

RC-134500

KANSAS CITY SOUTHERN

1986

1 OF 4

RC 134500

R-1

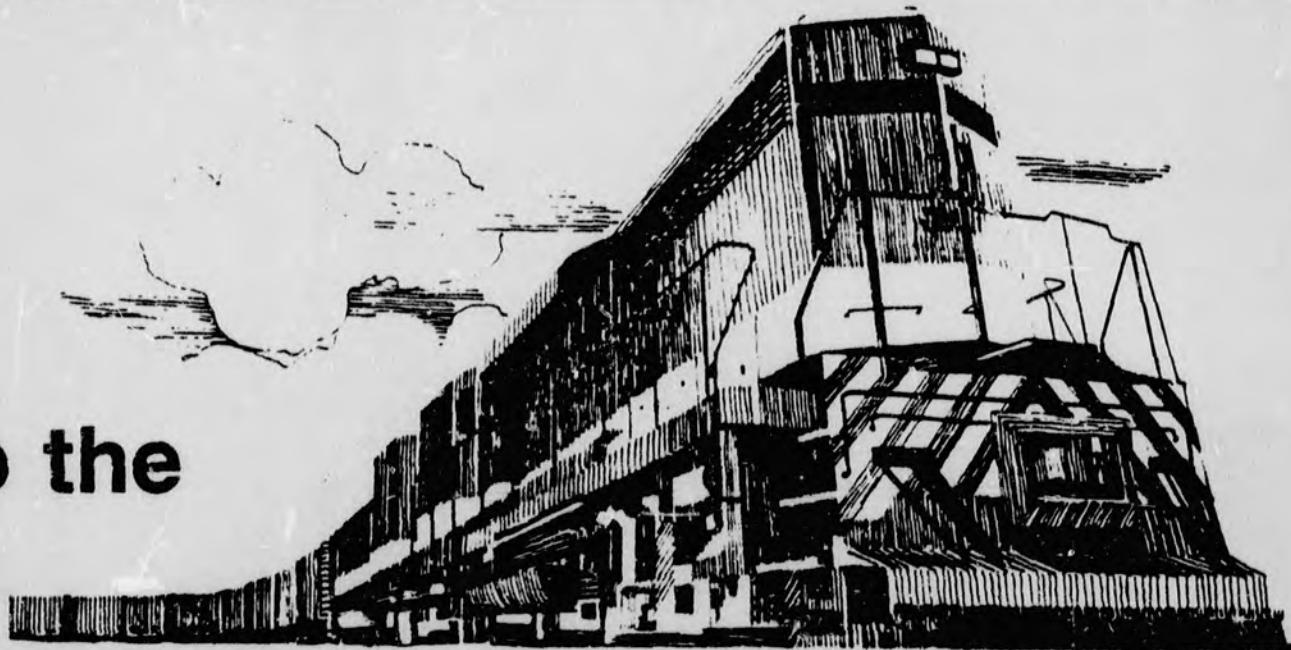
APPROVED BY OMB
3120-0029
EXPIRES 3-31-87

annual report



	RC000352' R186 KANSAS CITY SOUTHERN RY. CO. 114 WEST 11TH ST. KANSAS CITY MO 64105
Correct name and address if different than shown.	Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)

to the



Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1986

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, 1986

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

(Name) R. L. Brown II (Title) Vice President and Comptroller

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

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

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 59 computer systems and word processing equipment and renumbered.
Schedule 330A	Added Account 59 computer systems and word processing equipment and renumbered.
Schedule 332	Added Account 59 computer systems and word processing equipment and renumbered.
Schedule 335	Added Account 59 computer systems and word processing equipment and renumbered.
Schedule 339	Added Account 59 computer systems and word processing equipment and renumbered.
Schedule 340	Added Account 59 computer systems and word processing equipment and renumbered.
Schedule 342	Added Account 59 computer systems and word processing equipment and renumbered.
Schedule 350	Added Account 59 computer systems and word processing equipment and renumbered.
Schedule 351	Added Account 59 computer systems and word processing equipment and renumbered.
Schedule 352B	Added Account 59 computer systems and word processing equipment and renumbered.

Changes were made to the following schedules.

Schedule 200	Line 16 added Sch. 310A and added Item No. 8 Marketable Equity Securities.
Schedule 332	Changed Item No. 3, and added 1/1 over col. d, and 12/1 over col. c and Line 40 NA in cols. d and g.
Schedule 335	Changed Item No. 1.
Schedule 416B	Changed to Sch. 416A.
Schedule 416A	Changed to Sch. 418.
Schedule 710	Lines 59-67 updated Class of Equipment.
Schedule 710S	Changed Item No. 1.

SPECIAL NOTICE

Docket No. 38559 Railroad 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 86

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

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 1986.

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.

Road Initials:

Year 19 86

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

3

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 1986. 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, 1986 (Date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. 1 stockholders.
9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, 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 amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year.

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 (d)	PREFERRED		
					Second (e)	First (f)	
(a)	(b)	(c)					
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
19							19
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 13, 1986

12. Give the place of such meeting. Kansas City, Missouri 64105

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	1,173	2,052	31
32	753		Audited Accounts and Wages	13,307	10,787	32
33	754		Other Accounts Payable	1,939	1,673	33
34	755, 756		Interest and Dividends Payable	1,875	2,037	34
35	757		Payables to Affiliated Companies	200	200	35
36	759		Accrued Accounts Payable	56,330	40,520	36
37	760, 761, 761.5, 762		Taxes Accrued	5,632	11,872	37
38	763		Other Current Liabilities	74	72	38
39	764		Equipment Obligations and Other Long-Term Debt due Within One Year	19,638	19,519	39
40			TOTAL CURRENT LIABILITIES	100,167	88,732	40
Non-Current Liabilities						
41	765, 767		Funded Debt Unmatured	5,513	9,584	41
42	766		Equipment Obligations	58,132	63,870	42
43	766.5		Capitalized Lease Obligations	14,577	14,410	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	107,252	127,472	49
50	771, 772, 774, 775, 782, 784		Other Long-Term Liabilities and Deferred Credits	8,365	11,650	50
51			TOTAL NONCURRENT LIABILITIES	194,971	228,118	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)	167,160	178,792	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	228,717	240,349	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	523,855	557,199	62

NOTES AND REMARKS

* Revised L 39 column b
 L 40 column b
 L 41 column b
 L 51 column b

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

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43	766.5		Capitalized Lease Obligations	14,577	14,410	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
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57	797		Appropriated			57
58	798		Unappropriated (Schedule 220)	167,160	178,792	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	228,717	240,349	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	523,855	557,199	62

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	(2,890)	(3,333)	1
2		702	Temporary Cash Investments	44,698	39,557	2
3		703	Special Deposits	6	7	3
			Accounts Receivable			
4		704	- Loan and Notes	159		4
5		705	- Interline and Other Balances	2,006	2,335	5
6		706	- Customers	16,600	12,778	6
7		707	- Other	3,092	6,047	7
8		709, 708	- Accrued Accounts Receivables	18,948	17,456	8
9		708.5	- Receivables from Affiliated Companies	12	12	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(796)	(309)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	2,426	2,094	11
12		712	Materials and Supplies	21,459	21,278	12
13		713	Other Current Assets	18	5	13
14			TOTAL CURRENT ASSETS	105,738	97,927	14
			Other Assets			
15		715, 716, 717	Special Funds	496	496	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	8,217	10,729	16
17		722, 723	Other Investments and Advances	99	99	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) \$ 4,037	2,959	2,386	19
20		739, 741	Other Assets	209	210	20
21		743	Other Deferred Debits	3,617	3,302	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	15,597	17,222	23
			Road and Equipment			
24		731, 732	Road (Schedules 330 and 330A)	442,866	431,372	24
25			Equipment	285,120	283,761	25
26			Unallocated Items	33,020	19,533	26
27			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(358,486)	(292,616)	27
28			Net Road and Equipment	402,520	442,050	28
29			TOTAL ASSETS	523,855	557,199	29

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 trustee(s)

Date of trust agreement or latest amendment

If respondent is affiliated in any way with the trustee(s), explain affiliation:

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

If yes, give number of the shares for each class of stock or other security: Not Applicable

(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.

8. Marketable Equity Securities.

(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 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 47 plus 48 plus 49, column (b)
Line 50, column (b)

Schedule 210

= Line 62, column (b)
= Line 63, column (b)
= Line 64, column (b)

Schedule 410

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)
Line 49, column (b)

= 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	286,115	302,180	286,115		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	11,462	11,613	11,469		4
5		(105) Water Transfers					5
6		(106) Demurrage	1,642	1,576	1,643		6
7		(110) Incidental	685	1,335	685		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)	299,912	316,704	299,912		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)	299,912	316,704	299,912		13
14	*	(531) Railway operating expenses *	307,322	270,164	307,322		14
15	*	Net revenue from railway operations	(7,410)	46,540	(7,410)		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	900	2,093			16
17		(510) Miscellaneous rent income	918	992			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	5,413	48			19
20		(514) Interest Income	2,868	3,701			20
21		(516) Income from sinking and other funds	37	48			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	762	994			24
25		Income from affiliated companies (519)					25
26		a. Dividends (equity method)					26
26		b. Equity in undistributed earnings (losses) **	(25)	4			26
27		TOTAL OTHER INCOME (lines 16-26)	10,873	7,880			27
28		TOTAL INCOME (lines 15, 27)	3,463	54,420			27
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	1,050	1,998			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income Transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	289	457			34
35		(553) Uncollectible accounts	577	330			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	1,916	2,785			36
37		Income available for fixed charges (lines 28, 36)	1,547	51,635			37

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*Includes \$53,800 in depreciation charges for under utilized property and accruals for payments for force reductions. See page 47A for details.

**Includes \$191 in charges for under utilized property on the Kansas & Missouri Railway & Terminal Co.

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:			
38		(a) Fixed interest not in default	10,981	12,085	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	797	106	40
41		(548) Amortization of discount on funded debt	45	47	41
42		TOTAL FIXED CHARGES (lines 38-41)	11,823	12,238	42
43		Income after fixed charges (lines 37, 42)	(10,276)	39,397	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	(10,276)	39,397	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	11,142	6,074	47
48	*	(b) State income taxes	1,726	1,637	48
49	*	(c) Other income taxes	37	49	49
50	*	(557) Provision for deferred taxes *	(20,219)	7,845	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	(7,314)	15,605	51
52	*	Income from continuing operations (lines 46-51)	(2,962)	23,792	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	(2,962)	23,792	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55 + 59 + 60) **	(2,962)	23,792	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations	(7,410)	46,540	62
63	*	(556) Income taxes on ordinary income (-)	12,905	7,760	63
64	*	(557) Provision for deferred income taxes (-)	(20,219)	7,845	64
65		Income from lease of road and equipment (-)	46	128	65
66		Rent for leased roads and equipment (+)	642	637	66
67		Net railway operating income (loss)	500	31,444	67

* Includes a credit of \$24,748 due to the additional depreciation charges for under utilized property and accruals for payments for force reduction.

** Net income was reduced \$29,243 due to the additional depreciation charges for under utilized property and accruals for payments for force reductions.

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 61, 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	\$ 178,704	\$ 88	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	2,937	25	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	7,872		11
12		Preferred stock ¹	798		12
13		TOTAL	11,607	25	13
14		Net increase (decrease) during year (Line 6 minus line 13)	(11,607)	(25)	14
15	*	Balances at close of year (Lines 1, 2 and 14)	167,097	63	15
16	*	Balances from line 15(c)	63	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	167,160	N/A	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

¹ If 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 nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by 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	Common - Carland, Inc.	100	1,000	100		100	10		3
4	Preferred	350,000	60	60	3	57	19,950	1,050	4
5									5
6									6
7									7
8									8
9									9
10	TOTAL	XXXX	1,567	667	18	649	55,384	2,130	10

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR (Dollars 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									16
17	Balance at close of year								17

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

240. STATEMENT OF CHANGES IN FINANCIAL POSITION-Concluded
(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	16,180	19,845	28
29		Cash dividends declared	8,670	14,082	29
30		Purchase price of carrier operating property	53,104	36,111	30
31		Purchase price of other tangible property	1,363	195	31
32		Purchase price of long-term investment and advances		22,336	32
33		Net increase in sinking or other special funds		4	33
34		Purchase price of acquiring treasury stock			34
35		Other (specify):			35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44		TOTAL APPLICATION OF WORKING CAPITAL	79,317	92,573	44
45		Net increase (decrease) in working capital	(3,624)	21,471	45

NOTES AND REMARKS

*Revised L 28 column b
L 44 column b
L 45 column b

240. STATEMENT OF CHANGES IN FINANCIAL POSITION-Concluded
(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	10,180	19,845	28
29		Cash dividends declared	8,670	14,082	29
30		Purchase price of carrier operating property	53,104	36,111	30
31		Purchase price of other tangible property	1,363	195	31
32		Purchase price of long-term investment and advances		22,336	32
33		Net increase in sinking or other special funds		4	33
34		Purchase price of acquiring treasury stock			34
35		Other (specify):			35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44		TOTAL APPLICATION OF WORKING CAPITAL	73,317	92,573	44
45		Net increase (decrease) in working capital	2,376	21,471	45

NOTES AND REMARKS

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)	(2,962)	23,792	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	90,008	37,656	3
4		Net increase (decrease) in deferred income taxes	(20,220)	7,844	4
5		Net decrease (increase) in parent's share of subsidiary's undistributed income for the year	25	(4)	5
6		Net increase (decrease) in noncurrent portion of estimated liabilities	(3,285)	547	6
7		Other (specify):			7
8					8
9					9
10					10
11					11
12		TOTAL WORKING CAPITAL FROM CONTINUING OPERATIONS	63,566	69,835	12
13		Add funds generated by reason of discontinued operations, extraordinary items, and changes in accounting principles			13
14		TOTAL WORKING CAPITAL FROM OPERATIONS	63,566	69,835	14
15		Working capital from sources other than operating: Proceeds from issuance of long-term liabilities	6,538	7,356	15
16		Proceeds from sale/disposition of carrier operating property	3,387	4,537	16
17		Proceeds from sale/disposition of other tangible property	29	95	17
18		Proceeds from sale/repayment of investments and advances	2,487	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	(314)	1,474	22
23					23
24					24
25					25
26		TOTAL WORKING CAPITAL FROM SOURCES OTHER THAN OPERATING	12,127	44,209	26
27		TOTAL SOURCES OF WORKING CAPITAL	75,693	114,044	27

245. WORKING CAPITAL
(Dollars in Thousands)

1. This schedule should include only data pertaining to railway transportation services.
2. Carry out calculation of lines 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	2,006	1
2	Customers (706)	Schedule 200, line 6, column b	16,600	2
3	Other (707)	Note A	3,092	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	21,698	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	299,912	5
6	Rent Income	Note B	21,065	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	320,977	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	891.60 892	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	24.33	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	39.33	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	1,173	11
12	Audited Accounts and Wages Payable (753)	Note A	13,307	12
13	Accounts Payable—Other (754)	Note A	1,939	13
14	Other Taxes Accrued (761.5)	Note A	2,389	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	18,808	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b *	255,522	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h *	37,447	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	239,140	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	664.27	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 ÷ line 19	28.33	20
21	Days of Working Capital Required	Line 10 ÷ line 20 (Note C)	11.00	21
22	Cash Working Capital Required	Line 21 x line 19	7,304	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	41,808	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	7,304	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	21,459	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	808	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	20,651	27
28	TOTAL WORKING CAPITAL	Line 24 - line 27	27,955	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 h, 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.

* Excludes \$51,800 in depreciation expense charges for under utilized property.
See page 47A for details.

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						1
2	716	B-3	IX	Deposits for destroyed equipment		2
3						3
4	717	C-3	VI	Barclay's Bank - Nassau Bahamas - Insurance		4
5						5
6	721			Investment in Affiliated Companies		6
7						7
8				Capital Stock		8
9						9
10		A-1	VII	Kansas City Terminal Railway Co.	8 1/3%	10
11				Joplin Union Depot Co.	33 1/3%	11
12				Louisiana Arkansas & Texas Transpn. Co.	100 %	12
13				Landa Motor Lines	100 %	13
14				Trailer Train Co.	3 %	14
15			X	Kansas City Southern Industries - Preferred		15
16						16
17				Total Class A		17
18						18
19		C-1	VII	Trailer Train Co. - Notes	3 %	19
20						20
21				Advances		21
22						22
23		E-1	VII	Kansas City Terminal Railway 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						32
33				Total Advances		33
34						34
35				Total Account 721		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	Additions	Deductions (if other than sale, explain)	Closing balance				
	(f)	(g)	(h)	(i)	(j)	(k)		
1								1
2	236			236			17	2
3								3
4	260			260			20	4
5								5
6								6
7								7
8								8
9								9
10	183		183					10
11	10			10				11
12	10			10				12
13	20			20				13
14	99			99			5,365	14
15	1,038			1,038				15
16								16
17	1,360		183	1,177			5,365	17
18								18
19	154			154			11	19
20								20
21								21
22								22
23	3,682			3,682				23
24	128			128				24
25	595			595				25
26	194			194				26
27	600			600				27
28								28
29	5,199			5,199				29
30								30
31	3,928		2,304	1,624				31
32								32
33	9,127		2,304	6,823				33
34								34
35	10,641		2,487	8,154			5,376	35
36								36
37								37
38								38
39								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.
Carriers: (List specifics for each company)								
1	Kansas City Southern Transport Co., Inc.							1
2	Common Stock	(762)		112			(650)	2
3								3
4	Landa Motor Lines - Common Stock	(617)		8			(609)	4
5								5
6	Louisiana Arkansas & Texas Transportation Co.							6
7	Common Stock	(279)		5			(274)	7
8								8
9	The Kansas and Missouri Railway and Terminal Co. - Common Stock	1,746		(150)			1,596	9
10								10
11								11
12								12
13	Total	88		(25)			63	13
Noncarrier: (List specifics for each company)								
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

