX	-	5
6	TOTAL	2,402	12.30	35.88	8	6
7	F		XXXXXXXX	XXXXX		7
8	Potential abandonments					8

²To determine average density, total track miles (route miles times number of tracks) rather than route miles shall be used.

721. TIES LAID IN REPLACEMENT

1. Furnish the requested information concerning ties laid in replacement.
2. In column (j), report the total board feet of switch and bridge ties laid in replacement.
3. The term "spot maintenance" in column (k) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total ties or board feet laid in replacement considered to be spot maintenance.
4. In the 9, the average cost per tie should include 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 treating 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.

Line No.	Track category	Number of cross-ties laid in replacement							Total	Switch and bridge ties (board feet) (j)	Percent of spot maintenance (k)	Line No.
		New ties				Second hand ties						
		Wooden		Concrete (d)	Other (e)	Wooden		Other (h)				
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)					
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)		
1	A	50,084						50,084	18,854	25%	1	
2	B	103,178		6,179				109,357	224,207	25%	2	
3	C										3	
4	D	1,640						1,640	84	25%	4	
5	E	27,986						27,986	79,307	25%	5	
6	TOTAL	182,888		6,179				189,067	322,452	25%	6	
7	F										7	
8	Potential abandonments										8	

9. Average cost per cross-tie \$ 18.75 and switch-tie (MBM) \$ 480.41

722. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS
(Dollars in Thousands)

Give particulars of ties laid during the year in new construction during the year.

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) show 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 yard. In the case of treated ties, also show 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.

Line No.	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No.
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties 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	141	17.09	2					1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20	TOTAL	141	17.09	2					20
21	Number of miles of new running track, passing tracks, cross-overs, etc., in which ties were laid .04								21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid NONE								22

Road Initials:

Year 19 85 THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

723. RAILS LAID IN REPLACEMENT

1. Furnish the requested information concerning rails laid in replacement.
2. The term "spot maintenance" in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total rails laid in replacement considered to be spot maintenance.
3. In No. 10, the average cost of new and relay rail 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 rails should not be included in this schedule.

Line No.	Track category (a)	Miles of rail laid in replacement (rail-miles)				Total		Percent of spot maintenance (h)	Line No.	
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)			
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)					
1	A	8.43	.33	40.00	4.88	48.69	5.21	15%	1	
2	B	11.66	.04	13.00	11.14	143.83	11.18	11%	2	
3	C								3	
4	D		.03	.01	.42	.01	.45	100%	4	
5	E	3.91	.22	3.70	10.25	27.61	10.47	21%	5	
6	TOTAL	24.00	.62	196.14	26.69	220.14	27.31	14%	6	
7	F								7	
8	Potential Abandonments								8	
9	Other								9	
10	Average cost of new and relay rail laid in replacement (gross tons) \$ 269.46.									10

G.P.O. JAL 483-682

Re/Ans: Annual Report R-1

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

(Dollars in Thousands)

1. Give particulars of all rails applied during the year in connection with the construction of new track.

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.

2. 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 should be counted as one.

3. 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 rail should not be included in this schedule.

Line No.	Class of rail	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY, AND OTHER SWITCHING TRACKS				Line No.
		Weights of rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year	Average cost per ton (2,000 lb)	Weights of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year	Average cost per ton (2,000 lb)	
		Pounds per yard of rail	Number of tons (2,000 lb)			Pounds per yard of rail	Number of tons (2,000 lb)			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
1	2				115	26	11	440.21	1	
2	4				115	95	9	91.22	2	
3									3	
4									4	
5									5	
6									6	
7									7	
8									8	
9									9	
10									10	
11									11	
12									12	
13									13	
14									14	
15									15	
16									16	
17									17	
18									18	
19									19	
20									20	
21									21	
22									22	
23									23	
24									24	
25									25	
26									26	
27									27	
28									28	
29									29	
30									30	
31									31	
32									32	
33	TOTAL	N/A				N/A	121	20	166.21	33
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									.60 35
36	Track-miles of welded rail installed on system this year 97.07 : total to date 926.72 Main Line Yard Tracks 13.81 Track Miles									36

Railroad Annual Report R-1

G.P.O. Jkt. 483-522

115.75 Yard Tracks
1,042.47 TOTAL

725. WEIGHT OF RAIL

Give the particulars called for below 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. 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)	Line No.
	<i>Pounds</i>				
1	152	13.54			1
2	136	241.68			2
3	133	5.37			3
4	132	.37			4
5	131	25.17			5
6	130	147.84			6
7	127	316.24		Gauge of track 4 ft. 8-1/2 inches.	7
8	115	304.66			8
9	112	152.42			9
10	100	39.60			10
11	90	248.56			11
12	85	8.98			12
13	80	10.19			13
14	75	5.00			14
15	70	19.13			15
16	Total	1,538.75			16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48					48

726. SUMMARY OF TRACK REPLACEMENTS

1. Furnish the requested information concerning the summary of track replacements.
 2. In columns (d), (e), (g), and (j) give the percentage of replacements to total units of property at year end.

Line No.	Track category	Ties				Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles)	Percent replaced	Cubic yards of ballast placed	Miles surfaced	Percent surfaced	
		Crossties	Switch and bridge ties (board feet)	Crosstie	Switch and bridge ties (board feet)						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
1	A	50,084	18,854	.71	.43	53.90	1.11	64,632	506	21	1
2	B	109,357	224,207	1.55	5.20	155.01	3.20	151,200	1,455	60	2
3	C										3
4	D	1,640	84	.02	.01	.46	.01	49,033	4		4
5	E	27,986	79,307	.40	1.84	38.08	.79	101,325	357	15	5
6	TOTAL	189,067	322,452	2.68	7.48	247.45	5.11	366,190	2,322	96	6
7	F										7
8	Potential abandonments										8

728. DEFERRED CAPITAL IMPROVEMENTS - TRACKS
(Dollars in Thousands)

1. Furnish the requested information concerning the monetary amount and quantity of deferred capital improvements to track structure.
 2. Explain in remarks section below the methods and/or calculations used in determining the amounts and quantities reported.

Line No.	Type of track (a)	Monetary amount of deferred capital improvements		Line No.
		End of the year (b)	Beginning of the year (c)	
1	A			1
2	B			2
3	C			3
4	D			4
5	E			5
6	TOTAL TRACKS			6
7	F			7
8	Potential Abandonments			8
	Selected track improvements	Quantities of deferred capital improvements		
		End of the year	Beginning of the year	
9	Crossties			9
10	Rail			10
11	Ballast			11

Road Initials

Year 1985

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

91

Road Initials: KCS

Year 19 85

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

115

330A. IMPROVEMENTS ON LEASED PROPERTY - Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions and betterments during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12		18				12
13						13
14				18		14
15					18	15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		18				31
32				18		32
33			73		18	33
34			325	(73)		34
35				(325)	123	35
36					-----	36
37						37
38						38
39						39
40			398			40
41		18		(398)		41
42			398		123	42
43				(380)		43
44		18			123	44
			398	(380)		
					141	

750. CONSUMPTION OF FUEL BY MOTIVE-POWER UNITS

(Dollars in Thousands)

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.)		Line No.
		Diesel oil (gallons) (b)	Kilowatt-hours (c)	Coal (tons) (d)	Fuel oil (gallons) (e)	
1	Freight	35,621,995				1
2	Passenger					2
3	Yard switching	3,152,334				3
4	TOTAL	39,374,329				4
5	COST OF FUEL ¹ \$(000)	\$ 27,911	\$	\$	\$	5
6	Work Train	1,074				6

B. RAIL MOTORCARS

Line No.	Kind of locomotive service (f)	Diesel	Electric	Gasoline	Line No.
		Diesel oil (gallons) (g)	Kilowatt-hours (h)	Gasoline (gallons) (i)	
7	Freight				7
8	Passenger				8
9	Yard switching				9
10	TOTAL				10
11	COST OF FUEL ¹ \$(000)	\$	\$	\$	11
12	Work Train				12

¹Show cost of fuel charged to train and yard service (Functions 67-Loco. Fuels and 68-Electric Power Purchased/Produced for Motive Power). 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.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

Unit Train, Way Train, and Through Train data under Items 2, 3, 4, 6, and 12 shall be obtained from conductor's wheel reports (freight) or similar records. Unit train service is a specialized scheduled shuttle type service in equipment (Railroad or privately owned) dedicated to such service, moving between origin and destination. The applicable tariffs and/or contracts generally require that a specific minimum tonnage or quantity of carloads be tendered to a unit for shipment on one bill of lading or other shipping document in a solid train for movement between origin and destination. Such tariffs and/or contracts generally contain restricted detention provisions and are subject to time-volume requirements which reflect the approximate capacity of the unit trains for the stated period. Way Trains are defined as trains operated primarily to gather and distribute cars in road service and move them between way stations or way points. Through Trains are those trains operated between two or more major concentration or distribution points. Do not include Unit Train statistics in Way and Through Train statistics. A Work Train is a train operated solely or preponderantly for the purpose of transporting company freight, work equipment or company employees. Statistics for Work Trains should be reported under Item 11 only. Statistics related to company equipment, company employees and company freight moving in transportation trains are not to be reported in Item 11, but are to be reported in Items 4-17, 6-04, 7-02, and 8-04 and 8-05 as instructed in notes, I, K, and L.

(A) Report miles of road operated at close of year, excluding industrial tracks, yard tracks, and sidings.

(B) A train-mile is the movement of a train a distance of 1 mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as 1 mile. Train Miles—Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.

(C) A motorcar is a self-propelled unit of equipment designed to carry freight or passenger traffic, and is not considered a locomotive.

(D) A locomotive is self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of 1 mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

(E) All locomotives unit-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instructions (B) regarding fractions and official time tables for computing locomotive-miles.

(F) Train switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in such service. Include miles allowed train locomotives for performing switching service at terminals and way stations.

(G) Yard switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in yard switching service. Include miles allowed to yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

(H) Use car designations shown in Schedule 710. Under Railroad Owned and Leased cars, Items 4-01 and 4-11, report both foreign cars and respondents' own cars while on the line of the respondent railroad. In Items 4-13 and 4-15 report the private-line categories, miles for private-line cars (whether or not under railroad control) and shipper-owned cars. A car-mile is a movement of a unit of car equipment a distance of 1 mile. Report miles made by flatcars carrying loaded highway trailers or empty highway trailers moving under revenue billings as loaded freight car-miles and miles made by flatcars carrying other empty highway trailers as empty freight car-miles. Exclude miles made by motorcars and report miles made by business cars of other than reporting carrier as sleeping car-miles in Item 5-03. Report miles made by baggage cars and combination cars other than 5-02 combination cars, in Item 5-05.

(I) Exclude from Item 4-01, 4-11, 4-13, and 4-15 car-miles of work equipment, cars carrying company freight and no-payment cars moving in transportation trains. Include such car-miles in Item 4-17, 4-18, and 4-19. No payment car-miles are miles made by private-line cars (other than railroad controlled) and shipper-owned cars for which the railroad does not reimburse the owner on a loaded and/or empty mile basis. If the payment for the loaded miles includes the empty miles, the loaded and empty miles should not be considered no-payment car miles.

(J) Report miles actually run by passenger-train cars in transportation service. Passenger-train car-miles include miles run by coaches and cars in which passengers are carried at regular tariff fares without extra charge for space occupied; miles run by combination passenger and baggage, passenger and mail, passenger and express; miles run by sleeping, parlor and other cars for which an extra fare is charged; miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars; miles run by railway business cars operated for the transportation of the carriers officers and employees; and miles run by other passenger-train cars where services are combined such as baggage, express and mail.

(K) From conductors' or dispatchers' train reports or other appropriate source, compute weight in tons (2,000 pounds). Item 6-01 includes weight of all locomotive units moved 1 mile in transportation trains. Ton-miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). Non-revenue gross ton-miles in transportation trains include work equipment and cars carrying company freight (and their contents). Use 150 lbs. as the average weight per passenger, and 4 tons as the average weight of contents of each head-end car.

