

425102

ANNUAL REPORT 1977 CLASS 1

1 of 2

NORFOLK SOUTHERN RY CO,

425102

ORIGINAL

R-4

RAILROAD LESSOR

APPROVED BY GAO  
B-180230 (R0255)  
EXPIRES 12-31-78

# annual report

INTERSTATE  
COMMERCE COMMISSION  
RECEIVED

MAR 30 1978

ADMINISTRATIVE SERVICES  
MAIL UNIT

<p>NORFOLK SOUTHERN RY CO-LESSORS 920 15TH ST NW WASHINGTON DC 20005</p>	<p>425102 RC168010 CAROLINNORT 2 0 2-726801 <del>CAROLINA &amp; NORTHWESTERN RY CO</del> - LESSOR 920 15TH ST NW WASHINGTON DC 20005</p>
<p>Correct name and address if different than shown.</p>	<p>Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)</p>



FOR THE YEAR ENDED DECEMBER 31, 1977



# NOTICE

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

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

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

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

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

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

Each respondent is further required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders. See schedule 108, page 1.

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

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

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

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

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

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

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

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

Class I companies are those having annual operating revenues of \$10,000,000 or more. (For this class, Annual Report Form R-1 is provided.)

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

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

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

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

FOR THE INDEX SEE THE INSIDE OF BACK COVER

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

# ANNUAL REPORT

OF

LESSORS OF NORFOLK SOUTHERN RAILWAY COMPANY

(FULL NAME OF THE RESPONDENT)

TO THE

## INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1977

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

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

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

(Office address) 920 15th Street, N.W., Washington, D.C. 20005  
(Street and number, City, State, and ZIP code)



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## SPECIAL NOTICE

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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.

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Pages 8 thru 13: Schedule 200. General Balance Sheet

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



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## INSTRUCTIONS REGARDING THE USE OF THIS REPORT FORM

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

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

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

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

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

Names of lessor companies included in this report

Blue Ridge Railway Company ✓

Danville and Western Railway Company ✓

Durham &amp; South Carolina Railroad Company

High Point, Randleman, Asheboro and  
Southern Railroad Company ✓

Yadkin Railroad Company ✓

Name of lessor companies that file separate reports

## 108. STOCKHOLDERS REPORTS

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

Check appropriate box:

☐ Two copies are attached to this report.

☐ Two copies will be submitted \_\_\_\_\_ (date)

☒ No annual report to stockholders is prepared.

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



# 101. IDENTITY OF LESSOR COMPANIES INCLUDED IN THIS REPORT

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

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

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

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

If a consolidation or merger was effected during the year, particulars should be given in Schedule 591, "Changes during the year."

Line No.	Exact name of lessor company (a)	INCORPORATION		CORPORATE CONTROL OVER RESPONDENT			
		Date of incorporation (b)	Name of State or Territory in which company was incorporated (c)	Name of controlling corporation (d)	Extent of control (percent) (e)	Total number of stockholders (f)	Total voting power of all security holders at close of year (g)
1	Blue Ridge Railway Company	9/28/1901	South Carolina	Southern Railway Company	100.00	6	1,000
2							
3	Danville and Western Ry. Co.	1/12/1891	Virginia	Southern Railway Company	100.00	1	3,686
4							
5	Durham & South Carolina Railroad Company	1/20/1905	North Carolina	Norfolk Southern Railway Co.	100.00	1	2,500
6							
7	HighPoint, Randleman, Asheboro and Southern Railroad Co.	2/21/1888	North Carolina	Southern Railway Company	85.73	131	4,962
8							
9							
10							
11	Yadkin Railroad Company	4/5/1877	North Carolina	Southern Railway Company	74.40	6	12,500
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# 109. STOCKHOLDERS AND VOTING POWERS

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

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

give, as supplemental information on page 12 the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings.