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	5,882			1
2		(3) Grading	31,126			2
3		(4) Other right-of-way expenditures	679			3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	21,604			5
6		(7) Elevated structures				6
7		(8) Ties	109,910			7
8		(9) Rail and other track material	141,514			8
9		(11) Ballast	35,740			9
10		(13) Fences, snowsheds, and signs	703			10
11		(16) Station and office buildings	11,229			11
12		(17) Roadway buildings	454			12
13		(18) Water stations	107			13
14		(19) Fuel stations	2,378			14
15		(20) Shops and enginehouses	21,426			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	5,451			19
20		(26) Communication systems	3,921			20
21		(27) Signals and interlockers	17,575			21
22		(29) Power plants	26			22
23		(31) Power-transmission systems	703			23
24		(35) Miscellaneous structures	263			24
25		(37) Roadway machines	11,939			25
26		(39) Public improvements - Construction	3,178			26
27		(44) Shop machinery	2,779			27
28		(45) Power-plant machinery	178			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	428,765			30
31		(52) Locomotives	108,653			31
32		(53) Freight-train cars	150,442			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	9,612			36
37		(58) Miscellaneous equipment	14,834			37
38		(59) Computer systems and word processing equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT	283,541			39
40		(76) Interest during construction	2,568			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	19,533			42
43		GRAND TOTAL	734,407			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			1	(1)	5,881	1
2		746	59	687	31,813	2
3					679	3
4						4
5		520	1	519	22,123	5
6						6
7		4,772	1,978	2,794	112,704	7
8		9,788	4,837	4,951	146,465	8
9		1,434	467	967	36,707	9
10		(29)		(29)	674	10
11		1,035	126	909	12,138	11
12		1	9	(8)	446	12
13					107	13
14					2,378	14
15		800		800	22,226	15
16						16
17						17
18						18
19		54	17	37	5,488	19
20		25	147	(122)	3,799	20
21		40	23	17	17,592	21
22					26	22
23			9	(9)	694	23
24			6	(6)	257	24
25		1,468	1,657	(189)	11,750	25
26		81	5	76	3,254	26
27		171	48	123	2,902	27
28					178	28
29						29
30		20,906	9,390	11,516	440,281	30
31		6,980	11,706	(4,726)	103,927	31
32		6,714	3,196	3,518	153,960	32
33						33
34						34
35						35
36		3,373	339	3,034	12,646	36
37		1,465	1,989	(524)	14,310	37
38						38
39		18,532	17,230	1,302	284,843	39
40					2,568	40
41						41
42		13,487		13,487	33,020	42
43		52,925	26,620	26,305	760,712	43

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	39			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	39			30
31		(52) Locomotives	220			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		(59) Computer systems and word processing equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT	220			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress				42
43		GRAND TOTAL	259			43

Road Initials:

Year 19 86

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

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³⁵¹
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			22	(22)	17	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			22	(22)	17	30
31		82	122	(40)	180	31
32		95		95	95	32
33						33
34						34
35						35
36						36
37		2		2	2	37
38						38
39		179	122	57	277	39
40						40
41						41
42						42
43		179	144	35	294	43

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) applicable to Lessor property, when the rent therefor is 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)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	31,127	31,814	1.09				1
2	(4) Other, right-of-way expenditures	679	679	2.00				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	21,605	22,123	1.48				4
5	(7) Elevated structures							5
6	(8) Ties	109,898	112,087	4.78				6
7	(9) Rail and other track material	141,498	146,443	3.61				7
8	(11) Ballast	35,738	36,706	8.10				8
9	(13) Fences, snow sheds, and signs	702	673	1.96				9
10	(16) Station and office buildings	11,228	12,138	2.10				10
11	(17) Roadway buildings	454	446	2.68				11
12	(18) Water stations	107	107					12
13	(19) Fuel stations	2,378	2,378	1.84				13
14	(20) Shops and enginehouses	21,425	22,226	2.27				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals	5,451	5,488	3.48				18
19	(26) Communication systems	3,922	3,799	4.05				19
20	(27) Signals and interlockers	17,574	17,592	2.47				20
21	(29) Power plants	26	26	1.11				21
22	(31) Power-transmission systems	704	695	2.81				22
23	(35) Miscellaneous structures	263	257	3.18				23
24	(37) Roadway machines	11,939	11,749	11.44				24
25	(39) Public improvements—Construction	3,178	3,253	2.53				25
26	(44) Shop machinery	2,779	2,902	5.11				26
27	(45) Power-plant machinery	179	179	2.80				27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	422,854	433,760	4.04				30
	EQUIPMENT							
31	(52) Locomotives	108,653	107,917	6.21				31
32	(53) Freight-train cars	150,442	155,198	5.89				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment	9,612	12,648	11.00				36
37	(58) Miscellaneous equipment	14,834	14,309	17.04				37
38	(59) Computer systems and word processing equipment							38
39	TOTAL EQUIPMENT	283,541	290,072	6.78				39
40	GRAND TOTAL	706,395	723,832	NA			NA	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 351 for the accumulated depreciation to road and equipment owned and leased to others.)

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	11,853	995		60		12,788	1
2		(4) Other, right-of-way expenditures	201	21				222	2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	8,523	1,020				9,543	4
5		(7) Elevated structures							5
6		(8) Ties	38,875	11,638		2,137		48,376	6
7		(9) Rail and other track material	42,835	8,064		2,024		48,875	7
8		(11) Ballast	17,934	3,292		466		20,760	8
9		(13) Fences, snow sheds, and signs	431	(14)				417	9
10		(16) Station and office buildings	4,363	1,173		111		5,425	10
11		(17) Roadway buildings	264	11		9		266	11
12		(18) Water stations	108	(3)				105	12
13		(19) Fuel stations	660	100				760	13
14		(20) Shops and enginehouses	5,239	751				5,990	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	1,291	1,139		17		2,413	18
19		(26) Communication systems	2,397	195		145		2,447	19
20		(27) Signals and interlockers	3,731	460		3		4,188	20
21		(29) Power plants	14	9				23	21
22		(31) Power-transmission systems	413	14		9		418	22
23		(35) Miscellaneous structures	126	8		7		127	23
24		(37) Roadway machines	7,509	1,352		1,639		7,222	24
25		(39) Public improvements—Construction	2,013	70		6		2,077	25
26		(44) Shop machinery*	1,367	138		48		1,457	26
27		(45) Power-plant machinery	154					154	27
28		All other road accounts							28
29		Amortization (Adjustments)	(1,684)	105				(1,579)	29
30		TOTAL ROAD	148,617	30,538		6,681		172,474	30
EQUIPMENT									
31	*	(52) Locomotives	65,915	6,807		11,204		61,518	31
32	*	(53) Freight-train cars	60,706	47,330		3,138		104,898	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment							34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	7,076	1,391		333		8,134	36
37	*	(58) Miscellaneous equipment	10,243	2,439		1,889		10,793	37
38		(59) Computer systems and word processing equipment							38
39	*	Amortization Adjustments	(554)	637				83	39
40		TOTAL EQUIPMENT	143,386	59,604		16,564		185,426	40
41		GRAND TOTAL	292,003	*89,142		23,245		357,900	41

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

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* Includes \$51,800 in depreciation expense charges for under utilized property. See page 47A for details.

NOTES AND REMARKS FOR SCHEDULE 335

(Dollars in Thousands)

The depreciation expense charges for under utilized property included in Column C are shown below.

Line No.	Cross Check	Account (A)	Kansas City Southern	Louisiana & Arkansas	Arkansas Western	Fort Smith & Van Buren	Total	Line No.
ROAD								
1		(3) Grading	366	(247)	51	485	655	1
2		(4) Other, right-of-way expenditures	1	7			8	2
3		(5) Tunnels and subways						3
4		(6) Bridges, trestles, and culverts	210	135	107	252	704	4
5		(7) Elevated structures						5
6		(8) Ties	1,157	3,911	1,011	354	6,433	6
7		(9) Rail and other track material	(38)	468	2,411	166	3,007	7
8		(11) Ballast	94	(47)	408	13	468	8
9		(13) Fences, snow sheds, and signs	(5)	(16)	(1)	(5)	(27)	9
10		(16) Station and office buildings	897	35	1		933	10
11		(17) Roadway buildings				(2)	(2)	11
12		(18) Water stations		(3)			(3)	12
13		(19) Fuel stations	28	2			30	13
14		(20) Shops and enginehouses	239	24			263	14
15		(22) Storage warehouses						15
16		(23) Wharves and docks						16
17		(24) Coal and ore wharves						17
18		(25) TOFC COFC terminals	936	11			947	18
19		(26) Communication systems	7	35		(1)	41	19
20		(27) Signals and interlockers	1	23			24	20
21		(29) Power plants		8			8	21
22		(31) Power-transmission systems	(1)	(5)			(6)	22
23		(35) Miscellaneous structures						23
24		(37) Roadway machines		11			11	24
25		(39) Public improvements—Construction	15	(27)		2	(10)	25
26		(44) Shop machinery*		(11)			(11)	26
27		(45) Power-plant machinery		(5)			(5)	27
28		All other road accounts						28
29		Amortization (Adjustments)						29
30		TOTAL ROAD	3,907	4,309	3,988	1,264	13,468	30
EQUIPMENT								
31	*	(52) Locomotives						31
32	*	(53) Freight-train cars	26,695	11,637			38,332	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		(59) Computer systems and word processing equipment						38
39	*	Amortization Adjustments						39
40		TOTAL EQUIPMENT	26,695	11,637			38,332	40
41		GRAND TOTAL	30,602	15,946	3,988	1,264	51,800	41

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

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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		(32) 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		(59) Computer systems and word processing 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 changes in rates were effective during the year, give full particulars in a footnote.

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

3. If 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. However, line 41, Grand Total, should be completed.

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	39	17	22.03	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	39	17	22.03	30
	EQUIPMENT				
31	(52) Locomotives	220	180	37.16	31
32	(53) Freight-train cars		95	100.00	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		2	33.33	37
38	(59) Computer systems and word processing equipment				38
39	Amortization Adjustments				39
40	TOTAL EQUIPMENT	220	277	58.73	40
41	GRAND TOTAL	259	294	56.52	41

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

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.

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	9	15		7		17	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	9	15		7		17	29
		EQUIPMENT							
30		(52) Locomotives	127	47		122		52	30
31		(53) Freight-train cars		43				43	31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		TOTAL EQUIPMENT	127	90		122		95	38
39		GRAND TOTAL	136	105		129		112	39

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

Road Initials:

Year 19 86

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

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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 includible in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Commission's Bureau of Accounts, brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.

3. In column (d) show the composite rates used 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. However, Line 39, Grand Total, should be completed.

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	(52) Locomotives				30
31	(53) Freight-train cars				31
32	(54) Passenger-train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment			N/A	36
37	(59) Computer systems and word processing equipment				37
38	TOTAL EQUIPMENT				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 to 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		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL	None					None	39

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

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352a 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 or 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 Railway Co.	868	472,418	190,842	1
2		732-733 Improvements on leased prpty.		114	60	2
3		736 Amortization			459	3
4		Maywood and Sugar Creek Railway Co.	2	120	92	4
5		Fort Smith & Van Buren Ry. Co. Prpty.			253	5
6						6
7	R	Louisiana & Arkansas Railway Co.	743	199,329	97,825	7
8		732-733 Improvements on leased prpty.		180	52	8
9		736 Amortization			15	9
10						10
11	R	The Arkansas Western Railway Co.	33	6,676	5,293	11
12						12
13	R	Fort Smith & Van Buren Railway Co.	20	2,375	2,102	13
14						14
15	O	Carland, Inc.	--	79,794	61,493	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	1,666	761,006	358,486	31

352B. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE
(By Property Accounts)
353
(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 includible 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)	Lessor railroads (c)	Inactive (proprietary companies) (d)	Other Leased properties (e)	Line No.
1		(2) Land for transportation purposes	5,881				1
2		(3) Grading	31,813				2
3		(4) Other, right-of-way expenditures	679				3
4		(5) Tunnels and subways					4
5		(6) Bridges, trestles, and culverts	22,123				5
6		(7) Elevated structures					6
7		(8) Ties	112,704				7
8		(9) Rail and other track material	146,465				8
9		(11) Ballast	36,707				9
10		(13) Fences, snow sheds, and signs	674				10
11		(16) Station and office buildings	11,232			923	11
12		(17) Roadway buildings	446				12
13		(18) Water stations	107				13
14		(19) Fuel stations	2,378				14
15		(20) Shops and enginehouses	22,207			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	4,725			763	19
20		(26) Communication systems	3,067			732	20
21		(27) Signals and interlockers	17,592				21
22		(29) Power plants	26				22
23		(31) Power-transmission systems	694				23
24		(35) Miscellaneous structures	257				24
25		(37) Roadway machines	854			10,896	25
26		(39) Public improvements—Construction	3,254				26
27		(44) Shop machinery	2,584			318	27
28		(45) Power-plant machinery	178				28
29		Leased property capitalized rentals (explain)					29
30		Other (specify and explain)					30
31		TOTAL ROAD	426,647			13,651	31
32		(52) Locomotives	68,598			35,509	32
33		(53) Freight-train cars	149,240			4,815	33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment					35
36		(56) Floating equipment					36
37		(57) Work equipment	1,120			11,526	37
38		(58) Miscellaneous equipment	19			14,293	38
39		(59) Computer systems and word processing equipment					39
40		TOTAL EQUIPMENT	218,977			66,143	40
41		(76) Interest during construction	2,568				41
42		(80) Other elements of investment					42
43		(90) Construction work in progress	33,020				43
44		GRAND TOTAL	681,212			79,794	44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross-checks

Schedule 410

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

Lines 135 thru 137, column (f)
Lines 117 thru 122, and 129 thru 134,
column (f)

Line 231, column (f)
Line 230, column (f)

Lines 207, 208, 211, 212, column (f)
Lines 226, 227, column (f)
Lines 311, 312, 315, 316, column (f)

Line 213, column (f)
Line 232, column (f)
Line 317, column (f)

Lines 202, 203, 216, column (f) (equal
to or greater than, but variance cannot
exceed line 216, column (f))

Lines 221, 222, 235, column (f) (equal
to or greater than, but variance cannot
exceed line 235, column (f))

Lines 302 thru 307 and 320, column (f) (equal
to or greater than, but variance cannot
exceed line 320, column (f))

Line 507, column (f)
Line 508, column (f)
Line 509, column (f)
Line 510, column (f)
Line 511, column (f)
Line 512, column (f)
Line 513, column (f)
Line 514, column (f)
Line 515, column (f)
Line 516, column (f)
Line 517, column (f)

Schedule 210

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

Schedule 412

Line 31, column (b)
Line 31, column (c)

Schedule 414

Line 19, columns (b) thru (d)
Line 19, columns (e) thru (g)

Schedule 415

Lines 5, 38, column (f)
Lines 24, 39, 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

Lines 5, 38, columns (c) and (d)
Lines 24, 39, columns (c) and (d)
Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Lines 5, 38, column (b)

Lines 24, 39, column (b)

Lines 32, 35, 36, 37, 40, 41, column (b)

Schedule 417

Line 1, column (j)
Line 2, column (j)
Line 3, column (j)
Line 4, column (j)
Line 5, column (j)
Line 6, column (j)
Line 7, column (j)
Line 8, column (j)
Line 9, column (j)
Line 10, column (j)
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	2,351	162	20	189	2,722			1
2		Bridge and Building	177	9	6	20	212			2
3		Signal	398	11	10	20	439			3
4		Communication	99	7	6	2	114			4
5		Other	370	12	144	46	572			5
6		REPAIR AND MAINTENANCE								
6		Roadway - Running	723	243	1,264	61	2,291		SAME	6
7		Roadway - Switching	134	16	383		533			7
8		Tunnels and Subways - Running								8
9		Tunnels and Subways - Switching							AS	9
10		Bridges and Culverts - Running	628	199	816	38	1,681			10
11		Bridges and Culverts - Switching	2	2	17		21			11
12		Ties - Running	545	596	5	(118)	1,028		COL	12
13		Ties - Switching	153	54	7	(3)	211			13
14		Mail and other track material - Running	1,588	1,057	586	(52)	3,179			14
15		Rail and other track material - Switching	374	53	97	(1)	523		F	15
16		Ballast - Running	327	5	9	163	504			16
17		Ballast - Switching	16	47	54		117			17
18		Road Property Damaged - Running	78	37	46	2	163			18
19		Road Property Damaged - Switching	105	34			139			19
20		Road Property Damaged - Other								20
21		Signals and Interlockers - Running	492	111	2,595	59	3,257			21
22		Signals and Interlockers - Switching	18	(17)	8		9			22
23		Communications Systems		95	632		727			23
24		Power Systems		1			1			24
25		Highway Grade Crossings - Running	518	23	326		867			25
26		Highway Grade Crossings - Switching	22	(5)	20		37			26
27		Station and Office Buildings	2	76	149		227			27
28		Shop Buildings - Locomotives	6	25	52		83			28
29		Shop Buildings - Freight Cars		23	5		28	N/A		29
30		Shop Buildings - Other Equipment	1	1	1	2	5			30

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

41 THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

Year 1986

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)			
		REPAIR AND MAINTENANCE - Continued								
101		Locomotive Servicing Facilities	3	34	23		60			101
102		Miscellaneous Buildings and Structures	32	29	(4)	3	60			102
103		Coal Terminals						N/A		103
104		Ore Terminals						N/A		104
105		Other Marine Terminals						N/A		105
106		TOFC/COFC - Terminals		55	236		291	N/A		106
107		Motor Vehicle Loading and Distribution Facilities						N/A		107
108		Facilities for Other Specialized Service Operations						N/A		108
109		Roadway Machines	698	1,040	712	61	2,511			109
110		Small Tools and Supplies		749	29		778		SAME	110
111		Snow Removal	8		2		10			111
112		Fringe Benefits - Running	N/A	N/A	N/A	2,227	2,227			112
113		Fringe Benefits - Switching	N/A	N/A	N/A	389	389		AS	113
114		Fringe Benefits - Other	N/A	N/A	N/A	2,415	2,415			114
115		Casualties and Insurance - Running	N/A	N/A	N/A	723	723			115
116		Casualties and Insurance - Switching	N/A	N/A	N/A	90	90		COL	116
117		Casualties and Insurance - Other	N/A	N/A	N/A	1,474	1,474			117
118	*	Lease Rentals - Debit - Running	N/A	N/A	413	N/A	413			118
119	*	Lease Rentals - Debit - Switching	N/A	N/A	643	N/A	643		F	119
120	*	Lease Rentals - Debit - Other	N/A	N/A	4,751	N/A	4,751			120
121	*	Lease Rentals - [Credit] - Running	N/A	N/A	()	N/A	()	()	()	121
122	*	Lease Rentals - [Credit] - Switching	N/A	N/A	(46)	N/A	(46)	()	()	122
123	*	Lease Rentals - [Credit] - Other	N/A	N/A	(3,823)	N/A	(3,823)	()	()	123
124		Joint Facility Rent - Debit - Running	N/A	N/A	612	N/A	612			124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	149	N/A	149			125
126		Joint Facility Rent - Debit - Other	N/A	N/A	7	N/A	7			126
127		Joint Facility Rent - [Credit] - Running	N/A	N/A	(212)	N/A	(212)	()	()	127
128		Joint Facility Rent - [Credit] - Switching	N/A	N/A	(67)	N/A	(67)	()	()	128
129		Joint Facility Rent - [Credit] - Other	N/A	N/A	(37)	N/A	(37)	()	()	129
130	*	Other Rents - Debit - Running	N/A	N/A		N/A				130
131	*	Other Rents - Debit - Switching	N/A	N/A		N/A				131
132	*	Other Rents - Debit - Other	N/A	N/A	208	N/A	208			132
133	*	Other Rents - [Credit] - Running	N/A	N/A	()	N/A	()	()	()	133

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

Road Initials:

Year 19 **86**

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

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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)			
		REPAIR AND MAINTENANCE - Continued								
134	*	Other Rents - [Credit] - Switching	N/A	N/A	()	N/A	()	()	()	134
135	*	Other Rents - [Credit] - Other	N/A	N/A	(6)	N/A	(6)	()	()	135
136	*	Depreciation - Running	N/A	N/A	N/A	21,138	21,138			136
137	*	Depreciation - Switching	N/A	N/A	N/A	4,442	4,442			137
138	*	Depreciation - Other	N/A	N/A	N/A	4,797	4,797		SAME	138
139		Joint Facility - Debit - Running	N/A	N/A	869	N/A	869			139
140		Joint Facility - Debit - Switching	N/A	N/A	405	N/A	405			140
141		Joint Facility - Debit - Other	N/A	N/A	1	N/A	1		AS	141
142		Joint Facility - [Credit] - Running	N/A	N/A	(1,021)	N/A	(1,021)	()	()	142
143		Joint Facility - [Credit] - Switching	N/A	N/A	(389)	N/A	(389)	()	()	143
144		Joint Facility - [Credit] - Other	N/A	N/A	()	N/A	()	()	()	144
145		Dismantling Retired Road Property - Running	20		64		84		COL	145
146		Dismantling Retired Road Property - Switching	6				6			146
147		Dismantling Retired Road Property - Other								147
148		Other - Running	2,234	14	61	352	2,661		F	148
149		Other - Switching	379		5		384			149
150		Other - Other	326	78	388	41	833			150
151		TOTAL WAY AND STRUCTURES	12,833	4,876	11,231	38,580	67,520			151
		EQUIPMENT								
		LOCOMOTIVES								
201		Administration	770	18	12	64	864			201
202	*	Repair and Maintenance	3,453	9,542	445	16	13,456			202
203	*	Machinery Repair	37	24	28		89			203
204		Equipment Damaged		5	425		430			204
205		Fringe Benefits	N/A	N/A	N/A	2,722	2,722			205
206		Other Casualties and Insurance	N/A	N/A	N/A	358	358			206
207	*	Lease Rentals - Debit	N/A	N/A	1,867	N/A	1,867			207
208	*	Lease Rentals - [Credit]	N/A	N/A	(5,813)	N/A	(5,813)	()	()	208
209		Joint Facility Rent - Debit	N/A	N/A	6	N/A	6			209
210		Joint Facility Rent - [Credit]	N/A	N/A	()	N/A	()	()	()	210
211	*	Other Rents - Debit	N/A	N/A	2	N/A	2			211
212	*	Other Rents - [Credit]	N/A	N/A	(145)	N/A	(145)	()	()	212
213	*	Depreciation	N/A	N/A	N/A	6,491	6,491			213
214		Joint Facility - Debit	N/A	N/A	66	N/A	66			214
215		Joint Facility - [Credit]	N/A	N/A	(66)	N/A	(66)	()	()	215
216	*	Repairs Billed to Others - [Credit]	N/A	N/A	()	N/A	()	()	()	216

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.
		LOCOMOTIVES - Continued								
217		Dismantling Retired Property								217
218		Other	190	2	2		194			218
219		TOTAL LOCOMOTIVES	4,450	9,591	(3,171)	9,651	20,521			219
		FREIGHT CARS								
220		Administration	503	12	6	45	566	N/A		220
221	*	Repair and Maintenance	2,198	3,307	1,615	42	7,162	N/A		221
222	*	Machinery Repair		22	40		62	N/A	SAME	222
223		Equipment Damaged	520	760	32	10	1,322	N/A		223
224		Fringe Benefits	N/A	N/A	N/A	1,894	1,894	N/A		224
225		Other Casualties and Insurance	N/A	N/A	N/A	3,249	3,249	N/A	AS	225
226	*	Lease Rentals - Debit	N/A	N/A	2,903	N/A	2,903	N/A		226
227	*	Lease Rentals - [Credit]	N/A	N/A	(407)	N/A	(407)	N/A	()	227
228		Joint Facility Rent - Debit	N/A	N/A		N/A		N/A	COL	228
229		Joint Facility Rent - [Credit]	N/A	N/A	()	N/A	()	N/A	()	229
230	*	Other Rents - Debit	N/A	N/A	27,338	N/A	27,338	N/A	F	230
231	*	Other Rents - [Credit]	N/A	N/A	(14,445)	N/A	(14,445)	N/A	()	231
232	*	Depreciation	N/A	N/A	N/A	48,473	48,473	N/A		232
233		Joint Facility - Debit	N/A	N/A		N/A		N/A		233
234		Joint Facility - [Credit]	N/A	N/A	()	N/A	()	N/A	()	234
235	*	Repairs Billed to Others - [Credit]	N/A	N/A	(5,079)	N/A	(5,079)	N/A	()	235
236		Dismantling Retired Property						N/A		236
237		Other	217	5	4	73	299	N/A		237
238		TOTAL FREIGHT CARS	3,438	4,106	12,007	53,786	73,337	N/A		238
		OTHER EQUIPMENT								
301		Administration	123	1	149	3	276			301
		Repair and Maintenance								
302	*	Trucks, Trailers, and Containers - Revenue Service		87	481		568	N/A		302
303	*	Floating Equipment - Revenue Service						N/A		303
304	*	Passenger and Other Revenue Equipment								304
305	*	Computer systems and word processing equip		2	284		286			305
306	*	Machinery	2	5	2		9			306
307	*	Work and Other Non Revenue Equipment	23	186	402		611			307
308		Equipment Damaged								308
309		Fringe Benefits	N/A	N/A	N/A	155	155			309
310		Other Casualties and Insurance	N/A	N/A	N/A	162	162			310
311	*	Lease Rentals - Debit	N/A	N/A	5,731	N/A	5,731			311
312	*	Lease Rentals - [Credit]	N/A	N/A	(3,647)	N/A	(3,647)	()	()	312

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)			
		OTHER EQUIPMENT - Continued							
313		Joint Facility Rent - Debit	N/A	N/A	1	N/A	1		313
314		Joint Facility Rent - [Credit]	N/A	N/A	(1)	N/A	(1)	()	314
315	*	Other Rents - Debit	N/A	N/A	2,371	N/A	2,371		315
316	*	Other Rents - [Credit]	N/A	N/A	(1,248)	N/A	(1,248)	()	316
317	*	Depreciation	N/A	N/A	N/A	3,906	3,906		317
318		Joint Facility - Debit	N/A	N/A		N/A			318
319		Joint Facility - [Credit]	N/A	N/A	()	N/A	()	()	319
320	*	Repairs Billed to Others - [Credit]	N/A	N/A	(289)	N/A	(289)	()	320
321		Dismantling Retired Property							321
322		Other							322
323		TOTAL OTHER EQUIPMENT	148	281	4,236	4,226	8,891	SAME	323
324		TOTAL EQUIPMENT	8,036	13,978	13,072	67,663	102,749		324
		TRANSPORTATION:							
		TRAIN OPERATIONS							
401		Administration	1,260	79	37	182	1,558		401
402		Engine Crews	7,381	69	4	437	7,891	AS	402
403		Train Crews	15,566	188	11	1,309	17,074		403
404		Dispatching Trains	810		3		813		404
405		Operating Signals and Interlockers	296		60		356	COL	405
406		Operating Drawbridges	127		4		131		406
407		Highway Crossing Protection			22		22		407
408		Train Inspection and Lubrication	936	185	17		1,138	F	408
409		Locomotive Fuel	25	15,417	5		15,447		409
410		Electric Power Purchased or Produced for Motive Power							410
411		Servicing Locomotives	521	716	45		1,282		411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	313	313		412
413		Clearing Wrecks	17		600		617		413
414		Fringe Benefits	N/A	N/A	N/A	8,264	8,264		414
415		Other Casualties and Insurance	N/A	N/A	N/A	4,801	4,801		415
416		Joint Facility - Debit	N/A	N/A	181	N/A	181		416
417		Joint Facility - [Credit]	N/A	N/A	(184)	N/A	(184)	()	417
418		Other	721	76	232	524	1,553		418
419		TOTAL TRAIN OPERATIONS	27,660	16,730	1,037	15,830	61,257		419
		YARD OPERATIONS							
420		Administration	763	65	31	48	907		420
421		Switch Crews	14,345	32	6	5	14,388		421

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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)			
		YARD OPERATIONS - Continued								
422		Controlling Operations	716	5	140		861			422
423		Yard and Terminal Clerical	2,840	8	158	1	3,007			423
424		Operating Switches, Signals, Retarders and Humps	83		1		84			424
425		Locomotive Fuel	12	1,438			1,450			425
426		Electric Power Purchased or Produced for Motive Power								426
427		Servicing Locomotives	296	10	22		328		SAME	427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	40	40			428
429		Clearing Wrecks	3		39		42			429
430		Fringe Benefits	N/A	N/A	N/A	5,841	5,841		AS	430
431		Other Casualties and Insurance	N/A	N/A	N/A	1,187	1,187			431
432		Joint Facility - Debit	N/A	N/A	53	N/A	537			432
433		Joint Facility - [Credit]	N/A	N/A	(3,061)	N/A	(3,061)	()	()	433
434		Other	29	2	29	28	88		COL	434
435		TOTAL YARD OPERATIONS	19,087	1,560	(2,098)	7,150	25,699			435
		TRAIN AND YARD OPERATIONS COMMON								
501		Cleaning Car Interiors	29	1	76	N/A	106		F	501
502		Adjusting and Transferring Loads		3	235	N/A	238	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	304	304			504
505		Fringe Benefits	N/A	N/A	N/A	25	25			505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	29	4	311	329	673			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		14	827		841	N/A		509
510	*	Protective Services		1		6	7	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	7		24		31	N/A		516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	7	15	851	7	880	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	793	40	136	266	1,235			518
519		Employees Performing Clerical and Accounting Functions	1,776	48	536	27	2,387			519
520		Communication Systems Operation	10	19	9		38			520
521		Loss and Damage Claims Processing	223		1	12	236			521
522		Fringe Benefits	N/A	N/A	N/A	1,000	1,000		SAME	522
523		Casualties and Insurance	N/A	N/A	N/A					523
524		Joint Facility - Debit	N/A	N/A	4	N/A	4		AS	524
525		Joint Facility - (Credit)	N/A	N/A	()	N/A	()	()	()	525
526		Other			6		6			526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	2,802	107	692	1,305	4,906		COL	527
528		TOTAL TRANSPORTATION	49,585	18,416	793	24,621	93,415			528
		GENERAL AND ADMINISTRATIVE								
601		Officers - General Administration	3,108	290	3,508	198	7,104		F	601
602		Accounting, Auditing and Finance	3,517	61	1,991	39	5,608			602
603		Management Services and Data Processing	961	124	2,660	47	3,792			603
604		Marketing	1,357	52	392	100	1,901			604
605		Sales	3,605	15	245	732	4,597			605
606		Industrial Development						N/A		606
607		Personnel and Labor Relations	971	128	131	114	1,344			607
608		Legal and Secretarial	251	15	5,176	41	5,483			608
609		Public Relations and Advertising			28		28			609
610		Research and Development								610
611		Fringe Benefits	N/A	N/A	N/A	4,043	4,043			611
612		Casualties and Insurance	N/A	N/A	N/A	249	249			612
613		Write-down of Uncollectible Accounts	N/A	N/A	N/A					613
614		Property Taxes	N/A	N/A	N/A	2,983	2,983			614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	3,568	3,568			615
616		Joint Facility - Debit	N/A	N/A	56	N/A	56			616
617		Joint Facility - (Credit)	N/A	N/A	(11)	N/A	(11)	()	()	617
618		Other	2,578	13	302		2,893			618
619		TOTAL GENERAL AND ADMINISTRATIVE	16,343	698	14,478	12,114	43,638			619
620	*	TOTAL CARRIER OPERATING EXPENSES	86,802	37,968	39,574	42,978	307,322			620

NOTES AND REMARKS FOR SCHEDULE 410

(Dollars in Thousands)

Line No.	Col.		Kansas City Southern	Louisiana & Arkansas	Arkansas Western	Fort Smith & Van Buren	Total
Depreciation Charges for Under Utilized Property							
<u>Roadway</u>							
136	E	Depreciation Running	653	2,942	3,880	1,149	8,624
137	E	Depreciation Switching	1,147	1,340	108	123	2,718
138	E	Depreciation Other	2,107	27	--	(8)	2,126
Total Roadway			3,907	4,309	3,988	1,264	13,468
<u>Freight Cars</u>							
232	E	Depreciation Freight Cars	26,695	11,637			38,332
Total Depreciation Charges			30,602	15,946	3,988	1,264	51,800
Accrual for Payments for Force Reduction							
618	B	Other-Salaries & Wages	--	2,000	--	--	2,000
Total Asset Restructuring Charges in Schedule 410			30,602	17,946	3,988	1,264	53,800

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	793	40	136	266	1,235			518
519		Employees Performing Clerical and Accounting Functions	1,776	48	536	27	2,387			519
520		Communication Systems Operation	10	19	9		38			520
521		Loss and Damage Claims Processing	223		1	12	236			521
522		Fringe Benefits	N/A	N/A	N/A	1,000	1,000		SAME	522
523		Casualties and Insurance	N/A	N/A	N/A					523
524		Joint Facility - Debit	N/A	N/A	4	N/A	4		AS	524
525		Joint Facility - (Credit)	N/A	N/A	()	N/A	()	()	()	525
526		Other			6		6			526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	2,802	107	692	1,305	4,906		COL	527
528		TOTAL TRANSPORTATION	49,585	18,416	793	24,621	93,415			528
		GENERAL AND ADMINISTRATIVE								
601		Officers - General Administration	3,108	290	3,508	198	7,104		F	601
602		Accounting, Auditing and Finance	3,517	61	1,991	39	5,608			602
603		Management Services and Data Processing	961	124	2,660	47	3,792			603
604		Marketing	1,357	52	392	100	1,901			604
605		Sales	3,605	15	245	732	4,597			605
606		Industrial Development						N/A		606
607		Personnel and Labor Relations	971	128	131	114	1,344			607
608		Legal and Secretarial	251	15	5,176	41	5,483			608
609		Public Relations and Advertising			28		28			609
610		Research and Development								610
611		Fringe Benefits	N/A	N/A	N/A	4,043	4,043			611
612		Casualties and Insurance	N/A	N/A	N/A	249	249			612
613		Write-down of Uncollectible Accounts	N/A	N/A	N/A					613
614		Property Taxes	N/A	N/A	N/A	2,983	2,983			614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	3,568	3,568			615
616		Joint Facility - Debit	N/A	N/A	56	N/A	56			616
617		Joint Facility - (Credit)	N/A	N/A	(11)	N/A	(11)	()	()	617
618		Other	2,578	13	302		2,893			618
619		TOTAL GENERAL AND ADMINISTRATIVE	16,348	698	14,478	12,114	43,638			619
620	*	TOTAL CARRIER OPERATING EXPENSES	86,802	37,768	39,574	42,978	307,322			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	2		1
2		3	Grading	999	10	4	2
3		4	Other right-of-way expenditures	21			3
4		5	Tunnels and subways				4
5		6	Bridges, trestles and culverts	1,006		(14)	5
6		7	Elevated structures				6
7		8	Ties	11,640	37	2	7
8		9	Rail and other track material	8,072	49	8	8
9		11	Ballast	3,294	12	2	9
10		13	Fences, snowsheds and signs	(23)		(9)	10
11		16	Station and office buildings	1,226	935	53	11
12		17	Roadway buildings	15		4	12
13		18	Water stations	1		4	13
14		19	Fuel stations	102		2	14
15		20	Shops and enginehouses	796		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	1,139			19
20		26	Communications systems	226	607	31	20
21		27	Signals and interlockers	417	413	(43)	21
22		29	Power plants	9			22
23		31	Power transmission systems	8		(6)	23
24		35	Miscellaneous structures	5		(3)	24
25		37	Roadway machines	1,352	75		25
26		39	Public improvements: construction	71		1	26
27		45	Power plant machines	1		1	27
28		76	Interest during construction	N/A			28
29		80	Other elements of investment	N/A			29
30		—	Other lease/rentals				30
31	*	—	TOTAL	30,377	2,140	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 are included in Schedule 410, column (f), lines 315 and 316. However, the 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 (e) 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.

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					5	110	1
2		Box-Plain 50 Foot and Longer		2,019	5,984	105	541	1,244	2
3		Box-Equipped		761	2,112		529	1,261	3
4		Gondola-Plain		173	571	73	192	352	4
5		Gondola-Equipped		124	222		62	101	5
6		Hopper-Covered		228	1,195	2,858	780	2,161	6
7		Hopper-Open Top-General Service		4	220		417	529	7
8		Hopper-Open Top-Special Service		7	70	4	20	40	8
9		Refrigerator-Mechanical				3	55	93	9
10		Refrigerator-Non-Mechanical		2	88	23	69	154	10
11		Flat TOPC/COPC		5	135	2,047	155	378	11
12		Flat Multi-Level			3	47	8	97	12
13		Flat-General Service		6	73		9	51	13
14		Flat-Other		65	171	21	72	190	14
15		Tank-Under 22,000 Gallons				4,624			15
16		Tank-22,000 Gallons and Over				7,559			16
17		All Other Freight Cars		15	26	9		20	17
18		Auto Racks			166			260	18
19		TOTAL FREIGHT TRAIN CARS		3,409	11,036	17,373	2,914	7,051	19
OTHER FREIGHT-CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers			1,136	1,077		839	21
22		Refrigerated Containers							22
23		Other Containers							23
24	*	TOTAL TRAILERS AND CONTAINERS			1,136	1,077		839	24
25		GRAND TOTAL (LINES 19 AND 24)		3,409	12,172	18,450	2,914	7,890	25

NOTES AND REMARKS

415. SUPPORTING SCHEDULE—EQUIPMENT
 (Dollars in Thousands)

 Included*
 in Col. C

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No.
				Owned (c)	Capitalized lease (d)		
1		LOCOMOTIVES					
		Diesel Locomotive-Yard	1,346	180	133	(82)	1
2		Diesel Locomotive-Road	12,110	5,704	390	(318)	2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL	13,456	5,884	523	(400)	5
6		FREIGHT TRAIN CARS					
		Box-Plain 40 Foot	12	670		42	6
7		Box-Plain 50 Foot and Longer	1,013	13,709	7,291	11	7
8		Box-Equipped	363	11,888	1,011	229	8
9		Gondola-Plain	70	1,697	72	140	9
10		Gondola-Equipped	10	30			10
11		Hopper-Covered	239	1,079		347	11
12		Hopper-Open Top-General Service	58	114		42	12
13		Hopper-Open Top-Special Service	81	6,489		63	13
14		Refrigerator-Mechanical					14
15		Refrigerator-Nonmechanical	2	167		49	15
16		Flat TOFC/COFC		1			16
17		Flat Multi-level	6	16		16	17
18		Flat-General Service	26	161		1	18
19		Flat-Other	47	57		46	19
20		All Other Freight Cars	120	3,657		16	20
21		Cabooses	36	113	22	35	21
22		Auto Racks		4	119		22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	2,083	39,852	8,515	1,037	24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers					25
26		Other Trailers	* 568				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	568				32
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-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.	286				37
38	*	Machinery-Locomotives ¹	89	37		8	38
39	*	Machinery-Freight Cars ²	62	63		15	39
40	*	Machinery-Other Equipment ³	9	76			40
41	*	Work and Other Non-revenue Equipment	611	3,830			41
42		TOTAL OTHER EQUIPMENT	1,057	4,006		23	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	17,164	49,742	9,038	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 (Dollars in Thousands)						Included in Col. C	
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	1,346	180	133	(82)	1
2		Diesel Locomotive-Road	12,110	5,704	390	(318)	2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL	13,456	5,884	523	(400)	5
6		FREIGHT TRAIN CARS					
		Box-Plain 40 Foot	40	670		42	6
7		Box-Plain 50 Foot and Longer	3,484	13,709	7,291	11	7
8		Box-Equipped	1,248	11,888	1,011	229	8
9		Gondola-Plain	239	1,697	72	140	9
10		Gondola-Equipped	36	30			10
11		Hopper-Covered	822	1,079		347	11
12		Hopper-Open Top-General Service	199	114		42	12
13		Hopper-Open Top-Special Service	279	6,439		63	13
14		Refrigerator-Mechanical					14
15		Refrigerator-Nonmechanical	8	167		49	15
16		Flat TOFC/COFC		1			16
17		Flat Multi-level	21	16		16	17
18		Flat-General Service	90	161		1	18
19		Flat-Other	161	57		46	19
20		All Other Freight Cars	413	3,657		16	20
21		Cabooses	122	113	22	35	21
22		Auto Racks		4	119		22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	7,162	39,852	8,515	1,037	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	568				32
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT ¹					
36	*	Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems and word processing equip.	286				37
38	*	Machinery-Locomotives ¹	89	37		8	38
39	*	Machinery-Freight Cars ²	62	63		15	39
40	*	Machinery-Other Equipment ³	9	76			40
41	*	Work and Other Non-revenue Equipment	611	3,830			41
42		TOTAL OTHER EQUIPMENT	1,357	4,006		23	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	22,243	49,742	9,038	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.