(L) From conductors' train reports or other appropriate source, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and non-revenue freight moved one mile in transportation train. Include net ton-miles in motorcar trains. Exclude i.e.l. shipment of freight handled in mixed baggage express cars. Total Ton-Miles Revenue Freight should correspond to the Ton-Miles reported on Form CBS.

(M) Road service represents elapsed time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at the final terminals, including trains switching at way stations and delays on road as shown by conductors' or dispatchers' train reports. Include time of motorcar service performed by train locomotives at terminals and way stations. Report in Item 9-02 train switching hours included in Item 9-01. Train switching is the time spent by the train while performing switching service at terminals and way stations where no regular yard service is maintained. A train hour is independent of the number of locomotives in the train.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755—Concluded

(N) Yard switching hours are hours expended in switching service performed by yard crews in yards where regular switching service is maintained, including terminal switching and transfer service in connection with the transportation of revenue and incidentally of company freight. Hours in yard switching are independent of the number of locomotives used.

(O) Work-train miles include the miles run by trains engaged in company service such as official inspection; inspection trains for railway Commissioners for which no revenue is received; trains running special with fire apparatus to save carrier's property from destruction; trains run for transporting the carrier's employees to and from work when no transportation charge is made, wrecking trains; trains run solely for the purpose of transporting company material; trains run for distributing material and supplies for use in connection with operations; and all other trains used in work-train services. Exclude miles run by locomotives while engaged incidentally in switching company materials in company shops or material yards in connection with regular yard switching service or in switching equipment for repairs between yards and shops.

(P) The number of loaded freight cars shall be obtained from the conductors' wheel report and shall be the sum of all loaded cars handled by each train. For example, if a car moves loaded (1) in a way train from the origination points, (2) in two through trains, and (3) in a way train to the destination point, the total count of loaded cars would be four: two counts for the movements in the way trains and two counts for the movements in through trains. Therefore, each car originated or received from a connecting carrier receives an initial count, plus one count for each subsequent physical transfer between trains on respondents lines. No additional count is given because of crew change or changes in track identification number unless there is a physical transfer of the car between trains. Each car moving under revenue billing shall be considered as a loaded car.

(Q) Report vehicle (TOFC trailers/containers, automobiles and trucks) loaded and unloaded to and from TOFC and multiple level freight cars when the work is performed at the railroad's expense.

(R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroad's expense. (Performed at railroad's expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service). Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier etc. when a tariff provision requires the shipper-motor carrier etc. and not the railroad to perform that service. Note: The count should reflect the trailer/containers for which expenses is reported in Schedule 417 Line 2 Column (b).

(S) Report under Marine Terminals, Item 16, the tons loaded onto and unloaded from marine vessels at the expense of the reporting railroad.

(T) Report the total number of foreign per diem cars on line at end of year. Foreign Per Diem Cars refers to freight cars other than cabooses owned by other railroads, whose interline rental is settled on a per diem basis under the code of per diem rules.

Carriers will be governed by local conditions in determining whether a car at an interchange point should be considered "on line." Unserviceable cars include cars on repair tracks undergoing or awaiting repairs. They include cars on repair tracks repaired and awaiting switching, cars on repair tracks undergoing or awaiting repairs switching, cars awaiting movement to repair tracks held in train yard (excluding cars which are to be repaired in train yard without loss of time), cars moving empty in trains en route to shop, and cars stored awaiting disposition.

Surplus cars are cars which are in servicable condition available for loading at the initial count on the last day of the year, but which have not been placed for loading within 48 hours. A record shall be made of all such cars on hand at 12:01 a.m. of the day following the last day of each year and a count of the same cars made 48 hours later to ascertain those still not placed for loading. The count of surplus cars shall include cars assembled in advance to meet loading requirements of more than one day; cars which have not been moved because of infrequent train service as on branch lines; cars set aside or stored for special or future loading, such as perishables, grain, autos, rough freight, etc.; and cars stored because of seasonal decline in traffic, such as coal cars, ore cars, etc. The count of surplus cars shall not include cars out of service in connection with repairs, cars actually moving en route to owners, cars moving on car service order, or cars in transit to loading points on holding road or to another road. The phrase "placed for loading" refers to (1) physical switching of a car into position for loading, (2) physical switching of a car into possession of a shipper who will subsequently move it to loading position, and (3) physical switching onto tracks at a freight house, pier, etc., for the purpose of being loaded.

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
1		1. Miles of Road Operated (A)			
		2. Train Miles - Running (B)	1,661		1
2		2-01 Unit Trains	XXXXXX	XXXXXX	
3		2-02 Way Trains	1,114,938	XXXXXX	2
4		2-03 Through Trains	483,082	XXXXXX	3
5		2-04 TOTAL TRAIN MILES (lines 2-4)	2,551,780		4
6		2-05 Motorcars (C)	4,149,800		5
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	-----		6
		3. Locomotive Unit Miles (D)	4,149,800		7
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	XXXXXX	XXXXXX	
9		3-02 Way Trains	4,788,293	XXXXXX	8
10		3-03 Through Trains	914,395	XXXXXX	9
11		3-04 TOTAL (lines 8-10)	8,274,747		10
12		3-11 Train Switching (F)	13,977,435		11
13		3-21 Yard Switching (G)	356,749	XXXXXX	12
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	1,505,364		13
		4. Freight Car-Miles (thousands) (H)	15,839,548		14
		4-01 RR Owned and Lessed Cars - Loaded	XXXXXX	XXXXXX	
15		4-010 Box-Plain 40-Foot	XXXXXX	XXXXXX	
16		4-011 Box-Plain 50-Foot and Longer	63	XXXXXX	15
17		4-012 Box-Equipped	13,661	XXXXXX	16
18		4-013 Gondola-Plain	8,506	XXXXXX	17
19		4-014 Gondola-Equipped	1,921	XXXXXX	18
20		4-015 Hopper-Covered	996	XXXXXX	19
21		4-016 Hopper-Open Top-General Service	6,686	XXXXXX	20
22		4-017 Hopper-Open Top-Special Service	4,661	XXXXXX	21
23		4-018 Refrigerator-Mechanical	1,736	XXXXXX	22
24		4-019 Refrigerator-Non-Mechanical	401	XXXXXX	23
25		4-020 Flat-TOFC/COFC	791	XXXXXX	24
26		4-021 Flat-Multi-Level	3,824	XXXXXX	25
27		4-022 Flat-General Service	126	XXXXXX	26
28		4-023 Flat-All Other	222	XXXXXX	27
29		4-024 All Other Car Types-Total	1,657	XXXXXX	28
30		4-025 TOTAL (lines 15-29)	660	XXXXXX	29
			45,911	XXXXXX	30

755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		4-11 RR Owned and Leased Cars-Empty	XXXXXX	XXXXXX	
31		4-110 Box-Plain 40-Foot	511	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	13,366	XXXXXX	32
33		4-112 Box-Equipped	7,858	XXXXXX	33
34		4-113 Gondola-Plain	1,516	XXXXXX	34
35		4-114 Gondola-Equipped	1,005	XXXXXX	35
36		4-115 Hopper-Covered	7,180	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	4,379	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	1,519	XXXXXX	38
39		4-118 Refrigerator-Mechanical	281	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	649	XXXXXX	40
41		4-120 Flat-TOFC/COFC	1,820	XXXXXX	41
42		4-121 Flat-Multi-Level	101	XXXXXX	42
43		4-123 Flat-General Service	215	XXXXXX	43
44		4-123 Flat-All Other	1,429	XXXXXX	44
45		4-124 All Other Car Types	771	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	42,600	XXXXXX	46
		4-13 Private Line Cars - Loaded (H)	XXXXXX	XXXXXX	
47		4-130 Box-Plain 40-Foot	457	XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	246	XXXXXX	48
49		4-132 Box-Equipped	-----	XXXXXX	49
50		4-133 Gondola-Plain	504	XXXXXX	50
51		4-134 Gondola-Equipped	1	XXXXXX	51
52		4-135 Hopper-Covered	8,174	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	109	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	170	XXXXXX	54
55		4-138 Refrigerator-Mechanical	-----	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	145	XXXXXX	56
57		4-140 Flat-TOFC/COFC	19,404	XXXXXX	57
58		4-141 Flat-Multi-Level	789	XXXXXX	58
59		4-142 Flat-General Service	13	XXXXXX	59
60		4-143 Flat-All Other	1,579	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	8,115	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	11,108	XXXXXX	62
63		4-146 All Other Car Types	207	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	51,021	XXXXXX	64

755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		4-15 Private Line Cars-Empty (H)			
65		4-150 Box-Plain 40-Foot	XXXXXX	XXXXXX	
66		4-151 Box-Plain 50-Foot and Longer	-----	XXXXXX	65
67		4-152 Box-Equipped	45	XXXXXX	66
68		4-153 Gondola-Plain	-----	XXXXXX	67
69		4-154 Gondola-Equipped	588	XXXXXX	68
70		4-155 Hopper-Covered	1	XXXXXX	69
71		4-156 Hopper-Open Top-General Service	8,480	XXXXXX	70
72		4-157 Hopper-Open Top-Special Service	104	XXXXXX	71
73		4-158 Refrigerator-Mechanical	180	XXXXXX	72
74		4-159 Refrigerator-Non-Mechanical	-----	XXXXXX	73
75		4-160 Flat-TOFC/COFC	136	XXXXXX	74
76		4-161 Flat-Multi-Level	5,191	XXXXXX	75
77		4-162 Flat-General Service	674	XXXXXX	76
78		4-163 Flat-All Other	12	XXXXXX	77
79		4-164 Tank-Under 22,000 Gallons	870	XXXXXX	78
80		4-165 Tank-22,000 Gallons and Over	8,688	XXXXXX	79
81		4-166 All Other Car Types	11,347	XXXXXX	80
82		4-167 TOTAL (lines 65-81)	164	XXXXXX	81
83		4-17 Work Equipment and Company Freight Car-Miles	36,480	XXXXXX	82
84		4-18 No Payment Car-Miles (I) ¹	XXXXXX	XXXXXX	83
		4-19 Total Car-Miles by Train Type	113,395	XXXXXX	84
85		4-191 Unit Trains	XXXXXX	XXXXXX	
86		4-192 Way Trains	112,511	XXXXXX	85
87		4-193 Through Trains	19,561	XXXXXX	86
88		4-194 TOTAL (lines 85-87)	156,765	XXXXXX	87
89		4-20 Caboose Miles	288,837	XXXXXX	88
		5. Passenger Car-Miles (thousands) (j)	3,223	XXXXXX	89
90		5-01 Coaches	XXXXXX	XXXXXX	
91		5-02 Combination, Passenger Cars			90
92		5-03 Sleeping and Parlor Cars			91
93		5-04 Dining, Grill and Tavern Cars			92
94		5-05 Head-End Cars (Other than 5-02)			93
95		5-06 TOTAL (lines 90-94)			94
96		5-07 Business Cars			95
97		5-08 Crew Cars (Other than Caboose)			96

¹Total number of loaded miles _____ and empty miles _____ by roadraiser reported above.