Line No.	Name of lessor company (a)	Name of stockholder (b)	Voting power (c)	Name of stockholder (d)	Voting power (e)	Name of stockholder (f)	Voting power (g)	Name of stockholder (h)	Voting power (i)	Name of stockholder (j)	Voting power (k)
1	Blue Ridge Railway Company	Southern Railway Co.	995	L. Stanley Crane	1	Milton M. Davenport	1	Mahlon D. Edwards	1	Karl A. Stoecker	1
2											
3											
4	Danville and Western Railway Company	Southern Railway Co.	3,686								
5											
6											
7											
8	Durham and South Carolina Railroad Company	Norfolk Southern Railway Co.	2,500								
9											
10											
11											
12											
13	High Point, Randleman, Asheboro and Southern Railroad Company	*	4,250	Town of High Point	200	Randleman Mfg. Co.	99	Naomi Falls Mfg. Co.	93	J.E. Williamson Treasurer, Worth Mfg. Co.	25
14											
15											
16											
17	Yadkin Railroad Company	*	9,289	Commissioners for Stanley County	2,000	Commissioners of Rowan County for Salisbury Township	1,000	Commissioners of Rowan County for Gold Hill Township	140	Commissioners of Rowan County for Morgan Township	60
18											
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\*Held by Manufacturers Hanover Trust Company as Trustee under First Consolidated Mortgage Deed of Southern Railway Company dated October 2, 1894.

## INITIALS OF RESPONDENT COMPANIES

2. Give particulars called for regarding each lessor company included in this report, entering the initials of the lessor companies in the column headings.	Blue Ridge Ry. Co.	D. & W. Ry. Co.	Durham & S.C. RR Co.	HPRA & S RR Co.	Yadkin RR Co.
State total number of votes cast at latest general meeting for election of directors of respondent	995	3,686	2,500	4,254	9,300
Give the date of such meeting	Apr. 6, 1977	Apr. 6, 1977	Jul. 11, 1977	May 26, 1977	May 26, 1977
Give the place of such meeting	Greenv. S.C.	Wash. D.C.	Wash. D.C.	Wash. D.C.	Wash. D.C.



## 112. DIRECTORS

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

Line No.	Item	Blue Ridge Railway Company	Danville & Western Railway Company	Durham & South Carolina Railroad Company
1	Name of director	L. Stanley Crane	L. Stanley Crane	L. Stanley Crane
2	Office address	Washington, D. C.	Washington, D.C.	Washington, D. C.
3	Date of beginning of term	April 6, 1977	April 6, 1977	July 11, 1977
4	Date of expiration of term	*	*	*
5	Name of director	Milton M. Davenport	Milton M. Davenport	Harold H. Hall
6	Office address	Washington, D.C.	Washington, D. C.	Washington, D. C.
7	Date of beginning of term	April 6, 1977	April 6, 1977	July 11, 1977
8	Date of expiration of term	*	*	*
9	Name of director	Mahlon D. Edwards	Mahlon D. Edwards	Robert S. Hamilton
10	Office address	Washington, D. C.	Washington, D. C.	Washington, D. C.
11	Date of beginning of term	April 6, 1977	April 6, 1977	July 11, 1977
12	Date of expiration of term	*	*	*
13	Name of director	Karl A. Stoecker	Karl A. Stoecker	Arnold B. McKinnon
14	Office address	Washington, D. C.	Washington, D. C.	Washington, D. C.
15	Date of beginning of term	April 6, 1977	April 6, 1977	July 11, 1977
16	Date of expiration of term	*	*	*
17	Name of director	Robert W. Van Ness	Robert W. Van Ness	George S. Paul
18	Office address	Washington, D.C.	Washington, D. C.	Washington, D. C.
19	Date of beginning of term	April 6, 1977	April 6, 1977	July 11, 1977
20	Date of expiration of term	*	*	*
21	Name of director			
22	Office address			
23	Date of beginning of term			
24	Date of expiration of term			
25	Name of director			
26	Office address			
27	Date of beginning of term			
28	Date of expiration of term			
29	Name of director			
30	Office address			
31	Date of beginning of term			
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49	Name of director			
50	Office address			
51	Date of beginning of term			
52	Date of expiration of term			
53	Name of director			
54	Office address			
55	Date of beginning of term			
56	Date of expiration of term			

## 112. DIRECTORS—Concluded

Enter the names of the lessor companies in the column headings.