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.

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 at 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--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		(414)	26,427	1,123	21,820	829	1
2		(3,677)	71,284	5,092	35,464	3,405	2
3							3
4							4
5		(4,091)	97,711	6,215	57,284	4,234	5
6			659		417		6
7		1,406	32,807	17,430	27,834	14,695	7
8		495	24,317	3,125	20,098	2,781	8
9		(20)	14,915	2,608	5,178	72	9
10			3,388		1,144		10
11		317	15,563		7,398		11
12		30	4,861		1,163		12
13			20,120		13,491		13
14							14
15			253		38		15
16			29		14		16
17							17
18			2,004		1,719		18
19			2,942		1,152		19
20		249	6,173		5,277		20
21		19	1,022	327	998	214	21
22			219	1,198	213	1,001	22
23							23
24		2,496	129,272	24,688	86,134	18,763	24
25							25
26		1,420					26
27							27
28							28
29							29
30							30
31							31
32		1,420					32
33							33
34							34
35							35
36							36
37		963					37
38		2					38
39							39
40							40
41		44	26,957		18,928		41
42		1,009	26,957		18,928		42
43		834	253,940	30,903	162,346	22,997	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 (c) 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.

IMPROVEMENT ON LEASED PROPERTY		415. SUPPORTING SCHEDULE--EQUIPMENT (Dollars in Thousands)				Line No.	
Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No.
				Owned (c)	Capitalized lease (d)		
1		LOCOMOTIVES					1
2		Diesel Locomotive-Yard			47		2
3		Diesel Locomotive-Road					3
4		Other Locomotive-Yard					4
5	*	Other Locomotive-Road					5
6		TOTAL			47		6
7		FREIGHT TRAIN CARS					7
8		Box-Plain 40 Foot					8
9		Box-Plain 50 Foot and Longer					9
10		Box-Equipped					10
11		Gondola-Plain					11
12		Gondola-Equipped					12
13		Hopper-Covered					13
14		Hopper-Open Top-General Service					14
15		Hopper-Open Top-Special Service					15
16		Refrigerator-Mechanical					16
17		Refrigerator-Nonmechanical					17
18		Flat TOFC/COFC					18
19		Flat Multi-level					19
20		Flat-General Service			43		20
21		Flat-Other					21
22		All Other Freight Cars					22
23		Cabooses					23
24		Auto Racks					24
25		Miscellaneous Accessories					25
26	*	TOTAL FREIGHT TRAIN CARS			43		26
27		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					27
28		Refrigerated Trailers					28
29		Other Trailers					29
30		Refrigerated Containers					30
31		Other Containers					31
32		Bogies					32
33		Chassis					33
34		Other Highway Equipment (Freight)					34
35	*	TOTAL HIGHWAY EQUIPMENT					35
36		FLOATING EQUIPMENT-REVENUE SERVICE					36
37		Marine Line-Haul					37
38		Local Marine					38
39	*	TOTAL FLOATING EQUIPMENT					39
40		OTHER EQUIPMENT					40
41	*	Passenger and Other Revenue Equipment (Freight Portion)					41
42	*	Computer systems and word processing equip.					42
43	*	Machinery-Locomotives ¹					43
44	*	Machinery-Freight Cars ²					44
45	*	Machinery-Other Equipment ³					45
46	*	Work and Other Non-revenue Equipment					46
47		TOTAL OTHER EQUIPMENT					47
48		TOTAL ALL EQUIPMENT (FREIGHT PORTION)			90		48

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.

IMPROVEMENT ON LEASED PROPERTY			415. SUPPORTING SCHEDULE—EQUIPMENT—Continued				Line No.
Line No.	Cross Check	Lease and rentals (net) (f)	Depreciation base as of 12/31		Accumulated depreciation as of 12/31		
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1							1
2				180		51	2
3							3
4							4
5				180		51	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				95		43	18
19							19
20							20
21							21
22							22
23							23
24				95		43	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				2			41
42				2			42
43				277		94	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 then 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)

Line No.	(a) Density category (Class)	(b) Account No.	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		Line No.
			(c) Base	(d) Accum. depr.	(e) Depr. rate %	(f) Base	(g) Accum. depr.	(h) Depr. rate %	(i) Base	(j) Current year Amort.	(k) Accum. Amort.	(l) Base	(m) Accum. depr. & Amort.	
1	I	3	1,909	767	1.09							1,909	767	1
2		8	37,800	10,984	5.53							37,800	10,984	2
3		9	60,072	15,366	4.52							60,072	15,366	3
4		11	15,136	6,877	10.00							15,136	6,877	4
5	SUB-TOTAL		114,917	33,994								114,917	33,994	5
6	II	3	21,633	8,696	1.09							21,633	8,696	6
7		8	51,555	27,978	4.47							51,555	27,978	7
8		9	67,632	26,227	2.91							67,632	26,227	8
9		11	16,313	10,931	6.67							16,313	10,931	9
10	SUB-TOTAL		157,133	73,832								157,133	73,832	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	8,271	3,325	1.09							8,271	3,325	16
17		8	23,349	9,414	5.11							23,349	9,414	17
18		9	18,761	7,282	2.31							18,761	7,282	18
19		11	5,258	2,952	5.00							5,258	2,952	19
20	SUB-TOTAL		55,639	22,973								55,639	22,973	20
21	V	3												21
22		8												22
23		9												23
24		11												24
25	SUB-TOTAL													25
26	GRAND TOTAL		327,689	130,799	N/A			N/A				327,689	130,799	26

(1) Columns (c) + (f) + (i) = Column 12
Columns (d) + (g) + (k) = 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.

Road Initials:

Year 19 86

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

55

416A. SUPPORTING SCHEDULE--ROAD
(Dollars in Thousands)

Line No.	Property leased from others					Line No.
	Density category (Class)	Account	Base \$000	Accumulated depreciation \$000	Depreciation rate %	
1	I	3				1
2		8				2
3		9				3
4		11				4
5	SUB-TOTAL					5
6	II	3				6
7		8				7
8		9				8
9		11				9
10	SUB-TOTAL					10
11	III	3		N/A	N/A	11
12		8		N/A	N/A	12
13		9		N/A	N/A	13
14		11		N/A	N/A	14
15	SUB-TOTAL			N/A	N/A	15
16	IV	3				16
17		8				17
18		9				18
19		11				19
20	SUB-TOTAL					20
21	V	3				21
22		8				22
23		9				23
24		11				24
25	SUB-TOTAL					25
26	GRAND TOTAL					26

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, LCL terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations and livestock feeding operations only.

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							N/A			2
3	*	Loading and unloading and local marine	537					78	N/A	226	841	3
4	*	Protective services, total debit and credits							7		7	4
5	*	Freight lost or damaged—solely related										5
6	*	Fringe benefits										6
7	*	Casualty and insurance								1	1	7
8	*	Joint facility — Debit										8
9	*	Joint facility — Credit	()	()	()	()	()	()	()	()	()	9
10	*	Other								31	31	10
11	*	TOTAL	537					78	7	258	880	11

Schedule 418

Instruction:

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

Column

- (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.

418. SUPPORTING SCHEDULE—CAPITAL LEASES
(Dollars in thousands)[illegible]

NOTES AND REMARKS

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	6,551	1
		U.S. Government Taxes		
		Income Taxes:		
2		Normal Tax and Surtax	11,142	2
3		Excess Profits		3
4	*	Total - Income Taxes	11,142	4
5		Railroad Retirement	12,501	5
6		Hospital Insurance	1,108	6
7		Supplemental Annuities	1,252	7
8		Unemployment Insurance	1,703	8
9		All Other United States Taxes		9
10		Total - U.S. Government Taxes	27,706	10
11		Total - Railway Taxes	34,257	11
12			1,555	12

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 charges (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.	83,908	6,571		90,479	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)					5
6	Asset Restructuring		(24,748)		(24,748)	6
7	Reserve for Claims	(1,728)	(911)		(2,639)	7
8	Reacquisition of 1st Mort. Bonds	1,041	--		1,041	8
9	Future benefits of Capitalized					9
10	Leases	(293)	147		(146)	10
11	Provisions for Contingencies	3,342	(1,279)		2,063	11
12	Accelerated Depreciation Change					12
13	From RRB Accounting to					13
14	Depreciation Accounting	41,202	--		41,202	14
15						15
16						16
17						17
18	Investment tax credit*					18
19	TOTALS	127,472	(20,220)		107,252	19

450. 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. \$ 1,555
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. \$ 1,555
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)	Debit (c)	Credit (d)	Line No.
1	519	Miscellaneous income *** See below		N/A	1
2	551	Miscellaneous income charges	N/A		2
3	555	Unusual or infrequent items		None	3
4	560	Operations of discontinued segments	None		4
5	562	Disposal of discontinued segments	None		5
6	570	Extraordinary items	None		6
7	590	Income Taxes on extraordinary items	None		7
8	592	Changes in accounting principles	None		8
9	603	Appropriations released			9
10		First Mortgage Bonds redeemed		None	10
11	606	Other credits to retained earnings		None	11
12	616	Other debits to retained earnings	None		12
13	620	Appropriations for sinking fund			13
14		Retirement of First Mortgage Bonds	None		14
15		Bonds retired 12-01-84			15
16	621	Appropriations for other purposes	None		16
17					17
18		*** Revised Account 519			18
19					19
20	519	Gain on sale of property		330	20
21		Unrefunded balances on deposits for			21
22		industry tracks, contracts expired		252	22
23		Bonus, royalties and leases on natural			23
24		resources		116	24
25					25
26					26
27					27
28					28
29					29
30					30

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

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	551	Miscellaneous income charges	N/A		2
3	555	Unusual or infrequent items		None	3
4	560	Operations of discontinued segments	None		4
5	562	Disposal of discontinued segments	None		5
6	570	Extraordinary items	None		6
7	590	Income Taxes on extraordinary items	None		7
8	592	Changes in accounting principles	None		8
9	603	Appropriations released			9
10		First Mortgage Bonds redeemed		None	10
11	606	Other credits to retained earnings		None	11
12	616	Other debits to retained earnings	None		12
13	620	Appropriations for sinking fund			13
14		Retirement of First Mortgage Bonds	None		14
15		Bonds retired 12-01-84			15
16	621	Appropriations for other purposes	None		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

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

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	City of New	Jointly and severally liable			2
3	Orleans, LA	for principal and interest			3
4		for New Orleans Union			4
5		Passenger Terminal Revenue			5
6		Bonds 1-1-48 to 1-1-98			6
7		Finance Docket 15920 The			7
8		L&A Ry. Co. is guarantor of			8
9		their proportion of	1,314	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 surety bonds or undertakings on appeals in court proceedings.

Line No.	Finance Docket number, title, maturity date and concise description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount 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.

N O N E

NOTES AND REMARKS

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 25650	Chemical Bank N.Y.	5,151	343	--	3
4	25820	Chemical Bank N.Y.	3,426	228	--	4
5	25944	Chemical Bank N.Y.	6,055	404	202	5
6	26120	Chemical Bank N.Y.	6,570	438	657	6
7	27940	Mercantile Safe Dep.	28,420	1,895	15,157	7
8	28124	Metropolitan Life	10,899	727	6,539	8
9	28335	Chemical Bank N.Y.	11,224	1,250	7,500	9
10	29206	American Trust Co.	3,676	367	3,308	10
11						11
12	Total KCS Railway Equipment Obligations		75,421	5,652	33,363	12
13						13
14	Contract 10920	Chemical Bank N.Y.	27,446	1,830	10,978	14
15	11068	Chemical Bank N.Y.	20,825	1,388	9,719	15
16	11093	Chemical Bank N.Y.	8,144	543	4,072	16
17						17
18	Total L&A Railway Equipment Obligations		56,415	3,761	24,769	18
19						19
20						20
21	CAPITALIZED LEASES					21
22						22
23	Contract 25400	Chemical & Mellon Bk.	5,064			23
24	26555	American Natl. Bank	1,248	47	385	24
25	27235	1st Security - Utah	14,801	948	5,547	25
26	27416-25	Borg Warner Leasing	411	52	27	26
27	27416-30	Borg Warner Leasing	843	96	102	27
28	28294	Rex Railways	4,697	598	1,883	28
29	28390	Rex Railways	2,728	151	1,970	29
30	29282	Itel-Mercantile	2,608	64	2,514	30
31						31
32	Total KCS Railway Capitalized Leases		32,400	1,956	12,428	32
33						33
34	Contract 10731	American Natl. Bank	2,000	133	721	34
35	10732	American Natl. Bank	4,022	136	1,428	35
36						36
37	Total L&A Railway Capitalized Leases		6,022	269	2,149	37
38						38
39	Total KCS & L&A Railways Funded Debt		170,258	11,638	72,709	39
40						40
41						41
42	Kansas & Missouri	Railway & Terminal Co.			1,132	42
43						43
44						44
45	Carland, Inc.	Notes Various Banks		8,000	5,513	45
46						46
47	Grand Total			19,638	79,354	47
48						48
49						49
50						50

*Revised Line 45 columns d and e
Line 47 columns d and e

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 25650	Chemical Bank N.Y.	5,151	343	--	3
4	25820	Chemical Bank N.Y.	3,426	228	--	4
5	25944	Chemical Bank N.Y.	6,055	404	202	5
6	26120	Chemical Bank N.Y.	6,570	438	657	6
7	27940	Mercantile Safe Dep.	28,420	1,895	15,157	7
8	28124	Metropolitan Life	10,899	727	6,539	8
9	28335	Chemical Bank N.Y.	11,224	1,250	7,500	9
10	29206	American Trust Co.	3,676	367	3,308	10
11						11
12	Total KCS Railway Equipment Obligations		75,421	5,652	33,363	12
13						13
14	Contract 10920	Chemical Bank N.Y.	27,446	1,830	10,978	14
15	11068	Chemical Bank N.Y.	20,825	1,388	9,719	15
16	11093	Chemical Bank N.Y.	8,144	543	4,072	16
17						17
18	Total L&A Railway Equipment Obligations		56,415	3,761	24,769	18
19						19
20						20
21	CAPITALIZED LEASES					21
22						22
23	Contract 25400	Chemical & Mellon Bk.	5,064			23
24	26555	American Natl. Bank	1,248	47	385	24
25	27235	1st Security - Utah	14,801	948	5,547	25
26	27416-25	Borg Warner Leasing	411	52	27	26
27	27416-30	Borg Warner Leasing	843	96	102	27
28	28294	Rex Railways	4,697	598	1,883	28
29	28390	Rex Railways	2,728	151	1,970	29
30	29282	Itel-Mercantile	2,608	64	2,514	30
31						31
32	Total KCS Railway Capitalized Leases		32,400	1,956	12,428	32
33						33
34	Contract 10731	American Natl. Bank	2,000	133	721	34
35	10732	American Natl. Bank	4,022	136	1,428	35
36						36
37	Total L&A Railway Capitalized Leases		6,022	269	2,149	37
38						38
39	Total KCS & L&A Railways Funded Debt		170,258	11,638	72,709	39
40						40
41						41
42	Kansas & Missouri	Railway & Terminal Co.			1,132	42
43						43
44						44
45	Carland, Inc.	Notes Various Banks		2,000	11,513	45
46						46
47	Grand Total			13,638	85,354	47
48						48
49						49
50						50

A/C 769

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 Unmatured
- 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 pledge 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 present 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 (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	13,638	78,84,222	10,981	--0--	11,141
(11) Account 769 affiliated companies obligations		1,132			
(12) Other not related to item (1), (2) and (4)*					
(13) TOTAL	13,638	79,85,354	10,981	--0--	11,141

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—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	01-01-72	02-01-87	7-5/8%	28	39	3
4	11-01-72	11-01-87	7-3/4%	33	35	4
5	03-15-73	05-15-88	7-3/4%	66	70	5
6	01-15-74	02-15-89	8-1/4%	104	118	6
7	03-01-80	11-01-95	13 %	2,422	2,463	7
8	06-01-81	06-01-96	13-1/8%	993	1,001	8
9	12-01-81	06-01-93	11-3/8%	1,062	1,067	9
10	04-15-86	03-01-96	9 %	203	92	10
11						11
12				4,911	4,885	12
13						13
14	03-15-78	10-01-93	9 %	1,235	1,276	14
15	04-15-79	09-01-94	10 %	1,168	1,215	15
16	06-15-79	03-01-95	10 1/8%	492	508	16
17						17
18				2,893	2,999	18
19						19
20						20
21						21
22						22
23	05-71	05-86	7.54 %	9	12	23
24	01-76	01-91	7.70 %	39	39	24
25	07-77	07-92	5.75 %	389	411	25
26	02-78	05-88	6.65 %	7	7	26
27	07-78	10-88	6.65 %	16	17	27
28	09-81	06-97	15 %	417	417	28
29	02-82	09-97	15 %	329	329	29
30	06-86	06-04	9 %	127	117	30
31						31
32				1,333	1,349	32
33						33
34	01-77	01-92	6.82 %	63	65	34
35	04-77	04-92	6.26 %	110	110	35
36						36
37				173	175	37
38						38
39				9,310	9,408	39
40						40
41						41
42						42
43						43
44						44
45	02-85	12-89	8 to 11.3 %	1,671	1,733	45
46				10,981	11,141	46
47				10,981	11,141	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:

- (a) Lawful tariff charges for transportation services
- (b) Payments to or from other carriers for interline services and interchange of equipment
- (c) 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.
- (d) 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:

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

4. In column (c) fully describe the 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 (e).

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

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		Controlled	Management fee	7,432		1
2	Inc.			Common stock dividend	7,872		2
3				Preferred stock div.	798	200	3
4				Investors Fiduciary			4
5				Trust Money Market			5
6				Funds	18,000		6
7				Federal Income Tax	14,929		7
8				Employee Profit Sharing	3,051		8
9				Insurance Premiums	1,152		9
10				Advance to KCSI	1,000		10
11				Advance repaid	1,000		11
12				Incentive Compensation	133		12
13				Investment Management			13
14				Services	30		14
15				IBM Software	102		15
16				Other	7		16
17							17
18				Billings to KCSI			18
19				Proportion of Salary	141		19
20				Rental & Exp. of Autos	20		20
21				Telephone Service	68		21
22				Computer Services	19		22
23				Relocating Expenses	15		23
24				Office Supplies & Exp.	6		24
25				Rental of Printer	2		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 transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Kansas City Southern Industries			Dividends from KCSI	48	12	1
2	Inc.						2
3	Argus		Common	Computer Programing	2,390		3
4				Billings to Argus	323		4
5							5
6	Carland, Inc.		Common	Rental of Equipment	13,135		6
7				Billings			7
8				Use of Engine	2		8
9				Telephone Service	2		9
10							10
11	Investors Fiduciary Trust		Common	Employee Insurance Prem.	1,559		11
12				Money Market Funds	20,000		12
13							13
14	LDX - Net		Common	Telephone Service	2		14
15	LDX - Max		Common	Telephone Service	71		15
16				Billings to LDX for			16
17				Construction of Fiber			17
18				Optics	33		18
19							19
20	Lonestar KC Concrete		Common	Ties and Foundations	541		20
21				Billings for Lease of			21
22				Trailers	25		22
23							23
24	Mid-South Microwave		Common	Microwave Mtce.	1,994		24
25				Bills for Emerg. Gentr.	103		25

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

Year 19 86

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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	Rice Carden Corporation		Common	Maintenance			1
2				Hot box detectors	1,241		2
3				Modems	107		3
4				CTC	61		4
5				CCTV	32		5
6				Telephone	24		6
7				Dockage Pt. Arthur	86		7
8				Leases and rentals	1,032		8
9				Other	4		9
10							10
11	Southern Development Co.		Common	Rental of building	806		11
12				Supplies and furniture	19		12
13							13
14	Superior Tie and Timber Co.		Common	Cross and switch ties	2,394		14
15							15
16	Support Resources		Common	Materials & supplies	9		16
17							17
18	Tolmak, Inc.		Common	Track rental and mtce.	280		18
19				Bills to Tolmak	118		19
20							20
21	Trans-Serve, Inc.		Common	Maintenance and			21
22				inspector service	293		22
23							23
24							24
25							25

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THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Railroad Annual Report R-1

Year 1986

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 *trackage rights*.

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

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

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

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

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

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

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

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

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

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

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

Class (2) includes each line, full title to which is in an inactive proprietary corporation of the respondent (i.e., one *all* of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation). It may also include such line when the actual title to all of the outstanding stocks or obligations rest in a corporation controlled by or controlling the respondent, *but in the case of any such inclusion, the facts of the relation to the respondent of the corporation holding the securities should be fully set forth in a footnote.* An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs; if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

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

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

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

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

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

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	1,477	9		200	171	280	2,137	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
8	Total	1-J	Main	M		4		1	4	66	75	8
9												9
10	Total	1-J	Main	M	1,477	13		201	175	346	2,212	10
11												11
12												12
13												13
14		3B	100 %	M					6	9	15	14
15												15
16		3A	100 %	M					17	1	18	16
17												17
18		5	100 %	M	103	10	2	14	7	2	138	18
19												19
20		1	100 %	B	57			7	12	23	99	20
21												21
22		1-J	50 %	B					2	24	26	22
23												23
24		1-J	33 %	B					1		1	24
25												25
26	Total	1-J	Branch	B					3	24	27	26
27												27
28	Total	1-J	Branch	B	57			7	15	47	126	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	1,580	23	2	215	205	358	2,383	55
56			TOTAL BRANCH LINES	N/A	86			7	20	47	160	56
57			GRAND TOTAL		1,666	23	2	222	225	405	2,543	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 propri- etary 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	654	24				62	740				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)	1,477	57				132	1,666				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	1				2	1	4		1
2	1	B	4			1	2		7		2
3	3B	M					2		2		3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13	TOTAL INCREASE		5			1	6	1	13		13

DECREASES IN MILEAGE

14	1	M				4	11	14	29		14
15	5							2	2		15
16	1	B					1		1		16
17											17
18											18
19											19
20											20
21											21
22											22
23											23
24											24
25	TOTAL DECREASE					4	12	16	32		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 _____

Net Decrease 19

Owned by proprietary companies:

Miles of road constructed _____

Miles of road abandoned _____

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

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)							
		Locomotive Units										(H.P.)		
1		Diesel freight units	193					14	125	54	179	514,000		1
2		Diesel passenger units												2
3		Diesel multiple purpose units	11					4	7		7	11,250		3
4		Diesel switching units	95					31	56	8	64	89,500		4
5	*	TOTAL (lines 1 to 4) units	299					49	188	62	250	614,750		5
6	*	Electric locomotives												6
7	*	Other self-powered units												7
8	*	TOTAL (lines 5, 6 and 7)	299					49	188	62	250	614,750		8
9	*	Auxiliary units	16					1	3	12	15	N/A		9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	315					50	191	74	265	N/A		10

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

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR, ACCORDING TO YEAR OF DESIGN															
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	44	82	74	32	18							250	11
12	*	Electric													12
13	*	Other self-powered units													13
14	*	TOTAL (lines 11 to 13)	44	82	74	32	18							250	14
15	*	Auxiliary units	14	1										15	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	58	83	74	32	18						N/A	265	16

710. INVENTORY OF EQUIPMENT—Continued
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)							
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)										N/A		21
22		Non-passenger-carrying cars (All class B, CSB, M, PSA, IA)										N/A		22
23		TOTAL (lines 17 to 22)												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							2	2	N/A		30
31		Board outfit cars (MWX)	7							7	7	N/A		31
32		Derrick and snow removal cars (MWU, MWV, MWW, MWK)	7						2	5	7	N/A		32
33		Dump and ballast cars (MWB, MWD)										N/A		33
34		Other maintenance and service equipment cars	117					8	43	66	109	N/A		34
35		TOTAL (lines 30 to 34)	133					8	45	80	125	N/A		35

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 (n). 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

Line No.	Cross Check	Class of equipment and car designations	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Time-mileage cars	All others	Units installed				
					New units purchased or built	New or rebuilt units leased from others	Rebuilt units acquired and rebuilt units rewritten into property accounts	All other units, including reclassification and second hand units purchased or leased from others	
(a)	(b)	(c)	(d)	(e)	(f)	(g)			
FREIGHT TRAIN CARS									
36		Plain box cars - 40' (B100-B287)	116					36	
37		Plain box cars - 50' and longer (B300-B887)	2,283					37	
38		Equipped box cars (All Code A)	909					38	
39		Plain gondola cars (All Codes G & J-1, J-2, J-3, and J-4)	498			100		39	
40		Equipped gondola cars (All Code E)	104					40	
41		Covered hopper cars (All Code C - 1 -)	1,006					41	
42		Open top hopper cars-general service (All Code H)	231		110	78		42	
43		Open top hopper cars-special service (All Codes K, J-0 and C - 2 -)	762					43	
44		Refrigerator cars-non-mechanical (R100-120, 200-220, 300-320, 400-420, 500-520, 600-620, 700-720 and 800-820)	17					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-TOFC/COFC (All Code P & Q)	2					46	
47		Flat cars-multi-level (All Code V)	1					47	
48		Flat cars-general service (F101-106, F201-206, F301-306)	130					48	
49		Flat cars-other (F111-166, 211-266, 311-366, 411-466, 501-826)	244					49	
50		Tank cars-under 22,000 gallons (T-0, T-1, T-2, T-3, T-4, T-5)	4					50	
51		Tank cars-22,000 gallons and over (T-6, T-7, T-8, T-9)	47					51	
52		All other freight cars (All Codes L & S and F171-176, 271-276, 371-376, 471-476)	594					52	
53		TOTAL (lines 36 to 52)	6,948		110	178		53	
54		Caboose (All Code N)	N/A	77				54	
55		TOTAL (lines 53, 54)	6,948	77	110	178		55	

*Restated from R-1 for 1985.

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		21	78	17	95		5,200		36
37		57	1,164	1,062	2,226		194,783		37
38		32	705	172	877		80,674		38
39		33	459	106	565		58,589		39
40		1	103		103		9,656		40
41		52	668	286	954		94,628		41
42		50	136	233	369		31,071		42
43		16	725	21	746		64,028		43
44		1	14	2	16		1,032		44
45									45
46			2		2		125		46
47		1							47
48		1	129		129		6,830		48
49		4	182	58	240		22,138		49
50			4		4		308		50
51			47		47		4,010		51
52		17	333	244	577		58,577		52
53		286.	4,749.	2,201.	6,950.		631,649.		53
54		11	19	47	N/A	66	N/A		54
55		297.	4,768.	2,248.	6,950.	66.	631,649.		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 z-1							59
60		Dry van u-2 & z-2	517						60
61		Flat bed u-3 & z-3	87						61
62		Open top u-4 & z-4							62
63		Mechanical refrigerator u-5 & z-5							63
64		Bulk u-0 & z-0							64
65		Insulated u-7 & z-7							65
66		Tank u-6 & z-6							66
67		Other trailer or container Incl. u-9 & z-9							67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	604						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	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	
					Per diem	All other			
		(h)	(i)	(j)	(k)	(l)	(m)	(n)	
56					N/A				56
57					N/A				57
58			None	None	N/A				58
59									59
60		73		444	444				60
61		51		36	36				61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70		124		480	480				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) including units acquired through capitalized leases (L).

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-B), 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 footnote 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	Purchase from Thrall Car Manufacturing Co. of 100 ton 4,000 cu. ft.,					1
2						2
3	Rotary Dump Open Top Triple Hopper					3
4	Freight Cars	110	3,394	3,734	P	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	110	N/A	3,734	N/A	25

REBUILT UNITS

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	TOTAL		N/A		N/A	38
39	GRAND TOTAL	110	N/A	3,734	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	650	22.18	36.43	87	1
2	B	770	11.93	37.62	54	2
3	C					3
4	D	335	.40	24.76	--	4
5	E	620	XXXXXXXX	XXXXXX		5
6	TOTAL	2,375	13.53	34.78	141	6
7	F		XXXXXXXX	XXXXXX		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 routing 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 No. 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 crossties laid in replacement							Total	Switch and bridge ties (board feet) (j)	Crossties switch and bridge ties		Line No.
		New ties				Second-hand ties					Percent of spot maintenance (k)		
		Wooden		Concrete	Other	Wooden		Other					
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)						
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)			
1	A	94,808		14				94,822	189,682	12%	1		
2	B	78,067		7,620				85,687	176,819	12%	2		
3	C										3		
4	D	6,955						6,955	27,122	12%	4		
5	E	48,654		311				48,965	206,137	12%	5		
6	TOTAL	228,484		7,945				236,429	599,760	12%	6		
7	F										7		
8	Potential abandonments										8		

9. Average cost per crosstie \$ 17.89 and switchtie (MBM) \$ 473.59

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 cross-ties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)		
1	3 x	334	16.48	6					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	7 TOTAL	334	16.48	6					20
21	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which ties were laid <u>None</u>								21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid <u>.10</u>								22

Railroad Annual Report R-1

Year 1986

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

RC-134500

KANSAS CITY SOUTHERN

1986

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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	151.35	.01	14.28	6.40	165.63	6.41	6%	1	
2	B	17.97	.47	28.06	5.06	46.03	5.53	16%	2	
3	C								3	
4	D			.01	1.11	.01	1.11	2%	4	
5	E	6.32		11.99	4.49	18.31	4.49	11%	5	
6	TOTAL	175.64	.48	54.34	17.06	229.98	17.54	9%	6	
7	F								7	
8	Potential Abandonments								8	
9	Other								9	
10	Average cost of new and relay rail laid in replacement (gross tons) \$ 391.33									10

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.
		Weight of rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc. during year	Average cost per ton (2,000 lb)	Weight 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	4					90	1		32.08	1
2	4					100	42	13	314.98	2
3	4					115	150	14	94.56	3
4	4					127	23	6	254.91	4
5	2					137	46	22	478.05	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	262	55	211.06	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									35
36	Track-miles of welded rail installed on system this year <u>105.84</u> ; total to date <u>1,032.56</u> Main Line									36
	Yard Tracks <u>9.16</u> 124.91 Yard Track									
	1,157.47 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	308.30			2
3	133	5.37			3
4	132	.37			4
5	131	25.16			5
6	130	148.92			6
7	127	268.09		Gauge of track 4 ft. 8-1/2 inches	7
8	115	308.52			8
9	112	130.05			9
10	100	39.59			10
11	90	252.93			11
12	85	9.20			12
13	80	10.19			13
14	75	4.98			14
15	70	19.13			15
16	Total	1,554.14			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 (a)	Ties				Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)	Cubic yards of ballast placed (h)	Miles surfaced (i)	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crosstie (d)	Switch and bridge ties (board feet) (e)						
1	A	94,822	189,682	1.35	5.16	172.04	7.16	388,085	1,746	73	1
2	B	85,687	176,819	1.22	4.81	51.56	2.15	116,297	523	22	2
3	C										3
4	D	6,955	27,122	.10	.74	1.12	.05	2,512	11		4
5	E	48,965	206,137	.70	5.60	22.80	.95	51,422	231	10	5
6	TOTAL	236,429	599,760	3.37	16.31	247.52	10.31	558,317	2,511	105	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

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	32,818,912				1
2	Passenger					2
3	Yard switching	3,139,726				3
4	TOTAL	35,958,638				4
5	COST OF FUEL ¹ \$(000)	\$ 16,855	\$	\$	\$	5
6	Work Train	16,418				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 as 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 mail, express 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 point, (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 railroads' expense. (Performed at railroads' 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), car moving empty in trains en route to shop, and cars stored awaiting disposition.

Surplus cars are cars which are in serviceable 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)	1,666		1
		2. Train Miles - Running (B)	XXXXXX	XXXXXX	
2		2-01 Unit Trains	1,107,049	XXXXXX	2
3		2-02 Way Trains	415,542	XXXXXX	3
4		2-03 Through Trains	2,334,781		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	3,857,372		5
6		2-05 Motorcars (C)	----		6
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	3,857,372		7
		3. Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	4,786,416	XXXXXX	8
9		3-02 Way Trains	919,115	XXXXXX	9
10		3-03 Through Trains	7,948,851		10
11		3-04 TOTAL (lines 8-10)	13,654,382		11
12		3-11 Train Switching (F)	563,650	XXXXXX	12
13		3-21 Yard Switching (G)	1,486,310		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	15,704,342		14
		4. Freight Car-Miles (thousands) (H)	XXXXXX	XXXXXX	
		4-01 RR Owned and Leased Cars - Loaded	XXXXXX	XXXXXX	
15		4-010 Box-Plain 40-Foot	65	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	13,339	XXXXXX	16
17		4-012 Box-Equipped	7,193	XXXXXX	17
18		4-013 Gondola-Plain	1,859	XXXXXX	18
19		4-014 Gondola-Equipped	595	XXXXXX	19
20		4-015 Hopper-Covered	8,189	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	4,342	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	1,886	XXXXXX	22
23		4-018 Refrigerator-Mechanical	299	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	552	XXXXXX	24
25		4-020 Flat-TOFC COFC	3,263	XXXXXX	25
26		4-021 Flat-Multi-Level	85	XXXXXX	26
27		4-022 Flat-General Service	96	XXXXXX	27
28		4-023 Flat-All Other	818	XXXXXX	28
29		4-024 All Other Car Types-Total	969	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	43,550	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	52	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	13,706	XXXXXX	32
33		4-112 Box-Equipped	6,421	XXXXXX	33
34		4-113 Gondola-Plain	1,599	XXXXXX	34
35		4-114 Gondola-Equipped	572	XXXXXX	35
36		4-115 Hopper-Covered	8,591	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	3,985	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	1,921	XXXXXX	38
39		4-118 Refrigerator-Mechanical	150	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	450	XXXXXX	40
41		4-120 Flat-TOFC/COFC	1,059	XXXXXX	41
42		4-121 Flat-Multi-Level	60	XXXXXX	42
43		4-123 Flat-General Service	87	XXXXXX	43
44		4-123 Flat-All Other	898	XXXXXX	44
45		4-124 All Other Car Types	1,071	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	40,622	XXXXXX	46
		4-13 Private Line Cars - Loaded (H)	XXXXXX	XXXXXX	
47		4-130 Box-Plain 40-Foot	----	XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	235	XXXXXX	48
49		4-132 Box-Equipped	----	XXXXXX	49
50		4-133 Gondola-Plain	172	XXXXXX	50
51		4-134 Gondola-Equipped	1	XXXXXX	51
52		4-135 Hopper-Covered	8,335	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	212	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	61	XXXXXX	54
55		4-138 Refrigerator-Mechanical	----	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	95	XXXXXX	56
57		4-140 Flat-TOFC/COFC	17,567	XXXXXX	57
58		4-141 Flat-Multi-Level	549	XXXXXX	58
59		4-142 Flat-General Service	15	XXXXXX	59
60		4-143 Flat-All Other	876	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	7,708	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	11,651	XXXXXX	62
63		4-146 All Other Car Types	2,410	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	49,887	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)	XXXXXX	XXXXXX	
65		4-150 Box-Plain 10-Foot	----	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	87	XXXXXX	66
67		4-152 Box-Equipped	----	XXXXXX	67
68		4-153 Gondola-Plain	213	XXXXXX	68
69		4-154 Gondola-Equipped	2	XXXXXX	69
70		4-155 Hopper-Covered	8,729	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	241	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	84	XXXXXX	72
73		4-158 Refrigerator-Mechanical	----	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	99	XXXXXX	74
75		4-160 Flat-TOFC/COFC	4,099	XXXXXX	75
76		4-161 Flat-Multi-Level	444	XXXXXX	76
77		4-162 Flat-General Service	11	XXXXXX	77
78		4-163 Flat-All Other	916	XXXXXX	78
79		4-164 Tank-Under 22,000 Gallons	8,003	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	11,859	XXXXXX	80
81		4-166 All Other Car Types	1,563	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	36,350	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	1,536	XXXXXX	83
84		4-18 No Payment Car-Miles (1) ¹	106,559	XXXXXX	84
		4-19 Total Car-Miles by Train Type	XXXXXX	XXXXXX	
85		4-191 Unit Trains	106,559	XXXXXX	85
86		4-192 Way Trains	9,340	XXXXXX	86
87		4-193 Through Trains	161,069	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	276,968	XXXXXX	88
89		4-20 Caboose Miles	1,717	XXXXXX	89
		5. Passenger Car-Miles (thousands) (j)	XXXXXX	XXXXXX	
90		5-01 Coaches			90
91		5-02 Combination, Passenger Cars			91
92		5-03 Sleeping and Parlor Cars			92
93		5-04 Dining, Grill and Tavern Cars			93
94		5-05 Head-End Cars (Other than 5-02)			94
95		5-06 TOTAL (lines 90-94)			95
96		5-07 Business Cars			96
97		5-08 Crew Cars (Other than Caboose)			97

¹Total number of loaded miles _____ and empty miles _____ by roadrailer 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	2,388,172		98
		6-02 Freight Trains, Crs., Cnts., and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	8,537,878	XXXXXX	99
100		6-021 Way Trains	620,518	XXXXXX	100
101		6-022 Through Trains	11,451,975	XXXXXX	101
102		6-03 Passenger-Trains, Crs., and Cnts.	-		102
103		6-04 Non Revenue	260,230	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	23,258,773		104
		7. Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	32,729	XXXXXX	105
106		7-02 Non-Revenue	873	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	33,602	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	11,296,071	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service	-	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	11,296,071	XXXXXX	110
111		8-04 Non-Revenue-Road Service	182,194	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service	-	XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	182,194	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	11,478,265	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	194,874	XXXXXX	115
116		9-02 Train Switching	32,385	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	206,932	XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	25,149	XXXXXX	118
119		11-02 Motorcars	-	XXXXXX	119
		12. Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	177,651	XXXXXX	120
121		12-02 Way Trains	155,181	XXXXXX	121
122		12-03 Through Trains	339,136	XXXXXX	122
123		13. TOFC/COFC-No. of Rev. Trailers and Containers Loaded and Unloaded (Q)	104,216	XXXXXX	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded and Unloaded (Q)	12,756	XXXXXX	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	48,869	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	1,807	XXXXXX	130
131		17-02 Unserviceable	39	XXXXXX	131
132		17-03 Surplus	-	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	1,846	XXXXXX	133

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

R. L. Brown II

(Insert here name of the affiant)

makes oath and says that he is Vice President & Comptroller

(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, 19 86, to and including December 31, 19 86

R. L. Brown II
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 27th day of March, 19 87.

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, 1989

State of MISSOURI

County of JACKSON

Donald L. Graf

(Insert here name of the affiant)

makes oath and says that he is Senior Vice President-Finance

(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, 19 86, to and including December 31, 19 86

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 27th day of March, 19 87.