755. RAILROAD OPERATING STATISTICS - Concluded

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		6. Gross Ton-Miles (thousands) (K)	XXXXXX	XXXXXX	
98		6-01 Road Locomotives	2,360,372		98
		6-02 Freight Trains, Cns., Cnts., and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	9,459,748	XXXXXX	99
100		6-021 Way Trains	1,400,456	XXXXXX	100
101		6-022 Through Trains	10,880,031	XXXXXX	101
102		6-03 Passenger-Trains, Cns., and Cnts.	XXXXXX		102
103		6-04 Non-Revenue	XXXXXX	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	24,100,607		104
		7. Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	36,843	XXXXXX	105
106		7-02 Non-Revenue	410	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	37,253	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	11,619,652	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service	-	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	11,619,652	XXXXXX	110
111		8-04 Non-Revenue-Road Service	82,192	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service	-	XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	82,192	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	11,701,844	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	199,416	XXXXXX	115
116		9-02 Train Switching	21,937	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	218,268	XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	34,878	XXXXXX	118
119		11-02 Motorcars	XXXXXX	XXXXXX	119
		12. Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	187,120	XXXXXX	120
121		12-02 Way Trains	154,706	XXXXXX	121
122		12-03 Through Trains	334,543	XXXXXX	122
123		13. TOFC/COFC-No. of Rev. Trailers and Containers Loaded and Unloaded (Q)	107,846	XXXXXX	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded and Unloaded (Q)	17,570	XXXXXX	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	46,957	XXXXXX	125
		16. Revenue Tons-Marine Terminal (S)	XXXXXX	XXXXXX	
126		16-01 Marine Terminals-Coal		XXXXXX	126
127		16-02 Marine Terminals-Ore		XXXXXX	127
128		16-03 Marine Terminals-Other		XXXXXX	128
129		16-04 TOTAL (lines 126-128)		XXXXXX	129
		17. Number of Foreign Per Diem Cars on Line (T)	XXXXXX	XXXXXX	
130		17-01 Serviceable	2,723	XXXXXX	130
131		17-02 Unserviceable	49	XXXXXX	131
132		17-03 Surplus	-----	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	2,772	XXXXXX	133

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

(Dollars in Thousands)

1. Show in columns (b) and (c), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (d) and (e) show the depreciation base used to compute the depreciation charges for the month of December; in columns (f) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 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 and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, 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 not included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

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

5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

		OWNED AND USED			LEASED FROM OTHERS			
Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	Line No.
		At beginning of year (b)	At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD	20,838	21,240	1.00				
1	(3) Grading							1
2	(4) Other, right-of-way expenditures	545	545	2.00				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	13,884	13,819	1.13				4
5	(7) Elevated structures							5
6	(8) Ties	67,151	69,085	4.34				6
7	(9) Rail and other track material	87,738	96,685	3.32				7
8	(11) Ballast	19,326	23,137	6.90				8
9	(12) Fences, snow sheds, and signs	461	461	2.00				9
10	(16) Station and office buildings	6,429	6,742	2.17				10
11	(17) Roadway buildings	396	417	2.86				11
12	(18) Water stations	57	57	3.33				12
13	(19) Fuel stations	1,935	1,935	2.86				13
14	(20) Shops and enginehouses	19,369	19,362	2.22				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals	2,132	2,098	3.96				18
19	(26) Communication systems	1,332	1,773	4.45				19
20	(27) Signals and interlockers	13,978	14,186	2.45				20
21	(29) Power plants	3	3	2.00				21
22	(31) Power-transmission systems	354	354	1.82				22
23	(35) Miscellaneous structures	177	177	2.86				23
24	(37) Roadway machines	2,208	366	3.17				24
25	(39) Public improvements—Construction	2,279	2,288	2.10				25
26	(44) Shop machinery	2,463	2,467	2.80				26
27	(45) Power-plant machinery	133	145	2.80				27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	263,188	277,542	3.42				30
	EQUIPMENT							
31	(46) Computer systems and word processing equipment							31
32	(52) Locomotives	57,483	55,833	3.33				32
33	(53) Freight-train cars	97,622	95,266	6.05				33
34	(54) Passenger-train cars							34
35	(55) Highway revenue equipment							35
36	(56) Floating equipment							36
37	(57) Work equipment	869	869	-----				37
38	(58) Miscellaneous equipment	15	15	-----				38
39	TOTAL EQUIPMENT	155,989	151,983	5.12				39
40	GRAND TOTAL	419,177	429,525	3.98				40

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

1. Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals—Credit—Equipment" accounts and "Other Rents—Credit—Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental—Debit—Equipment" account and "Other Rents—Debit—Equipment" accounts (See Schedule 342 for the accumulated depreciation relating to road and equipment owned but not used by respondent).

2. If any data are included in columns (d) or (f), explain the entries in detail.

3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."

4. 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.

5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	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)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	8,176	209		15		8,370	1
2		(4) Owner, right-of-way expenditures	140	11				151	2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	4,393	156		51		4,498	4
5		(7) Elevated structures							5
6		(8) Ties	20,671	2,953		1,586		22,038	6
7		(9) Rail and other track material	24,543	3,101		702		26,942	7
8		(11) Ballast	10,271	1,474		1,092		10,653	8
9		(13) Fences, snow sheds, and signs	242	9				251	9
10		(16) Station and office buildings	1,713	139		118		1,734	10
11		(17) Roadway buildings	215	12		2		225	11
12		(18) Water stations	58					58	12
13		(19) Fuel stations	484	55				539	13
14		(20) Shops and enginehouses	3,992	430		7		4,415	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	306	84		11		379	18
19		(26) Communication systems	996	63				1,059	19
20		(27) Signals and interlockers	2,887	343		129		3,101	20
21		(29) Power plants	3					3	21
22		(31) Power-transmission systems	176	6				182	22
23		(35) Miscellaneous structures	92	5				97	23
24		(37) Roadway machines	2,118	16		1,718		416	24
25		(39) Public improvements—Construction	1,324	48		2		1,370	25
26		(44) Shop machinery*	1,159	69				1,228	26
27		(45) Power-plant machinery*	121	4				125	27
28		All other road accounts							28
29		Amortization (Adjustments)	(624)	36				(588)	29
30		TOTAL ROAD	83,456	9,223		5,433		87,246	30
		EQUIPMENT							
31		(46) Computer systems and word processing equipment							31
32	*	(52) Locomotives	29,297	1,908		1,666		29,539	32
33	*	(53) Freight-train cars	34,437	5,825		2,714		37,548	33
34	*	(54) Passenger-train cars							34
35	*	(55) Highway revenue equipment							35
36	*	(56) Floating equipment							36
37	*	(57) Work equipment	792	65				857	37
38	*	(58) Miscellaneous equipment	14					14	38
39	*	Amortization Adjustments	1,079	(120)				959	39
40		TOTAL EQUIPMENT	65,619	7,678		4,380		68,917	40
41		GRAND TOTAL	149,075	16,901		9,813		156,163	41

*To be reported with equipment expenses rather than W&S expenses.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Assets						
1		701	Cash	(2,352)	1,379	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
4		704	Accounts Receivable			4
			- Loan and Notes			
5		705	- Interline and Other Balances	405	313	5
6		706	- Customers	5,299	5,914	6
7		707	- Other	1,843	539	7
8		709, 708	- Accrued Accounts Receivables	423	3,789	8
9		708.5	- Receivables from Affiliated Companies	12	12	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(35)	(455)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	753	418	11
12		712	Materials and Supplies			12
13		713	Other Current Assets			13
14			TOTAL CURRENT ASSETS	6,348	11,909	14
Other Assets						
15		715, 716, 717	Special Funds	236	236	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310)	967	1,134	16
17		722, 723	Other Investments and Advances	17	2	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$ 40	195	198	19
20		739, 741	Other Assets	95	62	20
21		743	Other Deferred Debits	1,408	1,800	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	2,918	3,432	23
Road and Equipment						
24		731, 732	Road (Schedules 330 and 330A)	122,489	119,402	24
25			Equipment	71,135	71,423	25
26			Unallocated Items	2,718	2,520	26
27			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(77,093)	(69,345)	27
28			Net Road and Equipment	119,249	124,000	28
29	*		TOTAL ASSETS	128,515	139,341	29

NOTES AND REMARKS

LOUISIANA & ARKANSAS RAILWAY COMPANY

Road Initials: L&A

Year 19 85 119

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
30		751	Current Liabilities			
31		752	Loans and Notes Payable			30
32		753	Accounts Payable: Interline and Other Balances	1,170	1,158	31
33		754	Audited Accounts and Wages	15,314	28,356	32
34		755, 756	Other Accounts Payable	4	(24)	33
35		757	Interest and Dividends Payable	940	1,048	34
36		759	Payables to Affiliated Companies	75	75	35
37		760, 761, 761.5, 762	Accrued Accounts Payable	14,454	17,278	36
38		763	Taxes Accrued	3,263	999	37
39		764	Other Current Liabilities	13	13	38
40			Equipment Obligations and Other Long-Term Debt due Within One Year	4,013	3,997	39
			TOTAL CURRENT LIABILITIES	39,246	52,900	40
41		765, 767	Non-Current Liabilities			
42		766	Funded Debt Unmatured			41
43		766.5	Equipment Obligations	28,530	32,290	42
44		768	Capitalized Lease Obligations	2,549	2,925	43
45		769	Debt in Default			44
46		770, 1, 770.2	Accounts payable: Affiliated Companies			45
47		781	Unamortized Debt Premium			46
48		783	Interest in Default			47
49		786	Deferred Revenues-Transfers from Government Authorities			48
50		771, 772, 774, 775, 782, 784	Accumulated Deferred Income Tax Credits	30,671	29,806	49
51			Other Long-Term Liabilities and Deferred Credits	2,608	(14,025)	50
			TOTAL NONCURRENT LIABILITIES	64,358	50,996	51
52		791, 792	Shareholders' Equity			
53			Total Capital Stock: (Schedule 230) (L 53&54)			52
54			Common Stock	4,000	4,000	53
55			Preferred Stock	5,000	5,000	54
56		794, 795	Discount on Capital Stock			55
57		797	Additional Capital (Schedule 230)	1,082	1,082	56
58		798	Retained Earnings:			57
59		798.1	Appropriated			58
60		798.5	Unappropriated (Schedule 220)	14,829	25,363	59
61			Net Unrealized Loss on Noncurrent Marketable Equity Securities			60
62			Less Treasury Stock			61
			Net Stockholders' Equity	24,911	35,445	62
			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	128,515	139,341	62

NOTES AND REMARKS

210. RESULTS OF OPERATIONS
(Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.
2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 12.
3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513. "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 for Account No. 513 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.
5. Cross-checks

Schedule 210

Line 15, column (b)
Line 49 plus 50 plus 51, column (b)
Line 52, column (b)

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)

Schedule 210

= Line 64, column (b)
= Line 65, column (b)
= Line 66, column (b)

Schedule 410

= Line 620, column (b)
= Line 620, column (f)
= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
ORDINARY ITEMS							
OPERATING INCOME							
1		(101) Freight					
2		(102) Passenger	106,897	110,207	106,897		1
3		(103) Passenger-Related					2
4		(104) Switching					3
5		(105) Water Transfers	4,862	5,624	4,862		4
6		(106) Demurrage					5
7		(110) Incidental	549	653	549		6
8		(121) Joint Facility-Credit	340	434	340		7
9		(122) Joint Facility-Debit					8
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	112,648	116,918	112,648		9
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					10
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					11
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)					
14	*	(521) Railway operating expenses	112,648	116,918	112,648		12
15	*	Net revenue from railway operations	100,554	103,687	100,554		13
16		OTHER INCOME	12,094	13,231	12,094		14
17		(506) Revenue from property used in other than carrier operations					15
18		(510) Miscellaneous rent income	7	10			16
19		(512) Separately operated properties-Profit	356	342			17
20		(513) Dividend Income (cost method)					18
21		(514) Interest Income	48	(15)			19
22		(516) Income from sinking and other funds	1	3			20
23		(517) Release of premiums on funded debt	22	22			21
24		(518) Contributions from other companies					22
25		(519) Miscellaneous income					23
26		Income from affiliated companies	286	312			24
27		Dividends (equity method)					25
28		Equity in undistributed earnings (losses)					26
29		TOTAL OTHER INCOME (lines 16-25)	(167)	(132)			27
30		TOTAL INCOME (lines 15, 27)	553	542			28
31		MISCELLANEOUS DEDUCTIONS FROM INCOME	12,647	13,773			29
32		(524) Expenses of property used in other than carrier operations					30
33		(525) Taxes on property used in other than carrier operations	3	4			31
34		(543) Miscellaneous rent expense	1	1			32
35		(544) Miscellaneous taxes					33
36		(545) Separately operated properties-Loss					34
37		(549) Maintenance of investment organization					35
38		(550) Income transferred to other companies					36
39		(551) Miscellaneous income charges					37
40		(553) Uncollectible accounts	10	14			38
41		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-37)	(291)	120			39
42		Income available for fixed charges (Lines 28, 38)	12,924	13,634			40