		Line No.
High Point, Randleman Asheboro and Southern R.R. Co.	Yadkin Railroad Company	
L. Stanley Crane	L. Stanley Crane	1
Washington, D. C.	Washington, D. C.	2
May 26, 1977	May 26, 1977	3
*	*	4
Joseph A. Baily	Robert D. Allen	5
Washington, D.C.	Washington, D.C.	6
May 26, 1977	May 26, 1977	7
*	*	8
Milton M. Davenport	Milton M. Davenport	9
Washington, D.C.	Washington, D.C.	10
May 26, 1977	May 26, 1977	11
*	*	12
Mahlon D. Edwards	Mahlon D. Edwards	13
Washington, D.C.	Washington, D.C.	14
May 26, 1977	May 26, 1977	15
*	*	16
John R. Kibler	B.P. Fulk, Jr.	17
Washington, D.C.	Washington, D.C.	18
May 26, 1977	May 26, 1977	19
*	*	20
Karl A. Stoecker	Robert C. Guthy	21
Washington, D.C.	Washington, D.C.	22
May 26, 1977	May 26, 1977	23
*	*	24
Robert W. Van Ness	John R. Kibler	25
Washington, D.C.	Washington, D.C.	26
May 26, 1977	May 26, 1977	27
*	*	28
	Karl A. Stoecker	29
	Washington, D.C.	30
	May 26, 1977	31
	*	32
	Robert W. Van Ness	33
	Washington, D.C.	34
	May 26, 1977	35
	* Directors are elected at annual meeting for ensuing year or until their successors shall have been elected and qualified.	
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## 113. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE

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

Line No.	Item	Blue Ridge Railway Company	
		Danville and Western Railway Company	
1	Name of general officer	High Point, Randleman, Asheboro and Southern Railroad Company	
	Title of general officer	Yadkin Railroad Company	
3	Office address		
4	Name of general officer	L. Stanley Crane	
5	Title of general officer	President	
6	Office address	Washington, D.C.	
7	Name of general officer	Robert S. Hamilton	
8	Title of general officer	Vice President	
9	Office address	Washington, D.C.	
10	Name of general officer	George S. Paul	
11	Title of general officer	Vice President	
12	Office address	Washington, D.C.	
13	Name of general officer	Harold H. Hall	
14	Title of general officer	Vice President	
15	Office address	Washington, D.C.	
16	Name of general officer	Arnold B. McKinnon	
17	Title of general officer	Vice President	
18	Office address	Washington, D.C.	
19	Name of general officer	Harvey H. Bradley	
20	Title of general officer	Vice President	
21	Office address	Washington, D.C.	
22	Name of general officer	Edward T. Breathitt, Jr.	
23	Title of general officer	Vice President	
24	Office address	Washington, D.C.	
25	Name of general officer	Earl L. Dearhart	
26	Title of general officer	Vice President	
27	Office address	Washington, D.C.	
28	Name of general officer	John L. Jones	
29	Title of general officer	Vice President	
30	Office address	Atlanta, Ga.	
31	Name of general officer	Edward G. Kreyling, Jr.	
32	Title of general officer	Vice President	
33	Office address	Washington, D.C.	
34	Name of general officer	Donald R. McArdle	
35	Title of general officer	V.P. & Comptroller	
36	Office address	Washington, D.C.	
37	Name of general officer	William D. McLean	
38	Title of general officer	Vice President	
39	Office address	Washington, D.C.	
40	Name of general officer	Walter W. Simpson	
41	Title of general officer	Vice President	
42	Office address	Washington, D.C.	
43	Name of general officer	Karl A. Stoecker	
44	Title of general officer	Vice President	
45	Office address	Washington, D. C.	
46	Name of general officer	James L. Tapley	
47	Title of general officer	Vice President	
48	Office address	Washington, D.C.	
49	Name of general officer	D. Henry Watts	
50	Title of general officer	Vice President	
51	Office address	Washington, D. C.	
52	Name of general officer	Milton M. Davenport	
53	Title of general officer	Secretary	
54	Office address	Washington, D. C.	
55	Name of general officer	G. M. Williams	
56	Title of general officer	Treasurer	
57	Office address	Washington, D. C.	