My commission expires _____

Use an
L.S.
impression seal

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

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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	(2,300)	(1,050)	1
2		702	Temporary Cash Investments	44,698	39,557	2
3		703	Special Deposits	6	7	3
4		704	Accounts Receivable			
			- Loan and Notes	159		4
5		705	- Interline and Other Balances	1,536	1,924	5
6		706	- Customers	9,629	7,478	6
7		707	- Other	2,237	3,813	7
8		709, 708	- Accrued Accounts Receivables	12,291	16,548	8
9		708.5	- Receivables from Affiliated Companies	75	75	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(568)	(273)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	1,594	1,341	11
12		712	Materials and Supplies	21,458	21,278	12
13		713	Other Current Assets			13
14			TOTAL CURRENT ASSETS	90,815.	90,698.	14
Other Assets						
15		715, 716, 717	Special Funds	260	260	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	15,397	15,619	16
17		722, 723	Other Investments and Advances	82	82	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) \$ 141	916	576	19
20		739, 741	Other Assets	114	114	20
21		743	Other Deferred Debits	2,442	1,894	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	19,211.	18,545.	23
Road and Equipment						
24		731, 732	Road (Schedules 330 and 330A)	295,963	286,698	24
25			Equipment	150,804	152,106	25
26			Unallocated Items	25,886	16,134	26
27			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(191,454)	(156,728)	27
28			Net Road and Equipment	281,199.	298,210.	28
29	*		TOTAL ASSETS	391,225.	407,453.	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, 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	744	882	31
32		753	Audited Accounts and Wages	(26,867)	(9,724)	32
33		754	Other Accounts Payable	1,914	1,646	33
34		755, 756	Interest and Dividends Payable	900	892	34
35		757	Payables to Affiliated Companies	200	200	35
36		759	Accrued Accounts Payable	37,216	26,021	36
37		760, 761, 761.5, 762	Taxes Accrued	2,864	8,114	37
38		763	Other Current Liabilities	59	59	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	7,608	7,332	39
40			TOTAL CURRENT LIABILITIES	24,638.	35,422.	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured			41
42		766	Equipment Obligations	33,363	35,340	42
43		766.5	Capitalized Lease Obligations	12,428	11,861	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	83,071	95,177	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	6,153	9,143	50
51			TOTAL NONCURRENT LIABILITIES	136,147.	152,653.	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230) (L 53&54)			52
53			Common Stock	36,504	36,504	53
54			Preferred Stock	21,000	21,000	54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	338	338	56
Retained Earnings:						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	174,728	163,666	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	230,440.	219,378.	61
62			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	391,225.	407,453.	62

NOTES AND REMARKS

210. RESULTS OF OPERATIONS

(Dollars in T husands)

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 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 47 plus 48 plus 49, column (b)

Line 50, column (b)

Schedule 210

= Line 62, column (b)

= Line 63, column (b)

= Line 64, 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	182,586	194,744	182,586		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	5,494	6,750	5,494		4
5		(105) Water Transfers					5
6		(106) Demurrage	1,234	1,028	1,234		6
7		(110) Incidental	577	995	577		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)	189,891.	203,517.	189,891.		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)	189,891.	203,517.	189,891.		13
14	*	(531) Railway operating expenses	*194,054	171,966	194,054		14
15	*	Net revenue from railway operations	(4,163).	31,551.	(4,163).		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	47	78			16
17		(510) Miscellaneous rent income	539	629			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	21,665	16,300			19
20		(514) Interest Income	2,866	3,699			20
21		(516) Income from sinking and other funds	20	27			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	354	624			24
		Income from affiliated companies (519)					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	** (38)	172			26
27		TOTAL OTHER INCOME (lines 16-26)	25,453.	21,529.			27
28		TOTAL INCOME (lines 15, 27)	21,290.	53,080.			27
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	253	335			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income Transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	326	447			34
35		(553) Uncollectible accounts	328	620			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	907.	1,402.			36
37		Income available for fixed charges (lines 28, 36)	20,383.	51,678.			37

* Includes \$30,602 in depreciation expense charges for under utilized property. See page 47A for details. Railroad Annual Report R-1

** Includes \$191 in charges for under utilized property on the Kansas & Missouri Railway & Terminal Co.

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:			
38		(a) Fixed interest not in default	6,244	6,660	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	769	105	40
41		(548) Amortization of discount on funded debt	27	29	41
42		TOTAL FIXED CHARGES (lines 38-41)	7,040	6,794	42
43		Income after fixed charges (lines 37, 42)	13,343	44,884	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	13,343	44,884	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	4,614	3,325	47
48	*	(b) State income taxes	1,065	1,222	48
49	*	(c) Other income taxes	37	49	49
50	*	(557) Provision for deferred taxes	*(12,105)	6,876	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	(6,389)	11,472	51
52	*	Income from continuing operations (lines 46-51)	19,732	33,412	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	19,732	33,412	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	**19,732	33,412	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations			62
63	*	(556) Income taxes on ordinary income (-)			63
64	*	(557) Provision for deferred income taxes (-)			64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)			67

* Includes a credit of \$16,493 due to the additional depreciation expense charges for under utilized property.

** Net income was reduced \$14,300 due to the additional depreciation expense charges for under utilized property.

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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 61, 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	\$ 162,682	\$ 984	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
CREDITS					
3	*	(602) Credit balance transferred from income	19,770	(38)	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	19,770	(38)	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	7,872		11
12		Preferred stock ¹	798		12
13		TOTAL	8,670		13
14		Net increase (decrease) during year (Line 6 minus line 13)	11,100	(38)	14
15	*	Balances at close of year (Lines 1, 2 and 14)	173,782	946	15
16	*	Balances from line 15(c)	946	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year (798)	174,728	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.

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						1
2						2
3	717	C-3	VI	Barclay's Bank Nassau, Bahamas - Insurance		3
4						4
5	721			Investment in affiliated companies		5
6						6
7		A-1	VII	The Arkansas Western Railway Co.	100%	7
8				Kansas City Terminal Railway Co.	8 1/3	8
9				Joplin Union Depot Co.	33 1/3	9
10				Louisiana & Arkansas Railway Co.		10
11				Common Stock	100	11
12				Preferred Stock	100	12
13				Prior Preferred Stock	100	13
14				Fort Smith and Van Buren Railway Co.	100	14
15				Trailer Train Co.	3	15
16						16
17				Total Class A		17
18						18
19				Advances		19
20						20
21		A-1	VII	Trailer Train Co.		21
22				1-1-67 due 4-17-97	3	22
23				1-1-67 due 1-1-99	3	23
24						24
25				Total Notes		25
26						26
27		E-1	VII	Joplin Union Depot Co. - Reserve for adjustment	33 1/3	27
28				Fort Smith and Van Buren Railway Co.	100	28
29				Kansas City Terminal Railway Co.	8 1/3	29
30				Joplin Union Depot Co.	33 1/3	30
31				Kansas City Southern Transport Co., Inc.	100	31
32						32
33				Total Advances		33
34						34
35				Total Account 721		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	260			260			20	3
4								4
5								5
6								6
7	828			828				7
8	183		183	--				8
9	10			10				9
10								10
11	4,072			4,072			16,000	11
12	2,000			2,000			120	12
13	2,715			2,715			180	13
14	142			142				14
15	99			99				15
16								16
17	10,049		183	9,866			16,300	17
18								18
19								19
20								20
21								21
22	77			77			5	22
23	77			77			6	23
24								24
25	154			154			11	25
26								26
27	(40)			(40)				27
28	27			27				28
29	3,682			3,682				29
30	168			168				30
31	595			595				31
32								32
33	4,432			4,432				33
34								34
35	14,635		183	14,452			16,311	35
36								36
37								37
38								38
39								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	4,328			1
2		(3) Grading	22,349			2
3		(4) Other right-of-way expenditures	553			3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	13,898			5
6		(7) Elevated structures				6
7		(8) Ties	69,261			7
8		(9) Rail and other track material	96,743			8
9		(11) Ballast	23,510			9
10		(13) Fences, snowsheds, and signs	461			10
11		(16) Station and office buildings	6,912			11
12		(17) Roadway buildings	417			12
13		(18) Water stations	57			13
14		(19) Fuel stations	1,983			14
15		(20) Shops and enginehouses	19,647			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	2,134			19
20		(26) Communication systems	2,237			20
21		(27) Signals and interlockers	14,232			21
22		(29) Power plants	3			22
23		(31) Power-transmission systems	355			23
24		(35) Miscellaneous structures	186			24
25		(37) Roadway machines	586			25
26		(39) Public improvements - Construction	2,294			26
27		(34) Shop machinery	2,467			27
28		(45) Power-plant machinery	145			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	284,758			30
31		(52) Locomotives	55,833			31
32		(53) Freight-train cars	95,266			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	869			36
37		(58) Miscellaneous equipment	15			37
38		(59) Computer systems and word processing equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT	151,983			39
40		(76) Interest during construction	1,922			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	16,134			42
43		GRAND TOTAL	454,797			43

330. ROAD AND EQUIPMENT PROPERTY - Cont. ued
(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	(1)	4,327	1
2		237	6	231	22,580	2
3					553	3
4						4
5		261		261	14,159	5
6						6
7		2,830	1,448	1,382	70,643	7
8		9,018	4,392	4,626	101,369	8
9		1,330	436	894	24,404	9
10		(29)		(29)	432	10
11		1,025	97	928	7,840	11
12		1		1	418	12
13					57	13
14					1,983	14
15		801		801	20,448	15
16						16
17						17
18						18
19		91		91	2,225	19
20		25	35	(10)	2,227	20
21		40	22	18	14,250	21
22					3	22
23					355	23
24			1	(1)	185	24
25					586	25
26		79	6	73	2,367	26
27					2,467	27
28					145	28
29						29
30		15,709	6,444	9,265	294,023	30
31		2,947	8,705	(5,758)	50,075	31
32		6,342	1,860	4,482	99,748	32
33						33
34						34
35						35
36					869	36
37					15	37
38						38
39		9,289	10,565	(1,276)	150,707	39
40					1,922	40
41						41
42		9,752		9,752	25,886	42
43		34,750	17,009	17,741	472,538	43

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	18			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	18			30
31		(52) Locomotives	123			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		(59) Computer systems and word processing equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT	123			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress				42
43		GRAND TOTAL	141			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 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					18	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					18	30
31			123	(123)		31
32		95		95	95	32
33						33
34						34
35						35
36						36
37		2		2	2	37
38						38
39		97	123	(26)	97	39
40						40
41						41
42						42
43		97	123	(26)	115	43

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 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 Lessor property, when the rent therefor is 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)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	22,349	22,580	1.00				
2	(4) Other, right-of-way expenditures	553	553	2.00				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	13,898	14,159	1.13				4
5	(7) Elevated structures							5
6	(8) Ties	69,249	70,275	4.34				6
7	(9) Rail and other track material	96,727	101,353	3.32				7
8	(11) Ballast	23,509	24,403	6.90				8
9	(13) Fences, snow sheds, and signs	461	432	2.00				9
10	(16) Station and office buildings	6,912	7,840	2.17				10
11	(17) Roadway buildings	417	418	2.86				11
12	(18) Water stations	57	57	3.33				12
13	(19) Fuel stations	1,983	1,983	2.86				13
14	(20) Shops and enginehouses	19,647	20,448	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	2,134	2,225	3.96				18
19	(26) Communication systems	2,237	2,227	4.45				19
20	(27) Signals and interlockers	14,232	14,250	2.45				20
21	(29) Power plants	3	3	2.00				21
22	(31) Power-transmission systems	355	355	1.82				22
23	(35) Miscellaneous structures	186	185	2.86				23
24	(37) Roadway machines	586	586	3.17				24
25	(39) Public improvements—Construction	2,294	2,367	2.10				25
26	(44) Shop machinery	2,467	2,467	2.80				26
27	(45) Power-plant machinery	145	145	2.80				27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	280,401	289,311	3.98				30
	EQUIPMENT							
31	(52) Locomotives	55,833	52,369	2.99				31
32	(53) Freight-train cars	95,266	100,517	6.06				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment	869	869	--				36
37	(58) Miscellaneous equipment	15	15	--				37
38	(59) Computer systems and word processing equipment							38
39	TOTAL EQUIPMENT	151,983	153,770	4.98				39
40	GRAND TOTAL	432,384	443,081	NA			NA	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 351 for the accumulated depreciation to road and equipment owned and leased to others.)

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	8,370	573		6		8,937	1
2		(4) Other, right-of-way expenditures	151	12				163	2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	4,498	368		1		4,865	4
5		(7) Elevated structures							5
6		(8) Ties	22,038	4,481		1,545		24,974	6
7		(9) Rail and other track material	26,942	3,752		1,747		28,947	7
8		(11) Ballast	10,653	2,120		437		12,336	8
9		(13) Fences, snow sheds, and signs	251	4				255	9
10		(16) Station and office buildings	1,734	1,053		81		2,706	10
11		(17) Roadway buildings	225	13				238	11
12		(18) Water stations	58					58	12
13		(19) Fuel stations	539	85				624	13
14		(20) Shops and enginehouses	4,415	677				5,092	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	379	1,024				1,403	18
19		(26) Communication systems	1,059	105		35		1,129	19
20		(27) Signals and interlockers	3,101	342		1		3,442	20
21		(29) Power plants	3					3	21
22		(31) Power-transmission systems	182	6				188	22
23		(35) Miscellaneous structures	97	5		1		101	23
24		(37) Roadway machines	416	19				435	24
25		(39) Public improvements—Construction	1,370	63		5		1,428	25
26		(44) Shop machinery*	1,228	69				1,297	26
27		(45) Power-plant machinery	125	4				129	27
28		All other road accounts							28
29		Amortization (Adjustments)	(588)	36				(552)	29
30		TOTAL ROAD	87,246	14,811		3,859		98,198	30
		EQUIPMENT							
31	*	(52) Locomotives	29,539	1,664		8,678		22,525	31
32	*	(53) Freight-train cars	37,548	32,583		1,631		68,500	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment							34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	857					857	36
37	*	(58) Miscellaneous equipment	14					14	37
38		(59) Computer systems and word processing equipment							38
39	*	Amortization Adjustments	959	(120)				839	39
40		TOTAL EQUIPMENT	68,917	34,127		10,309		92,735	40
41		GRAND TOTAL	156,163	*48,938		14,168		190,933	41

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

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*Includes \$30,602 in depreciation expense charges for under utilized property.
See page 31A for details.

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	(696)	(2,352)	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	437	405	5
6		706	- Customers	6,928	5,299	6
7		707	- Other	686	1,843	7
8		709, 708	- Accrued Accounts Receivables	6,446	423	8
9		708.5	- Receivables from Affiliated Companies	12	12	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(227)	(35)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	833	753	11
12		712	Materials and Supplies			12
13		713	Other Current Assets			13
14			TOTAL CURRENT ASSETS	14,419	6,348	14
Other Assets						
15		715, 716, 717	Special Funds	236	236	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	979	967	16
17		722, 723	Other Investments and Advances	17	17	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) \$ 43	955	195	19
20		739, 741	Other Assets	95	95	20
21		743	Other Deferred Debits	1,175	1,408	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	3,457	2,918	23
Road and Equipment						
24		731, 732	Road (Schedules 330 and 330A)	124,237	122,489	24
25			Equipment	68,173	71,135	25
26			Unallocated Items	7,099	2,718	26
27			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(97,891)	(77,093)	27
28			Net Road and Equipment	101,618	119,249	28
29	*		TOTAL ASSETS	119,494	128,515	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	429	1,170	31
32		753	Audited Accounts and Wages	34,711	15,314	32
33		754	Other Accounts Payable	2	4	33
34		755, 756	Interest and Dividends Payable	832	940	34
35		757	Payables to Affiliated Companies	75	75	35
36		759	Accrued Accounts Payable	19,001	14,454	36
37		760, 761, 761.5, 762	Taxes Accrued	1,572	3,263	37
38		763	Other Current Liabilities	13	13	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	4,030	4,013	39
40			TOTAL CURRENT LIABILITIES	60,665.	39,246.	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured			41
42		766	Equipment Obligations	24,769	28,530	42
43		766.5	Capitalized Lease Obligations	2,149	2,549	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	22,594	30,671	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	2,455	2,608	50
51			TOTAL NONCURRENT LIABILITIES	51,967.	64,358.	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230) (L 53&54)			52
53			Common Stock	4,000	4,000	53
54			Preferred Stock	5,000	5,000	54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	1,082	1,082	56
Retained Earnings:						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	(3,220)	14,829	58
59		798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60		798.5	Less Treasury Stock			60
61			Net Stockholders Equity	6,862.	24,911.	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	119,494.	128,515.	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 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 47 plus 48 plus 49, column (b)
Line 50, column (b)

Schedule 210

= Line 62, column (b)
= Line 63, column (b)
= Line 64, column (b)

Schedule 410

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)
Line 49, column (b)

= 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	103,011	106,897	103,011		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	5,973	4,862	5,973		4
5		(105) Water Transfers					5
6		(106) Demurrage	405	549	405		6
7		(110) Incidental	108	340	108		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)	109,497	112,648	109,497		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)	109,497	112,648	109,497		13
14	*	(531) Railway operating expenses	*110,207	100,554	110,207		14
15	*	Net revenue from railway operations	(710)	12,094	(710)		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	4	7			16
17		(510) Miscellaneous rent income	374	356			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	48	48			19
20		(514) Interest Income	2	1			20
21		(516) Income from sinking and other funds	17	22			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	222	286			24
		Income from affiliated companies (519)					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	13	(167)			26
27		TOTAL OTHER INCOME (lines 16-26)	680	553			27
28		TOTAL INCOME (lines 15, 27)	(30)	12,647			27
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	6	4			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income Transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	(37)	10			34
35		(553) Uncollectible accounts	248	(291)			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	217	(277)			36
37		Income available for fixed charges (lines 28, 36)	(247)	12,924			37

* Includes \$17,946 in depreciation expense charges for under utilized property and accruals for payments for force reductions. See page 47A for details.