210. RESULTS OF OPERATIONS-Continued
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
40		(a) Fixed interest not in default	3,449	3,830	40
41		(b) Interest in default			41
42		(547) Interest on unfunded debt	2	2	42
43		(548) Amortization of discount on funded debt	17	26	43
44		TOTAL FIXED CHARGES (lines 40-43)	3,468	3,858	44
45		Income after fixed charges (lines 39, 44)	9,456	9,776	45
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
46		(c) Contingent interest			46
UNUSUAL OR INFREQUENT ITEMS					
47		(555) Unusual or infrequent items (debit) credit			47
48		Income (Loss) from continuing operations (before income taxes)	9,456	9,776	48
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
49	*	Federal income taxes	2,596	495	49
50	*	State income taxes	229	176	50
51	*	Other income taxes			51
52	*	(557) Provision for deferred taxes	865	2,435	52
53		TOTAL PROVISIONS FOR INCOME TAXES (lines 49-52)	3,690	3,106	53
54	*	Income from continuing operations	5,766	6,670	54
DISCONTINUED OPERATIONS					
55		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$			55
56		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$			56
57		Income before extraordinary items	5,766	6,670	56
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
58		(570) Extraordinary items (Net)			58
59		(590) Income taxes on extraordinary items			59
60		(591) Provision for deferred taxes-Extraordinary items			60
61		TOTAL EXTRAORDINARY ITEMS (lines 58-60)			61
62		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$			62
63	*	Net income (Loss)	5,766	6,670	63
Reconciliation of net railway operating income (NROI)					
64	*	Net revenues from railway operations			64
65	*	(556) Income taxes on ordinary income (-)			65
66	*	(557) Provision for deferred income taxes (-)			66
67		Income from lease of road and equipment (-)			67
68		Rent for leased roads and equipment (+)			68
69		Net railway operating income (loss)			69

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220. RETAINED EARNINGS

(Dollars in Thousands)

1. Show below the items of Retained Earnings 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 shown in parentheses.
3. Show under "Remarks" the amount of assigned Federal income tax consequences for 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. Lines 3 (line 7 if debit balance), column (c), should agree with line 26, column (b), Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 59, column (b), Schedule 210.
6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No.	Cross Check	Item (a)	Retained earnings— Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)	Line No.
1		Balance at beginning of year	\$ 26,091	\$ (728)	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income	5,933	(167)	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	5,933	(167)	6
		DEBITS			
7	*	(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings			8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock	16,000		11
12		Preferred stock ¹	300		12
13		TOTAL	16,300		13
14		Net increase (decrease) during year (Line 6 minus line 13)	(10,367)	(167)	14
15	*	Balance at close of year (Lines 1, 2 and 14)	15,724	(895)	15
16	*	Balance from line 15(c)	(895)	N/A	16
17	(798)	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	14,829	NA	17
18	(797)	Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of year \$ _____			21
22		Amount of assigned Federal income tax consequences:			22
		Account 606 \$ _____			
23		Account 616 \$ _____			23

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

LOUISIANA & ARKANSAS RAILWAY COMPANY

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

Road Initials: L&A

Year 1985

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."
2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 18, 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__." Abbreviations in common use in standard financial publications may.

Line No.	Account No. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
1						1
2						2
3	716	B-3	IX	Chemical Bank - Deposit for Destroyed Equipment		3
4						4
5						5
6	721			Investment in Affiliated Companies		6
7						7
8						8
9						9
10		A-1	VII	Capital Stock		10
11				Louisiana, Arkansas & Texas Transpn. Co.	100	11
12				Landa Motor Lines	100	12
13						13
14						14
15				Total Class A-1		15
16		A-3	X	Kansas City Southern Industries, Inc.		16
17				Preferred Stock 4% non-cumulative		17
18						18
19				Total Capital Stock		19
20						20
21						21
22						22
23						23
24						24
25		E-1	VII	INVESTMENT Advances		25
26				Landa Motor Lines		26
27				Louisiana, Arkansas & Texas Transpn. Co.	100	27
28					100	28
29				Total Investment Advances		29
30						30
31						31
32				Total Account 721		32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued
(Dollars in Thousands)

be used to conserve space.

6. If any of the companies included in this schedule are controlled by respondent the percent of control should be shown 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. Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.

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

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

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

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income (l)	Line No.
	Opening balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1								1
2								2
3	236			236			22	3
4								4
5								5
6								6
7								7
8								8
9								9
10	10			10				10
11	20			20				11
12								12
13	30			30				13
14								14
15								15
16								16
17	1,038			1,038			48	17
18								18
19	1,068			1,068				19
20								20
21								21
22								22
23								23
24	194			194				24
25	600			600				25
26								26
27	794			794				27
28								28
29								29
30	1,862			1,862			48	30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

330. ROAD AND EQUIPMENT PROPERTY

(Dollars in Thousands)

Line No.	Cross Check	Account	Balance at beginning of year	Expenditures during the year for original road and equipment ment. and road extensions	Expenditures during the year for purchase of existing lines, reorganizations, etc.	Line No.
		(a)	(b)	(c)	(d)	
1		(2) Land for transportation purposes	1,553			1
2		(3) Grading	8,307			2
3		(4) Other right-of-way expenditures	125			3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	7,452			5
6		(7) Elevated structures				6
7		(8) Ties	36,860			7
8		(9) Rail and other track material	40,998			8
9		(11) Ballast	10,549			9
10		(13) Fences, snowsheds, and signs	231			10
11		(16) Station and office buildings	3,257			11
12		(17) Roadway buildings	39			12
13		(18) Water stations	50			13
14		(19) Fuel stations	395			14
15		(20) Shops and enginehouses	1,163			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC COFC terminals	2,560			19
20		(26) Communication systems	846			20
21		(27) Signals and interlockers	2,673			21
22		(29) Power plants	23			22
23		(31) Power-transmission systems	349			23
24		(33) Miscellaneous structures	77			24
25		(37) Roadway machines	245			25
26		(39) Public improvements - Construction	875			26
27		(44) Shop machinery	115			27
28		(45) Power-plant machinery	34			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	118,776			30
31		(46) Computer systems and word processing equipment				31
32		(52) Locomotives	20,464			32
33		(53) Freight-train cars	50,606			33
34		(54) Passenger-train cars				34
35		(55) Highway revenue equipment				35
36		(56) Floating equipment				36
37		(57) Work equipment	270			37
38		(58) Miscellaneous equipment	2			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	71,342			39
40		(76) Interest during construction	627			40
41		TOTAL	190,745			41
42		(80) Other elements of investment				42
43		(90) Construction in progress	2,520			43
44		GRAND TOTAL	193,265			44

330. ROAD AND EQUIPMENT PROPERTY - Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions and betterments during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1						
2		316	17	(17)	1,536	1
3			19	297	8,604	2
4					125	3
5		(7)	11	(18)	7,434	4
6						5
7		1,321	460	861	37,721	6
8		207	190	17	41,015	7
9		730	177	553	11,102	8
10					231	9
11		121	8	113	3,370	10
12			3	(3)	36	11
13					50	12
14		596			395	13
15				596	1,759	14
16						15
17						16
18						17
19			6	(6)	2,554	18
20		669			846	19
21				669	3,342	20
22					23	21
23					349	22
24		23		23	77	23
25			1	(1)	268	24
26		2		2	874	25
27					117	26
28					34	27
29		3,978	892	3,086	121,862	28
30						29
31						30
32			286	(286)	20,464	31
33					50,320	32
34						33
35						34
36			18	(18)	252	35
37					2	36
38			304	(304)	71,038	37
39		3,978	1,196	2,782	627	38
40					193,527	39
41		198		198		40
42		4,176	1,196	2,980	2,718	41
43					196,245	42
44						43
						44

330A. IMPROVEMENTS ON LEASED PROPERTY
(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes				1
2		(3) Grading				2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts				5
6		(7) Elevated structures				6
7		(8) Ties				7
8		(9) Rail and other track material				8
9		(11) Ballast				9
10		(13) Fences, snowsheds, and signs				10
11		(16) Station and office buildings				11
12		(17) Roadway buildings				12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses				15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals				19
20		(26) Communication systems				20
21		(27) Signals and interlockers				21
22		(29) Power plants				22
23		(31) Power-transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines				25
26		(39) Public improvements - Construction				26
27		(44) Shop machinery				27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD				30
31		(46) Computer systems and word processing equipment				31
32		(52) Locomotives	80			32
33		(53) Freight-train cars				33
34		(54) Passenger-train cars				34
35		(55) Highway revenue equipment				35
36		(56) Floating equipment				36
37		(57) Work equipment				37
38		(58) Miscellaneous equipment				38
39	*	TOTAL EXPENDITURES FOR EQUIPMENT	80			39
40		(.6) Interest during construction				40
41		TOTAL	80			41
42		(80) Other elements of investment				42
43		(90) Construction in progress				43
44		GRAND TOTAL	80			44

330A. IMPROVEMENTS ON LEASED PROPERTY - Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions and betterments during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32		17		17	97	32
33						33
34						34
35						35
36						36
37						37
38						38
39	*	17		17	97	39
40						40
41		17		17	97	41
42						42
43						43
44		17		17	97	44

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

(Dollars in Thousands)

1. Show in columns (b) and (c), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (d) and (e) show the depreciation base used to compute the depreciation charges for the month of December; in columns (f) and (g) show the composite rates used in computing the depreciation charges for the month of December; and on lines 30 and 39 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 for use, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. 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. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, 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 not included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

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

5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		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	(3) Grading	8,307	8,609	1.33				1
2	(4) Other, right-of-way expenditures	125	125	2.00				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	7,451	7,433	2.04				4
5	(7) Elevated structures							5
6	(8) Ties	36,860	37,490	4.42				6
7	(9) Rail and other track material	40,998	40,985	2.79				7
8	(11) Ballast	10,550	11,016	6.42				8
9	(13) Fences, snow sheds, and signs	231	232	2.00				9
10	(16) Station and office buildings	3,257	3,313	2.50				10
11	(17) Roadway buildings	39	36	2.86				11
12	(18) Water stations	50	50	3.33				12
13	(19) Fuel stations	395	395	3.33				13
14	(20) Shops and engine houses	1,163	1,163	2.86				14
15	(22) Storage warehouses							15
16	(23) Wharves and piers							16
17	(24) Coal and oil storage							17
18	(25) TOFC, COFC terminals	2,559	2,559	4.00				18
19	(26) Communication systems	845	845	3.92				19
20	(27) Signals and interlockers	2,673	3,343	2.80				20
21	(29) Power plants	23	23	1.25				21
22	(31) Power-transmission systems	349	349	3.85				22
23	(33) Miscellaneous structures	77	77	4.00				23
24	(37) Roadway machines	245	268	4.41				24
25	(39) Public improvements—Construction	875	874	3.72				25
26	(44) Shop machinery	115	118	2.80				26
27	(45) Power-plant machinery	33	33	2.80				27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	117,220	119,330	3.50				30
	EQUIPMENT							
31	(46) Computer systems and word processing equipment							31
32	(52) Locomotives	20,465	20,465	3.90				32
33	(53) Freight-train cars		50,320	5.92				33
34	(54) Passenger-train cars							34
35	(55) Highway revenue equipment							35
36	(56) Floating equipment							36
37	(57) Work equipment	271	251	----				37
38	(58) Miscellaneous equipment	2	2	----				38
39	TOTAL EQUIPMENT	71,343	71,038	5.37				39
40	GRAND TOTAL	188,563	190,368	4.19				40

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

1. Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals—Credit—Equipment" accounts and "Other Rents—Credit—Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental—Debit—Equipment" account and "Other Rents—Debit—Equipment" accounts (See Schedule 342 for the accumulated depreciation relating to road and equipment owned but not used by respondent).
2. If any data are included in columns (d) or (f), explain the entries in detail.
3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
4. 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.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	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)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading	3,248	194		19		3,423	1
2		(4) Other, right-of-way expenditures	48	2				50	2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	3,762	149		10		3,901	4
5		(7) Elevated structures							5
6		(8) Ties	14,635	1,652		500		15,787	6
7		(9) Rail and other track material	14,572	1,108		48		15,632	7
8		(11) Ballast	6,333	629		176		6,786	8
9		(13) Fences, snow sheds, and signs	159	4				163	9
10		(16) Station and office buildings	1,708	82		8		1,782	10
11		(17) Roadway buildings	38	1		3		36	11
12		(18) Water stations	48	2				50	12
13		(19) Fuel stations	108	13				121	13
14		(20) Shops and enginehouses	771	33				804	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOPC/COFC terminals	337	102		6		433	18
19		(26) Communication systems	599	33				632	19
20		(27) Signals and interlockers	547	83		1		629	20
21		(29) Power plants	11	1				12	21
22		(31) Power-transmission systems	217	14				231	22
23		(35) Miscellaneous structures	25	3				28	23
24		(37) Roadway machines	242					242	24
25		(39) Public improvements—Construction	602	33		1		634	25
26		(44) Shop machinery*	102	3				105	26
27		(45) Power-plant machinery*	28	1				29	27
28		All other road accounts							28
29		Amortization (Adjustments)	(1,166)	69				(1,097)	29
30		TOTAL ROAD	46,974	4,211		772		50,413	30
EQUIPMENT									
31		(46) Computer systems and word processing equipment							31
32	*	(52) Locomotives	8,681	797				9,478	32
33	*	(53) Freight-train cars	15,624	3,003		242		18,385	33
34	*	(54) Passenger-train cars							34
35	*	(55) Highway revenue equipment							35
36	*	(56) Floating equipment							36
37	*	(57) Work equipment	306			18		288	37
38	*	(58) Miscellaneous equipment	1					1	38
39	*	Amortization Adjustments	(2,271)	757				(1,514)	39
40		TOTAL EQUIPMENT	22,341	4,557		260		26,638	40
41		GRAND TOTAL	69,315	8,768		1,032		77,051	41

*To be reported with equipment expenses rather than W&S expenses.