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

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

				Line No.
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## 200. GENERAL BALANCE SHEET—ASSET SIDE

Show hereunder the asset side of the balance sheet at close of year of | lessor companies in the column headings. For instructions covering this each lessor company included in this report, entering the names of

Line No.	Account (a)	Blue Ridge Ry. (b) Co.	D&W Ry. Co. (c)	Durham RR (d) Co.	HPRAC RR (e) Co.
	<b>CURRENT ASSETS</b>				
1	(701) Cash	\$ 1,035	\$ 3,643	\$ 4,497	\$ 1,037
2	(702) Temporary cash investments	180,000	1,880,000	30,000	400,000
3	(703) Special deposits				
4	(704) Loans and notes receivable				
5	(705) Traffic, car-service and other balances—Debit				
6	(706) Net balance receivable from agents and conductors				
7	(707) Miscellaneous accounts receivable				
8	(708) Interest and dividends receivable	1,510	98,264	165	4,548
9	(709) Accrued accounts receivable	89,579	281,369		66,100
10	(710) Working fund advances				
11	(711) Prepayments				
12	(712) Material and supplies				
13	(713) Other current assets				
14	(714) Deferred income tax charges (p. 55)				
15	Total current assets	272,124	2,263,276	34,662	471,685
16	(715) Sinking funds <b>SPECIAL FUNDS</b>				
17	(716) Capital and other reserve funds		8,698		
18	(717) Insurance and other funds				
19	Total special funds		8,698		
	<b>INVESTMENTS</b>				
20	(721) Investments in affiliated companies (pp. 24 to 27)	254,099	1,621,208		268,512
21	Undistributed earnings from certain investments in account 721 (27A and 27B)				
22	(722) Other investments (pp. 28 and 29)				
23	(723) Reserve for adjustment of investment in securities—Credit				
24	(724) Allowance for net unrealized loss on noncurrent marketable equity securities—Cr.				
25	Total investments (accounts 721, 722, 723, and 724)	254,099	1,621,208		268,512
	<b>PROPERTIES</b>				
	(731) Road and equipment property (pp. 18 and 19):				
26	Road	1,504,700	1,705,760	681,782	454,035
27	Equipment	188,724	183,393		
28	General expenditures	121,713	70,166	25,964	14,361
29	Other elements of investment	(1,230,015)	163,508		272,451
30	Construction work in progress		606		
31	Total road and equipment property	585,122	2,123,433	707,746	740,847
	(732) Improvements on leased property (pp. 18 and 19):				
32	Road	44,934			
33	Equipment				
34	General expenditures				
35	Total improvements on leased property	44,934			
36	Total transportation property (accounts 731 and 732)	630,056	2,123,433	707,746	740,847
37	(733) Accrued depreciation—Improvements on leased property	(28,007)			
38	(735) Accrued depreciation—Road and Equipment	(410,685)	(614,834)		(74,676)
39	(736) Amortization of defense projects—Road and Equipment				
40	Recorded depreciation and amortization (accts 733, 735 and 736)	(438,692)	(614,834)		(74,676)
41	Total transportation property less recorded depreciation and amortization	191,364	1,508,599	707,746	666,171
42	(737) Miscellaneous physical property				
43	(738) Accrued depreciation—Miscellaneous physical property				
44	Miscellaneous physical property less recorded depreciation				
45	Total properties less recorded depreciation and amortization	191,364	1,508,599	707,746	666,171
	<b>OTHER ASSETS AND DEFERRED CHARGES</b>				
46	(741) Other assets			24,470	
47	(743) Other deferred charges			4,654	
48	(744) Accumulated deferred income tax charges (p. 55)				
49	Total other assets and deferred charges			29,124	
50	<b>TOTAL ASSETS</b>	717,587	5,401,781	771,532	1,406,368

NOTE: See page 12 for explanatory notes, which are an integral part of the General Balance Sheet.

GENERAL BALANCE SHEET—ASSET SIDE—CONTINUED ON PAGES 9A and 9B.

## 200. GENERAL BALANCE SHEET—ASSET SIDE—Continued

the Uniform System of Accounts for Railroad Companies. The entries in this schedule should be consistent with those in the supporting schedules on the pages indicated. All contra entries hereunder should be indicated in parentheses.