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:			
38		(a) Fixed interest not in default	3,066	3,449	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	27	2	40
41		(548) Amortization of discount on funded debt	18	17	41
42		TOTAL FIXED CHARGES (lines 38-41)	3,111	3,468	42
43		Income after fixed charges (lines 37, 42)	(3,358)	9,456	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	(3,358)	9,456	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	5,886	2,596	47
48	*	(b) State income taxes	582	229	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	*(8,077)	965	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	(1,609)	3,690	51
52	*	Income from continuing operations (lines 46-51)	(1,749)	5,766	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	(1,749)	5,766	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	** (1,749)	5,766	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations			62
63	*	(556) Income taxes on ordinary income (-)			63
64	*	(557) Provision for deferred income taxes (-)			64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)			67

* Includes a credit of \$8,255 due to the additional depreciation expense charges for under utilized property and accruals for payments for force reductions.

** Net income was reduced \$9,691 due to the additional depreciation expense charges for under utilized property and accruals for payments for force reductions.

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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 61, 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	\$ 15,724	\$ (895)	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	1,762	(13)	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	18,062	(13)	13
14		Net increase (decrease) during year (Line 6 minus line 13)	(18,062)	13	14
15	*	Balances at close of year (Lines 1, 2 and 14)	(2,338)	(882)	15
16	*	Balances from line 15(c)	(882)	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year (798)	(3,220)	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.

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						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				Capital Stock		8
9						9
10		A-1	VII	Louisiana Arkansas & Texas Transpn. Co.	100%	10
11				Landa Motor Lines	100	11
12						12
13				Total Class A		13
14						14
15		A-3	X	Kansas City Southern Industries, Inc.		15
16				Preferred Stock 4% non-cumulative		16
17						17
18				Total Capital Stock		18
19						19
20						20
21				Investment Advances		21
22						22
23		E-1	VII	Landa Motor Lines	100	23
24				Louisiana, Arkansas & Texas Transpn. Co.	100	24
25						25
26				Total Investment Advances		26
27						27
28				Total Account 721		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—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			17	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	1,038			1,038			48	16
17								17
18	1,068			1,068			48	18
19								19
20								20
21								21
22								22
23	194			194				23
24	600			600				24
25								25
26	794			794				26
27								27
28								28
29	1,862			1,862			48	29
30								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 (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	1,536			1
2		(3) Grading	8,604			2
3		(4) Other right-of-way expenditures	125			3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	7,434			5
6		(7) Elevated structures				6
7		(8) Ties	37,721			7
8		(9) Rail and other track material	41,015			8
9		(11) Ballast	11,102			9
10		(13) Fences, snowsheds, and signs	231			10
11		(16) Station and office buildings	3,370			11
12		(17) Roadway buildings	36			12
13		(18) Water stations	50			13
14		(19) Fuel stations	395			14
15		(20) Shops and enginehouses	1,759			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	2,554			19
20		(26) Communication systems	846			20
21		(27) Signals and interlockers	3,342			21
22		(29) Power plants	23			22
23		(31) Power-transmission systems	349			23
24		(35) Miscellaneous structures	77			24
25		(37) Roadway machines	268			25
26		(39) Public improvements - Construction	874			26
27		(44) Shop machinery	117			27
28		(45) Power-plant machinery	34			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	121,862			30
31		(52) Locomotives	20,464			31
32		(53) Freight-train cars	50,320			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	252			36
37		(58) Miscellaneous equipment	2			37
38		(59) Computer systems and word processing equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT	71,038			39
40		(76) Interest during construction	627			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	2,718			42
43		GRAND TOTAL	196,245			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					1,536	1
2		50	53	(3)	8,601	2
3					125	3
4						4
5		5	1	4	7,438	5
6						6
7		1,933	500	1,433	39,154	7
8		769	445	324	41,339	8
9		97	28	69	11,171	9
10					231	10
11		11	9	2	3,372	11
12			9	(9)	27	12
13					50	13
14					395	14
15					1,759	15
16						16
17						17
18						18
19		(37)	17	(54)	2,500	19
20			6	(6)	840	20
21					3,342	21
22					23	22
23			9	(9)	340	23
24			5	(5)	72	24
25					268	25
26		2		2	876	26
27					117	27
28					34	28
29						29
30		2,830	1,082	1,748	123,610	30
31		101	2,223	(2,122)	18,342	31
32			923	(923)	49,397	32
33						33
34						34
35						35
36					252	36
37					2	37
38						38
39		101	3,146	(3,045)	67,993	39
40					627	40
41						41
42		4,381		4,381	7,099	42
43		7,312	4,228	3,084	199,329	43

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		(52) Locomotives	97			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		(59) Computer systems and word processing equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT	97			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress				42
43		GRAND TOTAL	97			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 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		83		83	180	31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39		83		83	180	39
40						40
41						41
42						42
43		83		83	180	43

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 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 Lessor property, when the rent therefor is 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)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	8,604	8,601	1.33				
2	(4) Other, right-of-way expenditures	125	125	2.00				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	7,434	7,438	2.04				4
5	(7) Elevated structures							5
6	(8) Ties	37,721	38,905	4.42				6
7	(9) Rail and other track material	41,015	41,334	2.79				7
8	(11) Ballast	11,102	11,171	6.42				8
9	(13) Fences, snow sheds, and signs	231	231	2.00				9
10	(16) Station and office buildings	3,370	3,372	2.50				10
11	(17) Roadway buildings	36	27	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 enginehouses	1,759	1,759	2.86				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals	2,554	2,500	4.00				18
19	(26) Communication systems	846	839	3.92				19
20	(27) Signals and interlockers	3,342	3,342	2.80				20
21	(29) Power plants	23	23	1.25				21
22	(31) Power-transmission systems	349	340	3.85				22
23	(35) Miscellaneous structures	77	72	4.00				23
24	(37) Roadway machines	268	268	4.41				24
25	(39) Public improvements—Construction	874	876	3.72				25
26	(44) Shop machinery	117	117	2.80				26
27	(45) Power-plant machinery	34	34	2.80				27
28	All other road accounts							28
29	Amortization (other than defense) projects							29
30	TOTAL ROAD	120,326	121,819	3.58				30
	EQUIPMENT							
31	(52) Locomotives	20,464	20,039	3.93				31
32	(53) Freight-train cars	50,320	49,866	5.82				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment	252	252	--				36
37	(58) Miscellaneous equipment	2	2	--				37
38	(59) Computer systems and word processing equipment							38
39	TOTAL EQUIPMENT	71,038	70,159	5.26				39
40	GRAND TOTAL	191,364	191,978	NA			NA	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 351 for the accumulated depreciation to road and equipment owned and leased to others.)

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	3,423	(132)		55		3,236	1
2		(4) Other, right-of-way expenditures	50	9				59	2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	3,901	286		(1)		4,188	4
5		(7) Elevated structures							5
6		(8) Ties	15,787	5,608		562		20,833	6
7		(9) Rail and other track material	15,632	1,620		278		16,974	7
8		(11) Ballast	6,786	670		28		7,428	8
9		(13) Fences, snow sheds, and signs	163	(11)				152	9
10		(16) Station and office buildings	1,782	119		10		1,891	10
11		(17) Roadway buildings	36			9		27	11
12		(18) Water stations	50	(3)				47	12
13		(19) Fuel stations	121	15				136	13
14		(20) Shops and enginehouses	804	74				878	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	433	112		17		528	18
19		(26) Communication systems	632	68		6		694	19
20		(27) Signals and interlockers	629	117		1		745	20
21		(29) Power plants	12	9				21	21
22		(31) Power-transmission systems	231	8		9		230	22
23		(35) Miscellaneous structures	28	3		5		26	23
24		(37) Roadway machines	242	21				263	24
25		(39) Public improvements—Construction	634	5				639	25
26		(44) Shop machinery*	105	(7)				98	26
27		(45) Power-plant machinery	29	(4)				25	27
28		All other road accounts							28
29		Amortization (Adjustments)	(1,097)	69				(1,028)	29
30		TOTAL ROAD	50,413	8,656		979		58,090	30
EQUIPMENT									
31	*	(52) Locomotives	9,478	795		2,213		8,060	31
32	*	(53) Freight-train cars	18,385	14,596		838		32,143	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment							34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	288					288	36
37	*	(58) Miscellaneous equipment	1					1	37
38		(59) Computer systems and word processing equipment							38
39	*	Amortization Adjustments	(1,514)	757				(757)	39
40		TOTAL EQUIPMENT	26,638	16,148		3,051		39,735	40
41		GRAND TOTAL	77,051	*24,804		4,030		97,825	41

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

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* Includes \$15,946 in depreciation expense charges for under utilized property.
See page 31A for details.

Road Initials:

Year 19 86

THE ARKANSAS WESTERN RAILWAY COMPANY

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
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
			Accounts Receivable			
4		704	- Loan and Notes			4
5		705	- Interline and Other Balances	34	6	5
6		706	- Customers	42	1	6
7		707	- Other	2		7
8		709, 708	- Accrued Accounts Receivables	225	325	8
9		708.5	- Receivables from Affiliated Companies			9
10		709.5	- Less: Allowance for Uncollectible Accounts			10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits			11
12		712	Materials and Supplies			12
13		713	Other Current Assets			13
14			TOTAL CURRENT ASSETS	303	332	14
Other Assets						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)			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)			19
20		739, 741	Other Assets			20
21		743	Other Deferred Debits			21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS			23
Road and Equipment						
24		731, 732	Road (Schedules 330 and 330A)	6,675	6,636	24
25			Equipment			25
26			Unallocated Items			26
27			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(5,293)	(1,102)	27
28			Net Road and Equipment	1,382	5,534	28
29			TOTAL ASSETS	1,685	5,866	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			31
32	753		Audited Accounts and Wages	3,440	3,707	32
33	754		Other Accounts Payable	23	23	33
34	755, 756		Interest and Dividends Payable			34
35	757		Payables to Affiliated Companies			35
36	759		Accrued Accounts Payable	38	(2)	36
37	760, 761, 761.5, 762		Taxes Accrued	17	(41)	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	3,518	3,687	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	1,156	49
50	771, 772, 774, 775, 782, 784		Other Long-Term Liabilities and Deferred Credits	9	10	50
51			TOTAL NONCURRENT LIABILITIES	2,230	2,231	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)	(8,975)	(4,964)	58
59	798.1		Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60	798.5		Less Treasury Stock			60
61			Net Stockholders Equity	(4,063)	(52)	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,685	5,866	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 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 47 plus 48 plus 49, column (b)
Line 50, column (b)

Schedule 210

= Line 62, column (b)
= Line 63, column (b)
= Line 64, column (b)

Schedule 410

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

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)
Line 49, column (b)

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	518	539	518		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	1		1		4
5		(105) Water Transfers					5
6		(106) Demurrage					6
7		(110) Incidental	5		5		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)	524	539	524		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)	524	539	524		13
14	*	(531) Railway operating expenses	*4,540	499	4,540		14
15	*	Net revenue from railway operations	(4,016)	40	(4,016)		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations					16
17		(510) Miscellaneous rent income	5	5			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) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income		7			24
		Income from affiliated companies (519)					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)					26
27		TOTAL OTHER INCOME (lines 16-26)	5	12			27
28		TOTAL INCOME (lines 15, 27)	(4,011)	52			27
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations					29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income Transferred under contracts and agreements					33
34		(551) Miscellaneous income charges					34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)					36
37		Income available for fixed charges (lines 28, 36)	(4,011)	52			37

*Includes \$3,988 in depreciation expense charges for under utilized road property. See pages 47A for details.

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:			
38		(a) Fixed interest not in default			38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt			40
41		(548) Amortization of discount on funded debt			41
42		TOTAL FIXED CHARGES (lines 33-41)			42
43		Income after fixed charges (lines 37, 42)	(4,011)	52	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	(4,011)	52	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes		(12)	47
48	*	(b) State income taxes			48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes		12	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)		--	51
52	*	Income from continuing operations (lines 46-51)	(4,011)	52	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	** (4,011)	52	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	(4,011)	52	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations			62
63	*	(556) Income taxes on ordinary income (-)			63
64	*	(557) Provision for deferred income taxes (-)			64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)			67

** Net income was reduced \$3,988 due to the additional expense charges for under utilized property.

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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 61, 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	\$ (4,964)	\$	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	4,011		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	4,011		13
14		Net increase (decrease) during year (Line 6 minus line 13)	(4,011)		14
15	*	Balances at close of year (Lines 1, 2 and 14)	(8,975)		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	(8,975)	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	109			2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	215			5
6		(7) Elevated structures				6
7		(8) Ties	1,978			7
8		(9) Rail and other track material	3,404			8
9		(11) Ballast	900			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	6,623			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		(59) Computer systems and word processing equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT				39
40		(76) Interest during construction	13			40
41		(80) Other elements of investment				41
42		(90) Construction in progress				42
43		GRAND TOTAL	6,636			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					4	1
2					109	2
3						3
4						4
5					215	5
6						6
7					1,978	7
8					3,404	8
9		7	3	4	904	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		7	3	4	6,627	30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40					13	40
41						41
42		35		35	35	42
43		42	3	39	6,675	43

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 Lessor property, when the rent therefor is 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)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	109	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	1,976	1,978	3.74				6
7	(9) Rail and other track material	3,404	3,404	1.19				7
8	(11) Ballast	900	904	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	1	1	2.80				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	6,619	6,623	3.11				30
	EQUIPMENT							
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	(59) Computer systems and word processing equipment							38
39	TOTAL EQUIPMENT							39
40	GRAND TOTAL	6,619	6,623	NA			NA	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 351 for the accumulated depreciation to road and equipment owned and leased to others.)

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	39	52				91	1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	66	114				180	4
5		(7) Elevated structures							5
6		(8) Ties	541	1,100				1,641	6
7		(9) Rail and other track material	141	2,460				2,601	7
8		(11) Ballast	303	468		3		768	8
9		(13) Fences, snow sheds, and signs	8	(1)				7	9
10		(16) Station and office buildings	1	1				2	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							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	1,102.	4,194.		3.		5,293.	30
EQUIPMENT									
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		(59) Computer systems and word processing equipment							38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL	1,102.	*4,194.		3.		5,293.	41

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

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*Includes \$3,988 in depreciation expense charges for under utilized road property. See Page 31A for details.

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)	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
			Accounts Receivable			
4		704	- Loan and Notes			4
5		705	- Interline and Other Balances			5
6		706	- Customers			6
7		707	- Other			7
8		709, 708	- Accrued Accounts Receivables		172	8
9		708.5	- Receivables from Affiliated Companies			9
10		709.5	- Less: Allowance for Uncollectible Accounts			10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits			11
12		712	Materials and Supplies			12
13		713	Other Current Assets			13
14			TOTAL CURRENT ASSETS		172	14
Other Assets						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)			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	1	19
20		739, 741	Other Assets			20
21		743	Other Deferred Debits			21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	1	1	23
Road and Equipment						
24		731, 732	Road (Schedules 330 and 330A)	2,374	1,684	24
25			Equipment			25
26			Unallocated Items		680	26
27			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(2,102)	(811)	27
28			Net Road and Equipment	272	1,553	28
29	*		TOTAL ASSETS	273	1,726	29

NOTES AND REMARKS

RC-134500

KANSAS CITY SOUTHERN

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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 begin- ning 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	984	1,101	32
33		754	Other Accounts Payable			33
34		755, 756	Interest and Dividends Payable			34
35		757	Payables to Affiliated Companies			35
36		759	Accrued Accounts Payable		(3)	36
37		760, 761, 761.5, 762	Taxes Accrued		(5)	37
38		763	Other Current Liabilities	(1)		38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year			39
40			TOTAL CURRENT LIABILITIES	983	1,093	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	27	27	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	343	343	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits			50
51			TOTAL NONCURRENT LIABILITIES	370	370	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230) (L 53&54)			52
53			Common Stock	12	12	53
54			Preferred Stock			54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	286	286	56
57		797	Retained Earnings:			57
58		798	Appropriated			58
59		798.1	Unappropriated (Schedule 220)	(1,378)	(35)	59
60		798.5	Net Unrealized Loss on Noncurrent Marketable Equity Securities			60
61			Less Treasury Stock			61
61			Net Stockholders Equity	(1,080)	263	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	273	1,726	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 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 47 plus 48 plus 49, column (b)
Line 50, column (b)

Schedule 210

= Line 62, column (b)
= Line 63, column (b)
= Line 64, column (b)

Schedule 410

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)
Line 49, column (b)

= Line 620, column (h)
= Line 670, 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	*1,347	89	1,347		14
15	*	Net revenue from railway operations	(1,347)	(89)	(1,347)		15
		OTHER INCOME					
16		(506) Revenues 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) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	4	(132)			24
		Income from affiliated companies (519)					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)					26
27		TOTAL OTHER INCOME (lines 16-26)	4	(131)			27
28		TOTAL INCOME (lines 15, 27)	(1,343)	(220)			27
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations					29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income Transferred under contracts and agreements					33
34		(551) Miscellaneous income charges					34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)					36
37		Income available for fixed charges (lines 28, 36)	(1,343)	(220)			37

*Includes \$1,264 in depreciation expense charges for under utilized Railroad Annual Report R-1 road property. See page 47A for details.