*To be reported with equipment expenses rather than W&S expenses.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Assets						
1		701	Cash			
2		702	Temporary Cash Investments			1
3		703	Special Deposits			2
4		704	Accounts Receivable			3
5		705	- Loan and Notes			4
6		706	- Interline and Other Balances	6		5
7		707	- Customers	1	14	6
8		709, 708	- Other		4	7
9		708.5	- Accrued Accounts Receivables	325	295	8
10		709.5	- Receivables from Affiliated Companies			9
11		710, 711, 714	- Less: Allowance for Uncollectible Accounts			10
12		712	Working Funds Prepayments Deferred Income Tax Debits			11
13		713	Materials and Supplies			12
14			Other Current Assets			13
			TOTAL CURRENT ASSETS	332	313	14
Other Assets						
15		715, 716, 717	Special Funds			
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310)			15
17		722, 723	Other Investments and Advances			16
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			17
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation)			18
20		739, 741	Other Assets			19
21		743	Other Deferred Debits			20
22		744	Accumulated Deferred Income Tax Debits		(7)	21
23			TOTAL OTHER ASSETS		(7)	22
Road and Equipment						
24		731, 732	Road (Schedules 330 and 330A)	6,636	6,725	24
25			Equipment			25
26			Unallocated Items		10	26
27			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(1,102)	(1,007)	27
28			Net Road and Equipment	5,534	5,728	28
29	*		TOTAL ASSETS	5,866	6,034	29
NOTES AND REMARKS						

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30		751	Loans and Notes Payable			30
31		752	Accounts Payable: Interline and Other Balances		25	31
32		753	Audited Accounts and Wages	3,707	3,780	32
33		754	Other Accounts Payable	23	24	33
34		755, 756	Interest and Dividends Payable			34
35		757	Payables to Affiliated Companies			35
36		759	Accrued Accounts Payable	(2)		36
37		760, 761, 761.5, 762	Taxes Accrued	(41)	109	37
38		763	Other Current Liabilities			38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year			39
40			TOTAL CURRENT LIABILITIES	3,687	3,938	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured			41
42		766	Equipment Obligations			42
43		766.5	Capitalized Lease Obligations			43
44		768	Debt in Default			44
45		769	Accounts payable: Affiliated Companies	1,065	1,065	45
46		770.1, 770.2	Unamortized Debt Premium			46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	1,156	1,144	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	10	(9)	50
51			TOTAL NONCURRENT LIABILITIES	2,231	2,200	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230) (L 53&54)			52
53			Common Stock	650	650	53
54			Preferred Stock			54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	4,262	4,262	56
Retained Earnings:						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	(4,964)	(5,016)	58
59		798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60		798.5	Less Treasury Stock			60
61			Net Stockholders Equity	(52)	(104)	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,866	6,034	62

NOTES AND REMARKS

210. RESULTS OF OPERATIONS (Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 12.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513, "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 for Account No. 513 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Schedule 210

Line 15, column (b)
Line 49 plus 50 plus 51, column (b)
Line 52, column (b)

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)

Schedule 210

= Line 64, column (b)
= Line 65, column (b)
= Line 66, column (b)

Schedule 410

= Line 620, column (h)
= Line 620, column (f)
= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	539	505	539		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching					4
5		(105) Water Transfers					5
6		(106) Demurrage		3			6
7		(110) Incidental					7
8		(121) Joint Facility-Credit					8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities—lines 1-9)	539	508	539		10
11		(502) Railway operating revenues—Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues—Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	539	508	539		13
14	*	(521) Railway operating expenses	499	443	499		14
15	*	Net revenue from railway operations	40	65	40		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations					16
17		(510) Miscellaneous rent income	5	6			17
18		(512) Separately operated properties—Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income					20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt					22
23		(518) Contributions from other companies					23
24		(519) Miscellaneous income	7				24
25		Income from affiliated companies					25
26		Dividends (equity method)					26
27		Equity in undistributed earnings (losses)					27
28		TOTAL OTHER INCOME (lines 16-25)	12	6			28
29		TOTAL INCOME (lines 15, 27)	52	71			29
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
30		(524) Expenses of property used in other than carrier operations					30
31		(535) Taxes on property used in other than carrier operations					31
32		(543) Miscellaneous rent expense					32
33		(544) Miscellaneous taxes					33
34		(545) Separately operated properties—Loss					34
35		(549) Maintenance of investment organization					35
36		(550) Income transferred to other companies					36
37		(551) Miscellaneous income charges					37
38		(553) Uncollectible accounts					38
39		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-37)	52	71			39
		Income available for fixed charges (Lines 28, 38)					

210. RESULTS OF OPERATIONS-Continued
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
40		(a) Fixed interest not in default			
41		(b) Interest in default			40
42		(547) Interest on unfunded debt			41
43		(548) Amortization of discount on funded debt			42
44		TOTAL FIXED CHARGES (lines 40-43)			43
45		Income after fixed charges (lines 39, 44)	52	71	44
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
46		(c) Contingent interest			45
UNUSUAL OR INFREQUENT ITEMS					
47		(555) Unusual or infrequent items (debit) credit			46
48		Income (Loss) from continuing operations (before income taxes)	52	71	47
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
49	*	Federal income taxes	(12)	88	49
50	*	State income taxes		6	50
51	*	Other income taxes			
52	*	(557) Provision for deferred taxes			51
53		TOTAL PROVISIONS FOR INCOME TAXES (lines 49-52)	12	(56)	52
54	*	Income from continuing operations	52	38	53
			52	33	54
DISCONTINUED OPERATIONS					
55		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			55
56		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			56
57		Income before extraordinary items	52	33	56
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
58		(570) Extraordinary items (Net)			58
59		(590) Income taxes on extraordinary items			59
60		(591) Provision for deferred taxes-Extraordinary items			60
61		TOTAL EXTRAORDINARY ITEMS (lines 58-60)			61
62		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)			62
63	*	Net income (Loss)	52	33	63
64	*	Reconciliation of net railway operating income (NROI)			64
65	*	Net revenues from railway operations			65
66	*	(556) Income taxes on ordinary income (-)			66
67	*	(557) Provision for deferred income taxes (-)			67
68		Income from lease of road and equipment (-)			68
69		Rent for leased roads and equipment (-)			69
		Net railway operating income (loss)			

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220. RETAINED EARNINGS

(Dollars in Thousands)

1. Show below the items of Retained Earnings 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 shown in parentheses.

3. Show under "Remarks" the amount of assigned Federal income tax consequences for 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 26, column (b), Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 59, column (b), Schedule 210.

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

Line No.	Cross Check	Item	Retained earnings— Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)	Line No.
		(a)			
1		Balances at beginning of year	\$ (5,016)	\$	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income	52		3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	52		6
		DEBITS			
7	*	(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings			8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock			11
12		Preferred stock ¹			12
13		TOTAL			13
14		Net increase (decrease) during year (Line 6 minus line 13)	52		14
15	*	Balances at close of year (Lines 1, 2 and 14)	(4,964)		15
16	*	Balances from line 15(c)		N/A	16
17	(798)	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	(4,964)	NA	17
18	(797)	Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of year \$ _____			21
		Amount of assigned Federal income tax consequences:			
22		Account 606 \$ _____			22
23		Account 616 \$ _____			23

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

330. ROAD AND EQUIPMENT PROPERTY

(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment. and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	4			1
2		(3) Grading	110			2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	216			5
6		(7) Elevated structures				6
7		(8) Ties	2,059			7
8		(9) Rail and other track material	3,414			8
9		(11) Ballast	895			9
10		(13) Fences, snowsheds, and signs	7			10
11		(16) Station and office buildings	3			11
12		(17) Roadway buildings	1			12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses				15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC-COFC terminals				19
20		(26) Communication systems				20
21		(27) Signals and interlockers				21
22		(29) Power plants				22
23		(31) Power-transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines				25
26		(39) Public improvements - Construction	2			26
27		(44) Shop machinery				27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	6,711			30
31		(46) Computer systems and word processing equipment				31
32		(52) Locomotives				32
33		(53) Freight-train cars				33
34		(54) Passenger-train cars				34
35		(55) Highway revenue equipment				35
36		(56) Floating equipment				36
37		(57) Work equipment				37
38		(58) Miscellaneous equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT				39
40		(76) Interest during construction	14			40
41		TOTAL	6,725			41
42		(80) Other elements of investment				42
43		(90) Construction in progress	10			43
44		GRAND TOTAL	6,735			44

330. ROAD AND EQUIPMENT PROPERTY - Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions and betterments during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1					4	1
2			1	(1)	109	2
3						3
4						4
5			1	(1)	215	5
6						6
7		1	82	(81)	1,978	7
8			10	(10)	3,404	8
9		25	20	5	900	9
10					7	10
11					3	11
12					1	12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26					2	26
27						27
28						28
29						29
30		26	114	(88)	6,623	30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39	*					39
40			1	(1)	13	40
41		26	115	(89)	6,636	41
42						42
43			10	(10)		43
44		26	125	(99)	6,636	44

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

(Dollars in Thousands)

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute 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 30 and 39 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 and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. 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. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, 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 not included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

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

5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		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	(3) Grading	110	109	1.00				
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	215	215	3.10				4
5	(7) Elevated structures							5
6	(8) Ties	2,059	1,977	3.74				6
7	(9) Rail and other track material	3,414	3,404	1.19				7
8	(11) Ballast	895	900	5.53				8
9	(13) Fences, snow sheds, and signs	7	7	4.55				9
10	(16) Station and office buildings	3	3	2.05				10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communication systems							19
20	(27) Signals and interlockers							20
21	(29) Power plants							21
22	(31) Power-transmission systems							22
23	(35) Miscellaneous structures							23
24	(37) Roadway machines							24
25	(39) Public improvements—Construction	2	2	3.38				25
26	(44) Shop machinery							26
27	(45) Power-plant machinery							27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	6,705	6,617	3.11				30
	EQUIPMENT							
31	(46) Computer systems and word processing equipment							31
32	(52) Locomotives							32
33	(53) Freight-train cars							33
34	(54) Passenger-train cars							34
35	(55) Highway revenue equipment							35
36	(56) Floating equipment							36
37	(57) Work equipment							37
38	(58) Miscellaneous equipment							38
39	TOTAL EQUIPMENT							39
40	GRAND TOTAL	6,705	6,617	3.11				40

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

1. Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals—Credit—Equipment" accounts and "Other Rents—Credit—Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental—Debit—Equipment" account and "Other Rents—Debit—Equipment" accounts (See Schedule 342 for the accumulated depreciation relating to road and equipment owned but not used by respondent).
2. If any data are included in columns (d) or (f), explain the entries in detail.
3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
4. 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.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	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)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading	40	1		2		39	1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	61	6		1		66	4
5		(7) Elevated structures							5
6		(8) Ties	532	91		82		541	6
7		(9) Rail and other track material	101	49		9		141	7
8		(11) Ballast	262	60		19		303	8
9		(13) Fences, snow sheds, and signs	9					8	9
10		(16) Station and office buildings	1					1	10
11		(17) Roadway buildings	1					1	11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems	(1)			(1)		---	19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction	2					2	25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery*							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD	1,007	207		112		1,102	30
EQUIPMENT									
31		(46) Computer systems and word processing equipment							31
32	*	(52) Locomotives							32
33	*	(53) Freight-train cars							33
34	*	(54) Passenger-train cars							34
35	*	(55) Highway revenue equipment							35
36	*	(56) Floating equipment							36
37	*	(57) Work equipment							37
38	*	(58) Miscellaneous equipment							38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL	1,007	207		112		1,102	41

*To be reported with equipment expenses rather than W&S expenses.