Yadkin RRR Co.	(g)	(h)	(i)	(j)	(k)	Line No.
\$ 3,914	\$	\$	\$	\$	\$	1
1,824,874						2
						3
						4
						5
						6
						7
						8
62,594						9
118,645						10
						11
						12
						13
						14
2,010,027						15
						16
5,025						17
						18
5,025						19
						20
2,190,383						21
						22
						23
						24
2,190,383						25
						26
503,316						27
114,827						28
23,502						29
594,642						30
1,236,287						31
						32
3,057						33
						34
						35
3,057						36
1,239,344						37
						38
(181,482)						39
						40
(181,482)						41
						42
1,057,862						43
						44
						45
1,057,862						46
						47
						48
						49
5,263,297						50



## 200. GENERAL BALANCE SHEET—ASSET SIDE (Concluded)

Line No.	Account (a)	025102	025103	025104	025105
		Blue Ridge RR (b) Co.	D&W Ry. Co. (c)	Durham & S.C. (d) RR Co.	HPRA&S RR Co. (e)
		\$	\$	\$	\$
	<b>ITEMS EXCLUDED ABOVE</b> The above returns exclude respondent's holdings of its own issues of securities as follows:				
51	(715) Sinking funds	None	None	None	None
52	(716) Capital and other reserve funds				
53	(703) Special deposits				
54	(717) Insurance and other funds				

## REMARKS

## 200. GENERAL BALANCE SHEET—ASSET SIDE (Concluded)

025106

(f)	(g)	(h)	(i)	(j)	(k)	Line No.
Yadkin RR Co.						
\$	\$	\$	\$	\$	\$	
None						51
						52
						53
						54

## REMARKS



## 200. GENERAL BALANCE SHEET—LIABILITY SIDE

Show hereunder the liability side of the balance sheet at close of year of each lessor company included in this report, entering the names of the lessor companies in the column headings. For instructions covering this schedule, see the text pertaining to General Balance Sheet Accounts, in

the Uniform Systems of Accounts for Railroad Companies. The entries in this schedule should be consistent with those in the supporting schedules on the pages indicated. All contra entries hereunder should be indicated in parenthesis.

		025102	025103	025104	025105
Line No.	Account (a)	Blue Ridge Ry. (b) Co.	D&W Ry. Co. (c)	Durham & S.C. RR Co. (d) RR Co.	HPRA&S RR (e) Co.
<b>CURRENT LIABILITIES</b>					
55	(751) Loans and notes payable	\$	\$	\$	\$
56	(752) Traffic, car-service and other balances—Credit				
57	(753) Audited accounts and wages payable				5,000
58	(754) Miscellaneous accounts payable				
59	(755) Interest matured unpaid				
60	(756) Dividends matured unpaid				
61	(757) Unmatured interest accrued				
62	(758) Unmatured dividends declared				
63	(759) Accrued accounts payable				
64	(760) Federal income taxes accrued	120,742	116,103	1,830	32,908
65	(761) Other taxes accrued		7,226		4,700
66	(762) Deferred income tax credits (p. 55)				
67	(763) Other current liabilities				
68	Total current liabilities (exclusive of long-term debt due within one year)	120,742	123,329	1,830	42,608
<b>LONG-TERM DEBT DUE WITHIN ONE YEAR</b>					
69	(764) Equipment obligations and other debt (pp. 38, 39, 40, and 41)				
<b>LONG-TERM DEBT DUE AFTER ONE YEAR</b>					
70	(765) Funded debt unmatured		991,000		383,000
71	(766) Equipment obligations (pp. 38-41)				
72	(766.5) Capitalized lease obligations				
73	(767) Receivers' and Trustees' securities (pp. 38-41)				
74	(768) Debt in default (pp. 38-41)				
75	(769) Amounts payable to affiliated companies (pp. 42 and 43)		2,105,541		2,183,500
76	(770.1) Unamortized discount on long-term debt				
77	(770.2) Unamortized premium on long-term debt				
78	Total long-term debt due after one year		3,096,541		2,566,500
<b>RESERVES</b>					
79	(771) Pension and welfare reserves				
80	(774) Casualty and other reserves				2,176
81	Total reserves				2,176
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>					
82	(781) Interest in default (p. 40)				
83	(782) Other liabilities				
84	(784) Other deferred credits	340,883	138,549		13,001
85	(785) Accrued liability—Leased property	48,000	51,360		7,680
86	(786) Accumulated deferred income tax credits (p. 55)	388,883	189,909		20,681
87	Total other liabilities and deferred credits				
<b>SHAREHOLDERS EQUITY</b>					
Capital stock (Par or stated value)					
(791) Capital stock issued:					
88	Common stock (pp. 32 and 33)	100,000	368,600	250,000	248,100
89	Preferred stock (pp. 32 and 33)				
90	Total capital stock issued	100,000	368,600	250,000	248,100
91	(792) Stock liability for conversion (pp. 34 and 35)				
92	(793) Discount on capital stock				
93	Total capital stock	100,000	368,600	250,000	248,100
Capital Surplus					
94	(794) Premiums and assessments on capital stock				
95	(795) Paid-in surplus			412,880	300
96	(796) Other capital surplus	6,152			
97	Total capital surplus	6,152		412,880	300
Retained Income					
98	(797) Retained income—Appropriated				
99	(798) Retained income—Unappropriated (pp. 17A and 17B)	101,810	1,623,402	106,822	(1,473,997)
100	(798.1) Net unrealized loss on noncurrent marketable equity securities				
101	Total retained income	101,810	1,623,402	106,822	(1,473,997)