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:			
38		(a) Fixed interest not in default			38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt			40
41		(548) Amortization of discount on funded debt			41
42		TOTAL FIXED CHARGES (lines 38-41)			42
43		Income after fixed charges (lines 37, 42)	(1,343)	(220)	43
		OTHER DEDUCTIONS			
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
		UNUSUAL OR INFREQUENT ITEMS			
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	(1,343)	(220)	46
		PROVISIONS FOR INCOME TAXES			
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes		(75)	47
48	*	(b) State income taxes			48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes		75	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)		--	51
52	*	Income from continuing operations (lines 46-51)	(1,343)	(220)	52
		DISCONTINUED OPERATIONS			
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54) **	(1,343)	(220)	55
		EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES			
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	(1,343)	(220)	61
		Reconciliation of net railway operating income (NROI)			
62	*	Net revenues from railway operations			62
63	*	(556) Income taxes on ordinary income (-)			63
64	*	(557) Provision for deferred income taxes (-)			64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)			67

**Net income was reduced \$1,264 due to the additional depreciation expense charges for under utilized property.

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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 61, 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	\$ (35)	\$	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	1,343		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	1,343		13
14		Net increase (decrease) during year (Line 6 minus line 13)	(1,343)		14
15	*	Balances at close of year (Lines 1, 2 and 14)	(1,378)		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	(1,378)	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

¹ If 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		(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		(59) Computer systems and word processing equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT				39
40		(76) Interest during construction	5			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	681			42
43		GRAND TOTAL	2,364			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					14	1
2		459		459	524	2
3					1	3
4						4
5		254		254	312	5
6						6
7		8	30	(22)	928	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		721	30	691	2,369	30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40					5	40
41						41
42		(681)		(681)		42
43		40	30	10	2,374	43

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) applicable to Lessor property, when the rent therefor is 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)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	36	494	1.00				
2	(4) Other, right-of-way expenditures	1	1	2.70				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	50	303	4.24				4
5	(7) Elevated structures							5
6	(8) Ties	849	827	3.83				6
7	(9) Rail and other track material	262	262	1.35				7
8	(11) Ballast	207	207	5.42				8
9	(13) Fences, snow sheds, and signs	3	3	5.00				9
10	(16) Station and office buildings		1					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	4	4	1.60				25
26	(41) 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	1,412	2,102	2.67				30
	EQUIPMENT							
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	(59) Computer systems and word processing equipment							38
39	TOTAL EQUIPMENT							39
40	GRAND TOTAL	1,412	2,102	NA			NA	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 351 for the accumulated depreciation to road and equipment owned and leased to others.)

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	9	485				494	1
2		(4) Other, right-of-way expenditures	1					1	2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	51	252				303	4
5		(7) Elevated structures							5
6		(8) Ties	464	393		30		827	6
7		(9) Rail and other track material	92	170				262	7
8		(11) Ballast	181	26				207	8
9		(13) Fences, snow sheds, and signs	8	(5)				3	9
10		(16) Station and office buildings	1					1	10
11		(17) Roadway buildings	2	(2)					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		(7) Roadway machines							24
25		(32) Public improvements—Construction	2	2				4	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	811	1,321		30		2,102	30
		EQUIPMENT							
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		(59) Computer systems and word processing equipment							38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL	811	*1,321		30		2,102	41

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

Railroad Annual Report R-1

Includes \$1,264 in depreciation expense charges for under utilized road property.
See page 31A for details.

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	107	71	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
4		704	Accounts Receivable - Loan and Notes			4
5		705	- Interline and Other Balances			5
6		706	- Customers			6
7		707	- Other	167	390	7
8		709, 708	- Accrued Accounts Receivables			8
9		708.5	- Receivables from Affiliated Companies			9
10		709.5	- Less: Allowance for Uncollectible Accounts			10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits			11
12		712	Materials and Supplies			12
13		713	Other Current Assets	17	5	13
14			TOTAL CURRENT ASSETS	291.	466.	14
Other Assets						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	1,624	3,928	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) \$ 3,853	1,086	1,613	19
20		739, 741	Other Assets	1	1	20
21		743	Other Deferred Debits			21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	2,711.	5,542.	23
Road and Equipment						
24		731, 732	Road (Schedules 330 and 330A)	13,651	13,865	24
25			Equipment	66,143	60,521	25
26			Unallocated Items			26
27			Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(61,492)	(56,771)	27
28			Net Road and Equipment	18,302.	17,615.	28
29	*		TOTAL ASSETS	21,304.	23,623.	29

NOTES AND REMARKS

100. 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 begin- ning 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	1,038	389	32
33		754	Other Accounts Payable			33
34		755, 756	Interest and Dividends Payable	144	205	34
35		757	Payables to Affiliated Companies			35
36		759	Accrued Accounts Payable	90	66	36
37		760, 761, 761.5, 762	Taxes Accrued	1,181	540	37
38		763	Other Current Liabilities			38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	8,000	8,174	39
40			TOTAL CURRENT LIABILITIES	10,453	9,374	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	5,513	9,584	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	88	125	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits			50
51			TOTAL NONCURRENT LIABILITIES	5,601	9,709	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)	5,240	4,530	58
59		798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60		798.5	Less Treasury Stock			60
61			Net Stockholders Equity	5,250	4,540	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	21,304	23,623	62

NOTES AND REMARKS

Revised Line 39 column b
Line 40 column b
Line 41 column b
Line 51 column b

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	1,038	389	32
33		754	Other Accounts Payable			33
34		755, 756	Interest and Dividends Payable	144	205	34
35		757	Payables to Affiliated Companies			35
36		759	Accrued Accounts Payable	90	66	36
37		760, 761, 761.5, 762	Taxes Accrued	1,181	540	37
38		763	Other Current Liabilities			38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	2,000	8,174	39
40			TOTAL CURRENT LIABILITIES	4,453	9,374	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	11,513	9,584	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	88	125	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits			50
51			TOTAL NONCURRENT LIABILITIES	11,601	9,709	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)	5,240	4,530	58
59		798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60		798.5	Less Treasury Stock			60
61			Net Stockholders Equity	5,250	4,540	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	21,304	23,623	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 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 47 plus 48 plus 49, column (b)
Line 50, column (b)

Schedule 210

= Line 62, column (b)
= Line 63, column (b)
= Line 64, column (b)

Schedule 410

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)
Line 49, column (b)

= 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)					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	(2,826)	(2,944)	(2,826)		14
15	*	Net revenue from railway operations	(2,826)	(2,944)	(2,826)		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	849	2,008			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) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	182	208			24
		Income from affiliated companies (519)					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)					26
27		TOTAL OTHER INCOME (lines 16-26)	1,031	2,216			27
28		TOTAL INCOME (lines 15, 27)	3,857	5,160			27
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	791	1,659			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income Transferred under contracts and agreements					33
34		(551) Miscellaneous income charges					34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	791	1,659			36
37		Income available for fixed charges (lines 28, 36)	3,066	3,501			37

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:			
38		(a) Fixed interest not in default	1,671	1,976	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt			40
41		(548) Amortization of discount on funded debt			41
42		TOTAL FIXED CHARGES (lines 38-41)	1,671	1,976	42
43		Income after fixed charges (lines 37, 42)	1,395	1,525	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	1,395	1,525	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	642	240	47
48	*	(b) State income taxes	80	186	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	(37)	16	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	685	442	51
52	*	Income from continuing operations (lines 46-51)	710	1,083	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	710	1,083	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	710	1,083	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations			62
63	*	(556) Income taxes on ordinary income (-)			63
64	*	(557) Provision for deferred income taxes (-)			64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)			67

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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 61, 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)	(b)	(c)	
1		Balances at beginning of year	\$ 4,530	\$	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income	710		3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	710		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)	710		14
15	*	Balances at close of year (Lines 1, 2 and 14)	5,240		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	5,240	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.

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						1
2				Advances		2
3						3
4	721	E-3	X	Southern Leasing Co.		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						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								3
4	3,928		2,304	1,624				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								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 (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	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	838			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	11,086			25
26		(39) Public improvements - Construction				26
27		(44) Shop machinery	195			27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	13,844			30
31		(52) Locomotives	32,355			31
32		(53) Freight-train cars	4,856			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	8,492			36
37		(58) Miscellaneous equipment	14,818			37
38		(59) Computer systems and word processing equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT	60,521			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress				42
43		GRAND TOTAL	74,365			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						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11			20	(20)	923	11
12						12
13						13
14						14
15					19	15
16						16
17						17
18						18
19					763	19
20			106	(106)	732	20
21						21
22						22
23						23
24						24
25		1,467	1,657	(190)	10,896	25
26						26
27		171	48	123	318	27
28						28
29						29
30		1,638	1,831	(193)	13,651	30
31		3,932	778	3,154	35,509	31
32		372	413	(41)	4,815	32
33						33
34						34
35						35
36		3,373	339	3,034	11,526	36
37		1,464	1,989	(525)	14,293	37
38						38
39		9,141	3,519	5,622	66,143	39
40						40
41						41
42						42
43		10,779	5,350	5,429	79,794	43

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	21			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	21			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		(59) Computer systems and word processing equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT				39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress				42
43		GRAND TOTAL	21			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 change 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)		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			21	(21)		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			21	(21)		43

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 change 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 Lessor property, when the rent therefor is 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)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading							
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	923	.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	839	733	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	11,085	10,895	9.34				24
25	(39) Public improvements—Construction							25
26	(44) Shop machinery	195	318	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	13,844	13,651	10.36				30
	EQUIPMENT							
31	(52) Locomotives	32,356	35,509	12.25				31
32	(53) Freight-train cars	4,856	4,815	3.13				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment	8,492	11,527	12.07				36
37	(58) Miscellaneous equipment	14,817	14,292	17.06				37
38	(59) Computer systems and word processing equipment							38
39	TOTAL EQUIPMENT	60,521	66,143	12.59				39
40	GRAND TOTAL	74,365	79,794	NA			NA	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 351 for the accumulated depreciation to road and equipment owned and leased to others.)

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 (e) 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			20		826	10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses	19					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	479	3				482	18
19		(26) Communication systems	705	22		105		622	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	6,851	1,314		1,640		6,525	24
25		(39) Public improvements—Construction							25
26		(44) Shop machinery*	35	75		48		62	26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD	8,935	1,414		1,813		8,536	30
		EQUIPMENT							
31	*	(52) Locomotives	26,898	4,348		312		30,934	31
32	*	(53) Freight-train cars	4,774	151		669		4,256	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment							34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	5,931	1,390		332		6,989	36
37	*	(58) Miscellaneous equipment	10,227	2,439		1,889		10,777	37
38		(59) Computer systems and word processing equipment							38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT	47,830	8,328		3,202		52,956	40
41		GRAND TOTAL	56,765	9,742		5,015		61,492	41

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

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NAME OF CARRIER The Kansas City Southern Lines - Consolidated

SUPPLEMENTAL 1986 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, 1987.

Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/86 (Dollars in Thousands) (c)
1.	<u>Schedule 335, Accumulated Depreciation-Road and Equipment Owned and Used</u> Total road	Line 28, col. g	\$ <u>43,758</u>
2.	<u>Schedule 342, Accumulated Depreciation-Improvements to Road and Equipment Leased from Others</u> Total road	Line 27, col. g	<u>17</u>
3.	<u>Schedule 351, Accumulated Depreciation-Road and Equipment Leased to Others</u> Total road	Line 27, col. g	<u>--</u>
4.	<u>Schedule 352B, Investment in Railway Property Used in Transportation Service (By Property Accounts)</u> Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing	Cols. b thru e, sum of lines 8 thru 12	<u>80,329</u>
5.	Total expenditures for road	Line 34, total of cols. b thru e	<u>224,751</u>
6.	Total general expenditures	Line 45, total of cols. b thru e	<u>2,568</u>

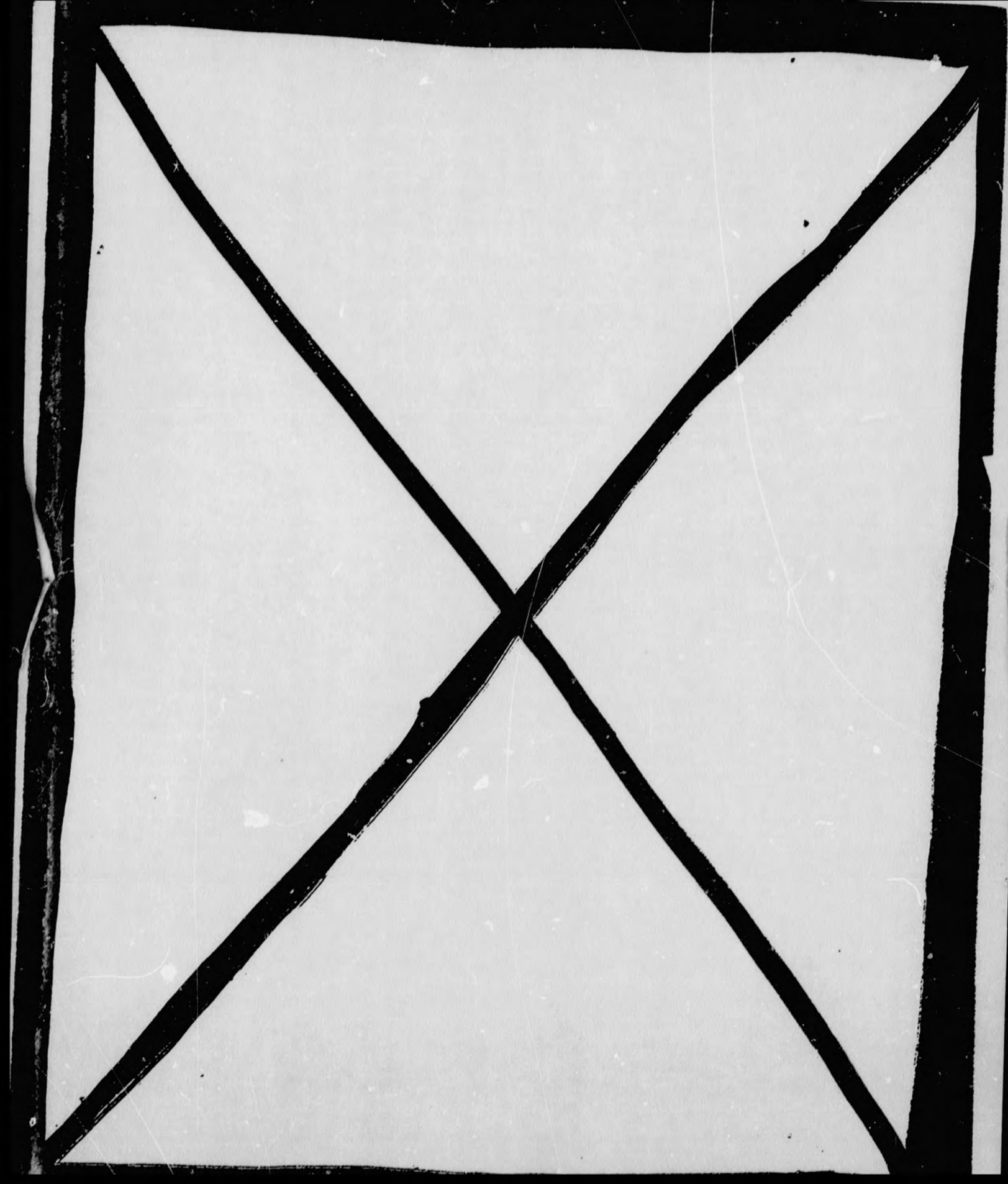
Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/86 (Dollars in Thousands) (c)
	<u>Schedule 410, Railway Operating Expenses</u>		
7.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Running (Freight)	Col. f, sum of lines 12, 14, 16, 18, 20	<u>24,079</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>3,643</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>2,365</u>
12.	Passenger	Line 136, col. g	<u>--</u>
	Depreciation - Switching		
13.	Freight	Line 137, col. f	<u>322</u>
14.	Passenger	Line 137, col. g	<u>--</u>
	Depreciation - Other		
15.	Freight	Line 138, col. f	<u>4,797</u>
16.	Passenger	Line 138, col. g	<u>--</u>
	Other - Running		
17.	Freight	Line 148, col. f	<u>6,419</u>
18.	Passenger	Line 148, col. g	<u>--</u>
	Other - Switching		
19.	Freight	Line 149, col. f	<u>1,612</u>
20.	Passenger	Line 149, col. g	<u>--</u>

Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/86 (Dollars in Thousands) (c)
	Other - Other		
21.	Freight	Line 150, col. f	<u>833</u>
22.	Passenger	Line 150, col. g	<u>--</u>
	Total Way and Structures		
23.	Freight	Line 151, col. f	<u>74,411</u>
24.	Passenger	Line 151, col. g	<u>--</u>
	<u>Schedule 412, Way and Structures</u>		
25.	Total - Retirement	Line 35, col. c	<u>7,183</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>72</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>72</u>

Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/86 (Dollars in Thousands) (c)
35. OTHER ACCOUNTS (SEE INSTRUCTIONS)		
Schedule 410		\$
Roadway Machines	109	3,197
Small Tools & Supplies	110	1,290
Fringe Benefits - Running	112	3,064
Fringe Benefits - Switching	113	522
Lease Rentals - Debit - Other	120	5,221
Schedule 210		
Equity in Undistributed Earnings	26	12
Provision for Deferred Taxes	52	(23,389)
Schedule 352B		
Construction Work in Progress	48	16,417

KANSAS CITY SOUTHERN LINES CONSOLIDATED
CHARGES FOR UNDER UTILIZED PROPERTY & ACCRUALS FOR FORCE REDUCTIONS
RRB RESTATEMENT
(000's)

	1982 R-1 Location	
<u>Sch. 410</u>		
Depreciation - Running - Freight	Line 136, Col. f	942
Depreciation - Switching - Freight	Line 137, Col. f	492
Depreciation - Other - Freight	Line 138, Col. f	2,126
Other - Running Freight	Line 148, Col. f	5,411
Other - Switching - Freight	Line 149, Col. f	1,261
Depreciation - Freight Cars	Line 232, Col. f	38,332
Other - Salaries & Wages	Line 618, Col. f	2,000
Total Asset Restructuring Charges in Schedule 410		50,564
Charge for Additional Depreciation Charges for Under Utilized Property on Kansas & Missouri Railway & Terminal Co. included in Equity in Undistributed Earnings (Sch 210, Line 26).		161
Total Charge		50,725
<u>Sch. 210</u>		
Deferred Income Tax Effect	Line 52	(23,259)
Effect on Net Income	Line 63	27,466



100. 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	1,038	389	32
33		754	Other Accounts Payable			33
34		755, 756	Interest and Dividends Payable	144	205	34
35		757	Payables to Affiliated Companies			35
36		759	Accrued Accounts Payable	90	66	36
37		760, 761, 761.5, 762	Taxes Accrued	1,181	540	37
38		763	Other Current Liabilities			38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	8,000	8,174	39
40			TOTAL CURRENT LIABILITIES	10,453	9,374	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	5,513	9,584	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	88	125	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits			50
51			TOTAL NONCURRENT LIABILITIES	5,601	9,709	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
Retained Earnings:						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	5,240	4,530	58
59		798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60		798.5	Less Treasury Stock			60
61			Net Stockholders Equity	5,250	4,540	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	21,304	23,623	62

NOTES AND REMARKS

Revised Line 39 column b
Line 40 column b
Line 41 column b
Line 51 column b