*To be reported with equipment expenses rather than W&S expenses.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
1		701	Cash	(1)	(1)	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
4		704	Accounts Receivable			4
5		705	- Loan and Notes			5
6		706	- Interline and Other Balances			6
7		707	- Customers			7
8		709, 708	- Other			8
9		708.5	- Accrued Accounts Receivables	173	173	9
10		709.5	- Receivables from Affiliated Companies			10
11		710, 711, 714	- Less: Allowance for Uncollectible Accounts			11
12		712	Working Funds Prepayments Deferred Income Tax Debits			12
13		713	Materials and Supplies			13
14			Other Current Assets			14
			TOTAL CURRENT ASSETS	172	172	
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310)			16
17		722, 723	Other Investments and Advances			17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation)	1	74	19
20		739, 741	Other Assets			20
21		743	Other Deferred Debits		(1)	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	1	73	
24		731, 732	Road and Equipment	1,684	1,683	24
25			Road (Schedules 330 and 330A)			25
26			Equipment	680	679	26
27			Unallocated Items	(811)	(752)	27
28			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	1,553	1,610	28
29	*		Net Road and Equipment			29
			TOTAL ASSETS	1,726	1,855	

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30	751		Loans and Notes Payable			
31	752		Accounts Payable: Intertine and Other Balances			30
32	753		Audited Accounts and Wages			31
33	754		Other Accounts Payable	1,101	1,065	32
34	755, 756		Interest and Dividends Payable			33
35	757		Payables to Affiliated Companies			34
36	759		Accrued Accounts Payable			35
37	760, 761, 761.5, 762		Taxes Accrued	(3)	(5)	36
38	763		Other Current Liabilities	(5)	79	37
39	764		Equipment Obligations and Other Long-Term Debt due Within One Year			38
40			TOTAL CURRENT LIABILITIES	1,093	1,141	40
Non-Current Liabilities						
41	765, 767		Funded Debt Unmatured			
42	766		Equipment Obligations			41
43	766.5		Capitalized Lease Obligations			42
44	768		Debt in Default			43
45	769		Accounts payable: Affiliated Companies			44
46	770.1, 770.2		Unamortized Debt Premium	27	101	45
47	781		Interest in Default			46
48	783		Deferred Revenues-Transfers from Government Authorities			47
49	786		Accumulated Deferred Income Tax Credits	343	268	48
50	771, 772, 774, 775, 782, 784		Other Long-Term Liabilities and Deferred Credits			49
51			TOTAL NONCURRENT LIABILITIES	370	(138)	50
Shareholders' Equity						
52	791, 792		Total Capital Stock: (Schedule 230) (L 53&54)			
53			Common Stock	12	12	52
54			Preferred Stock			53
55			Discount on Capital Stock			54
56	794, 795		Additional Capital (Schedule 230)	286	286	55
57	797		Retained Earnings:			56
			Appropriated			
58	798		Unappropriated (Sch. 230)	(35)	185	57
59	798.1		Net Unrealized Loss on Noncurrent Marketable Equity Securities			58
60	798.5		Less Treasury Stock			59
61			Net Stockholders Equity	263	483	60
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,726	1,855	61

NOTES AND REMARKS

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 12.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513, "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 for Account No. 513 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Schedule 210

Line 15, column (b)
Line 49 plus 50 plus 51, column (b)
Line 52, column (b)

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)

Schedule 210

= Line 64, column (b)
= Line 65, column (b)
= Line 66, column (b)

Schedule 410

= Line 620, column (h)
= Line 620, column (f)
= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight					1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching					4
5		(105) Water Transfers					5
6		(106) Demurrage					6
7		(110) Incidental					7
8		(121) Joint Facility-Credit					8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	None	None			10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	None	None			13
14	*	(531) Railway operating expenses	89	77	89		14
15	*	Net revenue from railway operations	(89)	(77)	(89)		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations					16
17		(510) Miscellaneous rent income	1				17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income					20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt					22
23		(518) Contributions from other companies					23
24		(519) Miscellaneous income	(132)	157			24
		Income from affiliated companies					
25		Dividends (equity method)					25
26		Equity in undistributed earnings (losses)					26
27		TOTAL OTHER INCOME (lines 16-25)	(131)	157			27
28		TOTAL INCOME (lines 15, 27)	(220)	80			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations					29
30		(535) Taxes on property used in other than carrier operations					30
31		(543) Miscellaneous rent expense					31
32		(544) Miscellaneous taxes					32
33		(545) Separately operated properties-Loss					33
34		(549) Maintenance of investment organization					34
35		(550) Income transferred to other companies					35
36		(551) Miscellaneous income charges					36
37		(553) Uncollectible accounts					37
38		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-37)					38
39		Income available for fixed charges (Lines 28, 38)	(220)	80			39

210. RESULTS OF OPERATIONS-Continued
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
40		(a) Fixed interest not in default			40
41		(b) Interest in default			41
42		(547) Interest on unfunded debt			42
43		(548) Amortization of discount on funded debt			43
44		TOTAL FIXED CHARGES (lines 40-43)			44
45		Income after fixed charges (lines 39, 44)	(220)	80	45
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
46		(c) Contingent interest			46
UNUSUAL OR INFREQUENT ITEMS					
47		(555) Unusual or infrequent items (debit) credit			47
48		Income (Loss) from continuing operations (before income taxes)			48
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
49	*	Federal income taxes	(75)	42	49
50	*	State income taxes		3	50
51	*	Other income taxes			51
52	*	(557) Provision for deferred taxes	75	(6)	52
53		TOTAL PROVISIONS FOR INCOME TAXES (lines 49-52)	---	39	53
54	*	Income from continuing operations	(220)	41	54
DISCONTINUED OPERATIONS					
55		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$			55
56		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$			56
57		Income before extraordinary items	(220)	41	56
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
58		(570) Extraordinary items (Net)			58
59		(590) Income taxes on extraordinary items			59
60		(591) Provision for deferred taxes-Extraordinary items			60
61		TOTAL EXTRAORDINARY ITEMS (lines 58-60)			61
62		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$			62
63	*	Net income (Loss)	(220)	41	63
Reconciliation of net railway operating income (NROI)					
64	*	Net revenues from railway operations			64
65	*	(556) Income taxes on ordinary income (-)			65
66	*	(557) Provision for deferred income taxes (-)			66
67		Income from lease of road and equipment (-)			67
68		Rent for leased roads and equipment (-)			68
69		Net railway operating income (loss)			69

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220. RETAINED EARNINGS

(Dollars in Thousands)

1. Show below the items of Retained Earnings 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 shown in parentheses.
3. Show under "Remarks" the amount of assigned Federal income tax consequences for 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 26, column (b), Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 59, column (b), Schedule 210.
6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No.	Cross Check	Item	Retained earnings— Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)	Line No.
		(a)			
1		Balances at beginning of year	\$ 185	\$	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income			3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL			6
		DEBITS			
7	*	(612) Debit balance transferred from income	220		7
8		(616) Other debits to retained earnings			8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock			11
12		Preferred stock ¹			12
13		TOTAL	220		13
14		Net increase (decrease) during year (Line 6 minus line 13)	(220)		14
15	*	Balances at close of year (Lines 1, 2 and 14)	(35)		15
16	*	Balances from line 15(c)		N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	(35)	NA	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of year \$ _____			21
		Amount of assigned Federal income tax consequences:			
22		Account 606 \$ _____			22
23		Account 616 \$ _____			23

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

330. ROAD AND EQUIPMENT PROPERTY

(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment. and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	14			1
2		(3) Grading	65			2
3		(4) Other right-of-way expenditures	1			3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	58			5
6		(7) Elevated structures				6
7		(8) Ties	950			7
8		(9) Rail and other track material	352			8
9		(11) Ballast	227			9
10		(13) Fences, snowsheds, and signs	3			10
11		(16) Station and office buildings				11
12		(17) Roadway buildings				12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses				15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC COFC terminals				19
20		(26) Communication systems				20
21		(27) Signals and interlockers				21
22		(29) Power plants				22
23		(31) Power-transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines				25
26		(39) Public improvements - Construction	8			26
27		(44) Shop machinery				27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	1,678			30
31		(46) Computer systems and word processing equipment				31
32		(52) Locomotives				32
33		(53) Freight-train cars				33
34		(54) Passenger-train cars				34
35		(55) Highway revenue equipment				35
36		(56) Floating equipment				36
37		(57) Work equipment				37
38		(58) Miscellaneous equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT				39
40		(76) Interest during construction	5			40
41		TOTAL	1,683			41
42		(80) Other elements of investment				42
43		(90) Construction in progress	679			43
44		GRAND TOTAL	2,362			44

330. ROAD AND EQUIPMENT PROPERTY - Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions and betterments during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1					14	1
2					65	2
3					1	3
4						4
5					58	5
6						6
7					950	7
8					352	8
9					227	9
10					3	10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26					8	26
27						27
28						28
29						29
30					1,678	30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40					5	40
41					1,683	41
42						42
43		2		2	681	43
44		2		2	2,364	44

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

(Dollars in Thousands)

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute 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 30 and 39 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 for use, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, 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 not included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

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

5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		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	(3) Grading	65	65	1.00				1
2	(4) Other, right-of-way expenditures	1	1	2.40				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	58	58	4.56				4
5	(7) Elevated structures							5
6	(8) Ties	950	950	4.55				6
7	(9) Rail and other track material	352	352	1.79				7
8	(11) Ballast	226	227	6.37				8
9	(13) Fences, snow sheds, and signs	3	3	2.00				9
10	(16) Station and office buildings	1	1	2.88				10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communication systems							19
20	(27) Signals and interlockers							20
21	(29) Power plants							21
22	(31) Power-transmission systems							22
23	(35) Miscellaneous structures							23
24	(37) Roadway machines							24
25	(39) Public improvements—Construction	3	3	1.60				25
26	(44) Shop machinery							26
27	(45) Power-plant machinery							27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	1,664	1,665	4.04				30
	EQUIPMENT							
31	(46) Computer systems and word processing equipment							31
32	(52) Locomotives							32
33	(53) Freight-train cars							33
34	(54) Passenger-train cars							34
35	(55) Highway revenue equipment							35
36	(56) Floating equipment							36
37	(57) Work equipment							37
38	(58) Miscellaneous equipment							38
39	TOTAL EQUIPMENT							39
40	GRAND TOTAL	1,664	1,665	4.04				40

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

1. Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals—Credit—Equipment" accounts and "Other Rents—Credit—Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental—Debit—Equipment" account and "Other Rents—Debit—Equipment" accounts (See Schedule 342 for the accumulated depreciation relating to road and equipment owned but not used by respondent).
2. If any data are included in columns (d) or (f), explain the entries in detail.
3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
4. 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.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Railroad Annual Report R-1									
Line No.	Cross Check	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)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading	9						1
2		(4) Other, right-of-way expenditures	1					9	2
3		(5) Tunnels and subways						1	3
4		(6) Bridges, trestles, and culverts	49	2					4
5		(7) Elevated structures						51	5
6		(8) Ties	425	39					6
7		(9) Rail and other track material	88	4				464	7
8		(11) Ballast	167	14				92	8
9		(13) Fences, snow sheds, and signs	8					181	9
10		(16) Station and office buildings						8	10
11		(17) Roadway buildings	2						11
12		(18) Water stations						2	12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOPC/COFC terminals							18
19		(26) Communication systems	1						19
20		(27) Signals and interlockers						1	20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction	2						25
26		(44) Shop machinery*						2	26
27		(45) Power-plant machinery*							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD	752	59				811	30
EQUIPMENT									
31		(46) Computer systems and word processing equipment							31
32	*	(52) Locomotives							32
33	*	(53) Freight-train cars							33
34	*	(54) Passenger-train cars							34
35	*	(55) Highway revenue equipment							35
36	*	(56) Floating equipment							36
37	*	(57) Work equipment							37
38	*	(58) Miscellaneous equipment							38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL	752	59				811	41
*To be reported with equipment expenses rather than W&S expenses.									