## 200. GENERAL BALANCE SHEET—LIABILITY SIDE—Continued

On page 22, give an abstract of the provisions of the lease bearing on the leased railroad property. If the leasehold contract contains no such respondent's liability to reimburse the lessee for improvements made on provisions, state that fact.

025106

Yadkin RR Co. (f)	(g)	(h)	(i)	(j)	(k)	Line No.
\$	\$	\$	\$	\$	\$	55
						56
35,300						57
						58
						59
306,799						60
						61
						62
76,011						63
13,800						64
						65
						66
						67
431,910						68
						69
						70
604,342						71
						72
						73
						74
4,596,502						75
						76
						77
5,200,844						78
						79
						80
						81
						82
						83
28,115						84
						85
6,720						86
34,835						87
						88
625,000						89
						90
625,000						91
						92
625,000						93
						94
						95
						96
						97
						98
(1,029,292)						99
						100
(1,029,292)						101



## 200. GENERAL BALANCE SHEET—LIABILITY SIDE—Continued

Line No.	Account (a)	Blue Ridge Ry. Co. (b)	D&W Ry. Co. (c)	Durham S.C. (d) RR Co.	HPRA&S RR Co. (e)
	<b>TREASURY STOCK</b>	\$	\$	\$	\$
102	(798.5) Less: Treasury stock				
103	Total shareholders' equity	207,962	1,992,002	769,702	(1,225,597)
104	<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	717,587	5,401,781	771,532	1,406,368
	The above returns exclude respondent's holdings of its own issues as follows:				
105	(765) Funded debt unmatured				
106	(767) Receivers' and trustees' securities				
107	(768) Debt in default				
108	(791) Capital stock				
	<b>SUPPLEMENTARY ITEMS</b>				
	Amount of interest matured unpaid in default for as long as 90 days:				
109	Amount of interest				
110	Amount of principal involved				
111	Investment carried in account No. 732, "Improvements on leased property," on the books of the lessee with respect to respondent's property	518,365	507,932	269,101	369,852

Note: Provision has not been made for Federal income taxes which may be payable in future years as a result of deductions during the period December 31, 1949, to close of the year of this report for accelerated amortization in excess of recorded depreciation. The amounts by which Federal income taxes have been reduced during the indicated period aggregated \$ None

Estimated accumulated net reduction in Federal income taxes because of accelerated amortization of certain rolling stock since December 31, 1969, under provisions of Section 184 of the Internal Revenue Code \$ None

Estimated accumulated net reduction in Federal income taxes because of amortization of certain rights-of-way investment since December 31, 1969, under the provisions of Section 185 of the Internal Revenue Code \$ None

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

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

Show amount of past service pension costs determined by actuaries at year end \$ None

Total pension costs for year:

Normal costs \$ None

Amortization of past service costs \$ None

State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). YES NO See footnote on page 14 of Southern Railway Company Annual Report Form R-1.