*To be reported with equipment expenses rather than W&S expenses.

Road Initials:

Year 19 85

CARLAND, INC.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
1		701	Cash			
2		702	Temporary Cash Investments	71	451	1
3		703	Special Deposits		120	2
4		704	Accounts Receivable			3
5		705	- Loan and Notes			
6		706	- Interline and Other Balances			4
7		707	- Customers			5
8		709, 708	- Other			6
9		708.5	- Accrued Accounts Receivables	390	558	7
10		709.5	- Receivables from Affiliated Companies			8
11		710, 711, 714	- Less: Allowance for Uncollectible Accounts			9
12		712	Working Funds Prepayments Deferred Income Tax Debits			10
13		713	Materials and Supplies			11
14			Other Current Assets			12
			TOTAL CURRENT ASSETS	5		13
				466	1,129	14
15		715, 716, 717	Special Funds			
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310)			15
17		722, 723	Other Investments and Advances	3,928	763	16
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			17
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$ 3,434			18
20		739, 741	Other Assets	1,613	2,931	19
21		743	Other Deferred Debits	1	1	20
22		744	Accumulated Deferred Income Tax Debits			21
23			TOTAL OTHER ASSETS	5,542	3,695	22
24		731, 732	Road and Equipment			23
25			Road (Schedules 330 and 330A)	13,865	11,868	24
26			Equipment	60,521	53,954	25
27			Unallocated Items			26
28			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(56,771)	(48,226)	27
29	*		Net Road and Equipment	17,615	17,596	28
			TOTAL ASSETS	23,623	22,420	29

NOTES AND REMARKS

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200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30	751		Loans and Notes Payable			30
31	752		Accounts Payable: Interline and Other Balances			31
32	753		Audited Accounts and Wages	389	266	32
33	754		Other Accounts Payable			33
34	755, 756		Interest and Dividends Payable	205	110	34
35	757		Payables to Affiliated Companies			35
36	759		Accrued Accounts Payable	66	36	36
37	760, 761, 761.5, 762		Taxes Accrued	540	113	37
38	763		Other Current Liabilities		9	38
39	764		Equipment Obligations and Other Long-Term Debt due Within One Year	8,174	7,765	39
			TOTAL CURRENT LIABILITIES	9,374	8,299	40
Non-Current Liabilities						
41	765, 767		Funded Debt Unamortized	9,584	10,555	41
42	766		Equipment Obligations			42
43	766.5		Capitalized Lease Obligations			43
44	768		Debt in Default			44
45	769		Accounts payable: Affiliated Companies			45
46	770.1, 770.2		Unamortized Debt Premium			46
47	781		Interest in Default			47
48	783		Deferred Revenues-Transfers from Government Authorities			48
49	786		Accumulated Deferred Income Tax Credits	125	109	49
50	771, 772, 774, 775, 782, 784		Other Long-Term Liabilities and Deferred Credits			50
			TOTAL NONCURRENT LIABILITIES	9,709	10,664	51
Shareholders' Equity						
52	791, 792		Total Capital Stock: (Schedule 230) (L 53&54)			52
53			Common Stock	10	10	53
54			Preferred Stock			54
55			Discount on Capital Stock			55
56	794, 795		Additional Capital (Schedule 230)			56
57	797		Retained Earnings: Appropriated			57
58	798		Unappropriated (Schedule 220)	4,530	3,447	58
59	798.1		Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60	798.5		Less Treasury Stock			60
61			Net Stockholders Equity	4,540	3,457	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	23,623	22,420	62

NOTES AND REMARKS

210. RESULTS OF OPERATIONS (Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 12.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513, "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 for Account No. 513 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Schedule 210

Line 15, column (b)
Line 49 plus 50 plus 51, column (b)
Line 52, column (b)

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)

Schedule 210

= Line 64, column (b)
= Line 65, column (b)
= Line 66, column (b)

Schedule 410

= Line 620, column (b)
= Line 620, column (f)
= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS OPERATING INCOME					
1		(101) Freight					1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching					4
5		(105) Water Transfers					5
6		(106) Demurrage					6
7		(110) Incidental					7
8		(121) Joint Facility-Credit					8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities—lines 1-9)					10
11		(502) Railway operating revenues—Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues—Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)					13
14	*	(531) Railway operating expenses	(2,944)	(3,168)	(2,944)		14
15	*	Net revenue from railway operations	2,944	3,168	2,944		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	2,008	997			16
17		(510) Miscellaneous rent income					17
18		(512) Separately operated properties—Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income					20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt					22
23		(518) Contributions from other companies					23
24		(519) Miscellaneous income	208	115			24
25		Income from affiliated companies					25
26		Dividends (equity method)					26
27		Equity in undistributed earnings (losses)					27
28		TOTAL OTHER INCOME (lines 16-25)	2,216	1,112			28
29		TOTAL INCOME (lines 15, 27)	5,160	4,280			29
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
30		(534) Expenses of property used in other than carrier operations	1,659	697			30
31		(535) Taxes on property used in other than carrier operations					31
32		(543) Miscellaneous rent expense					32
33		(544) Miscellaneous taxes					33
34		(545) Separately operated properties—Loss					34
35		(549) Maintenance of investment organization					35
36		(550) Income transferred to other companies					36
37		(551) Miscellaneous income charges					37
38		(553) Uncollectible accounts					38
39		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-37)	1,659	697			39
		Income available for fixed charges (Lines 28, 38)	3,501	3,583			40

210. RESULTS OF OPERATIONS-Continued
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
40		(a) Fixed interest not in default	1,976	2,122	40
41		(b) Interest in default			41
42		(547) Interest on unfunded debt			42
43		(548) Amortization of discount on funded debt			43
44		TOTAL FIXED CHARGES (lines 40-43)	1,976	2,122	44
45		Income after fixed charges (lines 39, 44)	1,525	1,461	45
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
46		(c) Contingent interest			46
UNUSUAL OR INFREQUENT ITEMS					
47		(555) Unusual or infrequent items (debit) credit			47
48		Income (Loss) from continuing operations (before income taxes)	1,525	1,461	48
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
49	*	Federal income taxes	240	246	49
50	*	State income taxes	186	46	50
51	*	Other income taxes			51
52	*	(557) Provision for deferred taxes	16	45	52
53		TOTAL PROVISIONS FOR INCOME TAXES (lines 49-52)	442	337	53
54	*	Income from continuing operations	1,083	1,124	54
DISCONTINUED OPERATIONS					
55		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			55
56		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			56
57		Income before extraordinary items	1,083	1,124	56
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
58		(570) Extraordinary items (Net)			58
59		(590) Income taxes on extraordinary items			59
60		(591) Provision for deferred taxes-Extraordinary items			60
61		TOTAL EXTRAORDINARY ITEMS (lines 58-60)			61
62		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)			62
63	*	Net income (Loss)	1,083	1,124	63
Reconciliation of net railway operating income (NROI)					
64	*	Net revenues from railway operations			64
65	*	(556) Income taxes on ordinary income (-)			65
66	*	(557) Provision for deferred income taxes (-)			66
67		Income from lease of road and equipment (-)			67
68		Rent for leased roads and equipment (+)			68
69		Net railway operating income (loss)			69

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220. RETAINED EARNINGS

(Dollars in Thousands)

1. Show below the items of Retained Earnings 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 shown in parentheses.
3. Show under "Remarks" the amount of assigned Federal income tax consequences for 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 26, column (b), Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 59, column (b), Schedule 210.
6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No.	Cross Check	Item (a)	Retained earnings— Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)	Line No.
1		Balances at beginning of year	\$ 3,447	\$	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
CREDITS					
3	*	(602) Credit balance transferred from income	1,083		3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	1,083		6
DEBITS					
7	*	(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings			8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock			11
12		Preferred stock ¹			12
13		TOTAL			13
14		Net increase (decrease) during year (Line 6 minus line 13)	1,083		14
15	*	Balances at close of year (Lines 1, 2 and 14)	4,530		15
16	*	Balances from line 15(c)		N/A	16
17	(798)	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	4,530	NA	17
18	(797)	Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of year \$ _____			21
Amount of assigned Federal income tax consequences:					
22		Account 606 \$ _____			22
23		Account 616 \$ _____			23

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

CARLAND, INC.

Road Initials:

Year 19 85

316. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."
2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 18, 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____." Abbreviations in common use in standard financial publications may

Line No.	Account No. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
1						
2				Advances		
3	721	E-3	X	Southern Leasing Co.		1
4						2
5						3
6						4
7						5
8						6
9						7
10						8
11						9
12						10
13						11
14						12
15						13
16						14
17						15
18						16
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36						34
37						35
38						36
39						37
40						38
						39
						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued
(Dollars in Thousands)

be used to conserve space.

6. If any of the companies included in this schedule are controlled by respondent the percent of control should be shown 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. Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.

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

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

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

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income (l)	Line No.
	Opening balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1								1
2								2
3	763	3,165		3,928				3
4								4
5								5
6								6
7								7
8								8
9								9
10								10
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36								36
37								37
38								38
39								39
40								40

330. ROAD AND EQUIPMENT PROPERTY

(Dollars in Thousands)

Line No.	Cross Check	Account	Balance at beginning of year	Expenditures during the year for original road and equipment, and road extensions	Expenditures during the year for purchase of existing lines, reorganizations, etc.	Line No.
		(a)	(b)	(c)	(d)	
1		(2) Land for transportation purposes				1
2		(3) Grading				2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts				5
6		(7) Elevated structures				6
7		(8) Ties				7
8		(9) Rail and other track material				8
9		(11) Ballast				9
10		(13) Fences, snowsheds, and signs				10
11		(16) Station and office buildings	943			11
12		(17) Roadway buildings				12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses	19			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	763			19
20		(26) Communication systems	845			20
21		(27) Signals and interlockers				21
22		(29) Power plants				22
23		(31) Power-transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines	9,219			25
26		(39) Public improvements - Construction				26
27		(44) Shop machinery	78			27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	11,867			30
31		(46) Computer systems and word processing equipment				31
32		(52) Locomotives	27,308			32
33		(53) Freight-train cars	4,463			33
34		(54) Passenger-train cars				34
35		(55) Highway revenue equipment				35
36		(56) Floating equipment				36
37		(57) Work equipment	8,378			37
38		(58) Miscellaneous equipment	13,806			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	53,955			39
40		(76) Interest during construction				40
41		TOTAL	65,822			41
42		(80) Other elements of investment				42
43		(90) Construction in progress				43
44		GRAND TOTAL	65,822			44

330. ROAD AND EQUIPMENT PROPERTY - Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions and betterments during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11					943	11
12						12
13						13
14						14
15					19	15
16						16
17						17
18						18
19					763	19
20			7	(7)	838	20
21						21
22						22
23						23
24						24
25		1,989	122	1,867	11,086	25
26						26
27		135	18	117	195	27
28						28
29						29
30		2,124	147	1,977	13,844	30
31						31
32		5,474	427	5,047	32,355	32
33		557	164	393	4,856	33
34						34
35						35
36						36
37		903	789	114	8,492	37
38		1,921	909	1,012	14,818	38
39	*	8,855	2,289	6,566	60,521	39
40						40
41		10,979	2,436	8,543	74,365	41
42						42
43						43
44		10,979	2,436	8,543	74,365	44

330A. IMPROVEMENTS ON LEASED PROPERTY

(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes				
2		(3) Grading				1
3		(4) Other right-of-way expenditures				2
4		(5) Tunnels and subways				3
5		(6) Bridges, trestles, and culverts				4
6		(7) Elevated structures				5
7		(8) Ties				6
8		(9) Rail and other track material				7
9		(11) Ballast				8
10		(13) Fences, snowsheds, and signs				9
11		(16) Station and office buildings				10
12		(17) Roadway buildings				11
13		(18) Water stations				12
14		(19) Fuel stations				13
15		(20) Shops and enginehouses				14
16		(22) Storage warehouses				15
17		(23) Wharves and docks				16
18		(24) Coal and ore wharves				17
19		(25) TOFC/COFC terminals				18
20		(26) Communication systems				19
21		(27) Signals and interlockers				20
22		(29) Power plants				21
23		(31) Power-transmission systems				22
24		(35) Miscellaneous structures				23
25		(37) Roadway machines				24
26		(39) Public improvements - Construction				25
27		(44) Shop machinery				26
28		(45) Power-plant machinery				27
29		Other (specify and explain)				28
30		TOTAL EXPENDITURES FOR ROAD				29
31		(46) Computer systems and word processing equipment				30
32		(52) Locomotives				31
33		(53) Freight-train cars				32
34		(54) Passenger-train cars				33
35		(55) Highway revenue equipment				34
36		(56) Floating equipment				35
37		(57) Work equipment				36
38		(58) Miscellaneous equipment				37
39	*	TOTAL EXPENDITURES FOR EQUIPMENT				38
40		(76) Interest during construction				39
41		TOTAL				40
42		(80) Other elements of investment				41
43		(90) Construction in progress				42
44		GRAND TOTAL				43

330A. IMPROVEMENTS ON LEASED PROPERTY - Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions and betterments during the year (e)	Credits for property retired during the year (f)	Net changer during the year (g)	Balance at close of year (h)	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11		21		21	21	11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30		21		21	21	30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39	*					39
40						40
41		21		21	21	41
42						42
43						43
44		21		21	21	44

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

(Dollars in Thousands)

1. Show in columns (b) and (c), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (d) and (e) show the depreciation base used to compute the depreciation charges for the month of December; in columns (f) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 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 and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 31-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, 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 not included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) effected.
5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		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	(3) Grading							1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts							4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snow sheds, and signs							9
10	(16) Station and office buildings	943	943	.25				10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses	19	19	.64				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC, COFC terminals	763	763	5.94				18
19	(26) Communication systems	846	839	4.03				19
20	(27) Signals and interlockers							20
21	(29) Power plants							21
22	(31) Power-transmission systems							22
23	(35) Miscellaneous structures							23
24	(37) Roadway machines	9,219	11,085	9.34				24
25	(39) Public improvements—Construction							25
26	(44) Shop machinery	78	195	74.29				26
27	(45) Power-plant machinery							27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	11,868	13,844	8.24				30
	EQUIPMENT							
31	(46) Computer systems and word processing equipment							31
32	(52) Locomotives	27,309	32,355	16.48				32
33	(53) Freight-train cars	4,463	4,856	3.06				33
34	(54) Passenger-train cars							34
35	(55) High-voltage revenue equipment							35
36	(56) Floating equipment							36
37	(57) Work equipment	8,377	8,492	14.58				37
38	(58) Miscellaneous equipment	13,805	14,817	14.93				38
39	TOTAL EQUIPMENT	53,954	60,520	14.75				39
40	GRAND TOTAL	65,822	74,364	13.54				40

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

1. Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals—Credit—Equipment" accounts and "Other Rents—Credit—Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental—Debit—Equipment" account and "Other Rents—Debit—Equipment" accounts. (See Schedule 342 for the accumulated depreciation relating to road and equipment owned but not used by respondent).
2. If any data are included in columns (d) or (f), explain the entries in detail.
3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
4. 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.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	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)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings	846					846	10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations						19	13
14		(20) Shops and enginehouses	19						14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	434	45				479	18
19		(26) Communication systems	676	34		5		705	19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures				120		6,851	23
24		(37) Roadway machines	5,935	1,036					24
25		(39) Public improvements—Construction				18	45	35	25
26		(44) Shop machinery*	72	26					26
27		(45) Power-plant machinery*							27
28		All other road accounts							28
29		Amortization (Adjustments)				143	45	8,935	29
30		TOTAL ROAD	7,982	1,141		143	45		30
		EQUIPMENT							
31		(49) Computer systems and word processing equipment							31
32	*	(52) Locomotives	21,749	5,331		182		26,898	32
33	*	(53) Freight-train cars	4,237	149	550	162		4,774	33
34	*	(54) Passenger-train cars							34
35	*	(55) Highway revenue equipment							35
36	*	(56) Floating equipment				166	552	5,931	36
37	*	(57) Work equipment	5,411	1,238		879		10,227	37
38	*	(58) Miscellaneous equipment	8,847	2,212	47				38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT	40,244	8,930	597	1,389	552	47,830	40
41		GRAND TOTAL	48,226	10,071	597	1,532	597	56,765	41

*To be reported with equipment expenses rather than W&S expenses.

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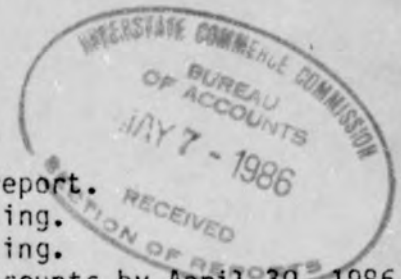
RC 134500

NAME OF CARRIER The Kansas City Southern Lines-Consolidated

SUPPLEMENTAL 1985 R-1 DATA

INSTRUCTIONS

1. Line and column references in column (b) are to the 1985 R-1 report.
2. Data entered in column (c) shall be computed under RRB accounting.
3. Data entered in column (d) shall be computed under RRB accounting.
4. This supplemental report should be filed with the Bureau of Accounts by April 30, 1986.



Selected items (a)	1985 R-1 Location (b)	RRB Accounting As of 12/31/85 (Dollars in Thousands) (c)	RRB Accounting As of 1/1/85 (Dollars in Thousands) (d)
<u>Schedule 210</u>			
1. Net railway operating income (loss)	Line 69	\$ <u>28,124</u>	N/A
<u>Schedule 245</u>			
2. Total working capital	Line 28	<u>29,663</u>	\$ <u>18,144</u>
<u>Schedule 352A</u>			
TOTAL	Line 31		
3. Investments in property	col. d	<u>531,229</u>	<u>532,853</u>
4. Depreciation and Amortization of defense projects	col. e	<u>182,168</u>	<u>165,377</u>
<u>Schedule 352B</u>			
Interest during construction	Line 41		
5. Respondent	col. b	<u>2,568</u>	<u>2,575</u>
6. Lessor railroads	col. c	_____	_____
7. Inactive (Proprietary Companies)	col. d	_____	_____
8. Other Leased Properties	col. e	_____	_____
Other elements of Investment	Line 42		
9. Respondent	col. b	_____	_____
10. Lessor railroads	col. c	_____	_____
11. Inactive (Proprietary Companies)	col. d	_____	_____
12. Other Leased Properties	col. e	_____	_____

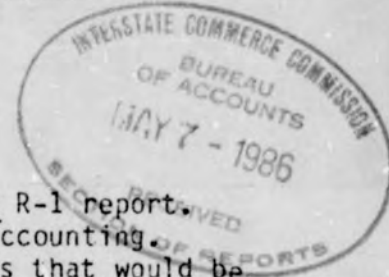
RC 134500

NAME OF CARRIER The Kansas City Southern Lines - Consolidated

SUPPLEMENTAL 1985 R-1 DATA

INSTRUCTIONS

1. Line and column references in column (b) are to the 1982 R-1 report.
2. Data entered in column (c) shall be computed under RRB accounting.
3. Under item 35 list any other property or expense accounts that would be changed due to capitalization of overhead expenses under Depreciation Accounting; and, enter in column (c) the amount that would be reported under RRB Accounting.
4. This supplemental report should be filed with the Bureau of Accounts by April 30, 1986.



Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/85 (Dollars in Thousands) (c)
	<u>Schedule 335, Accumulated Depreciation-Road and Equipment Owned and Used</u>		
1.	Total road	Line 28, col. g	\$ <u>33,169</u>
	<u>Schedule 342, Accumulated Depreciation-Improvements to Road and Equipment Leased from Others</u>		
2.	Total road	Line 27, col. g	<u>9</u>
	<u>Schedule 351, Accumulated Depreciation-Road and Equipment Leased to Others</u>		
3.	Total road	Line 27, col. g	<u> </u>
	<u>Schedule 352B, Investment in Railway Property Used in Transportation Service (By Property Accounts)</u>		
4.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing	Cols. b thru e, sum of lines 8 thru 12	<u>83,727</u>
5.	Total expenditures for road	Line 34, total of cols. b thru e	<u>225,366</u>
6.	Total general expenditures	Line 45, total of cols. b thru e	<u>2,563</u>

Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/85 (Dollars in Thousands) (c)
	<u>Schedule 410, Railway Operating Expenses</u>		
7.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Running (Freight)	Col. f, sum of lines 12, 14, 16, 18, 20	<u>18,380</u>
8.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Running (Passenger)	Col. g, sum of lines 12, 14, 16, 18, 20	<u> </u>
9.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Switching (Freight)	Col. f, sum of lines 13, 15, 17, 19, 21	<u>2,340</u>
10.	Tie, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Switching (Passenger)	Col. g, sum of lines 13, 15, 17, 19, 21	<u> </u>
	Depreciation - Running		
11.	Freight	Line 136, col. f	<u>975</u>
12.	Passenger	Line 136, col. g	<u> </u>
	Depreciation - Switching		
13.	Freight	Line 137, col. f	<u>233</u>
14.	Passenger	Line 137, col. g	<u> </u>
	Depreciation - Other		
15.	Freight	Line 138, col. f	<u>2,339</u>
16.	Passenger	Line 138, col. g	<u> </u>
	Other - Running		
17.	Freight	Line 148, col. f	<u>597</u>
18.	Passenger	Line 148, col. g	<u> </u>
	Other - Switching		
19.	Freight	Line 149, col. f	<u>1,492</u>
20.	Passenger	Line 149, col. g	<u> </u>

Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/85 (Dollars in Thousands) (c)
	Other - Other		
21.	Freight	Line 150, col. f	<u>434</u>
22.	Passenger	Line 150, col. g	<u> </u>
	Total Way and Structures		
23.	Freight	Line 151, col. f	<u>55,859</u>
24.	Passenger	Line 151, col. g	<u> </u>
	<u>Schedule 412, Way and Structures</u>		
25.	Total - Retirement	Line 35, col. c	<u>1,495</u>
	<u>Schedule 415, Supporting Schedule Equipment</u>		
26.	Total - Locomotives	Line 5, col. f	<u> </u>
27.	Total - Freight Train Cars	Line 24, col. f	<u>53</u>
28.	Total - Highway Equipment Floating Equipment - Revenue Service	Line 32, col. f	<u> </u>
29.	Marine Line-Haul	Line 33, col. f	<u> </u>
30.	Local Marine	Line 34, col. f	<u> </u>
31.	Total - Floating Equipment	Line 35, col. f	<u> </u>
32.	Other Equipment	Col. f, sum of lines 37 thru 40	<u> </u>
33.	Work & Other Non-revenue Equipment	Line 41, col. f	<u> </u>
34.	Total - All Equipment	Line 43, col. f	<u>53</u>

Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/85 (Dollars in Thousands) (c)
35. OTHER ACCOUNTS (SEE INSTRUCTIONS)		
Schedule 410		\$
Roadway Machines	109	2,674
Small Tools and Supplies	110	1,511
Fringe Benefits - Running	112	2,975
Fringe Benefits - Switching	113	390
Lease Rentals - Debit - Other	120	5,835
Schedule 210		
Equity in Undistributed Earnings	26	10
Provision for Deferred Taxes	52	3,950