## NOTES AND REMARKS

## 200. GENERAL BALANCE SHEET—LIABILITY SIDE—Concluded

025106						
Yadkin RR Co. (f)	(g)	(h)	(i)	(j)	(k)	Line No.
\$	\$	\$	\$	\$	\$	
(404,292)						102
5,263,297						103
						104
						105
						106
						107
						108
						109
						110
168,324						111



## 300. INCOME ACCOUNT FOR THE YEAR

1. Show hereunder the Income Account of each lessor company included in this report, entering the names of the lessor companies in the column headings. For instructions covering this schedule, see the text pertaining to Income Accounts in the Uniform System of Accounts for Railroad Companies.

2. All contra entries hereunder should be indicated in parenthesis.  
3. Any unusual accruals involving substantial amounts included on lines 6 to 53, inclusive, should be fully explained in a footnote.

Line No.	Item (a)	Schedule No.	Blue Ridge Ry. (b) Co.	D&N Ry. Co. (c)	Durham S.C. (d) RR Co.	HPRA&S RR (e) Co.
	<b>ORDINARY ITEMS</b>		\$	\$	\$	\$
	<b>RAILWAY OPERATING INCOME</b>					
1	(501) Railway operating revenues					
2	(531) Railway operating expenses					
3	Net revenue from railway operations					
4	(532) Railway tax accruals (p. 54)	350	50,966	171,810	508	34,634
5	(533) Provision for deferred taxes (p. 55)		10,560	12,960		1,920
6	Railway operating income		(61,526)	(184,770)	(508)	(36,554)
	<b>RENT INCOME</b>					
7	(503) Hire of freight cars and highway revenue freight equipment-credit balance					
8	(504) Rent from locomotives					
9	(505) Rent from passenger-train cars					
10	(506) Rent from floating equipment					
11	(507) Rent from work equipment					
12	(508) Joint facility rent income					
13	Total rent income					
	<b>RENTS PAYABLE</b>					
14	(536) Hire of freight cars and highway revenue freight equipment-debit balance					
15	(537) Rent for locomotives					
16	(538) Rent for passenger-train cars					
17	(539) Rent for floating equipment					
18	(540) Rent for work equipment					
19	(541) Joint facility rents					
20	Total rents payable					
21	Net rents (lines 13, 20)					
22	Net railway operating income (lines, 6, 21)		(61,526)	(184,770)	(508)	(36,554)
	<b>OTHER INCOME</b>					
23	(502) Revenues from miscellaneous operations (p. 53)					
24	(509) Income from lease of road and equipment (p. 56)	371	86,440	317,912		86,768
25	(510) Miscellaneous rent income					1,290
26	(511) Income from nonoperating property					
27	(512) Separately operated properties—profit					
28	(513) Dividend income (from investments under cost only)			54,233	1,416	20,390
29	(514) Interest income		20,177	126,833		21,926
30	(516) Income from sinking and other reserve funds					508
31	(517) Release of premiums on funded debt					
32	(518) Contributions from other companies					
33	(519) Miscellaneous income			10,044		
34	Dividend income (from investments under equity only)					
35	Undistributed earnings (losses)					
36	Equity in earnings (losses) of affiliated companies (lines 34, 35)		106,617	509,022	1,416	130,882
37	Total other income					
38	Total income (lines 22, 37)		45,091	324,252	908	94,328
	<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
39	(534) Expenses of miscellaneous operations (p. 53)					
40	(535) Taxes on miscellaneous operating property (p. 53)					
41	(543) Miscellaneous rents					
42	(544) Miscellaneous tax accruals					
43	(545) Separately operated properties—loss					
44	(549) Maintenance of investment organization					
45	(550) Income transferred to other companies					
46	(551) Miscellaneous income charges		438	2,170	357	42
47	Total miscellaneous deductions		438	2,170	357	42
48	Income available for fixed charges (lines 38, 47)		44,653	322,082	551	94,286

## 300. INCOME ACCOUNT FOR THE YEAR—Continued

4. Line 28 includes only dividends from investments accounted for under the cost method. Line 34 includes only dividends accounted for under the equity method. Line 35 includes the undistributed earnings from investments accounted for

under the equity method. Line 36 represents the earnings (losses) of investee companies accounted for under the equity method. Lines 34 and 35 should be included only once in the total on line 37.

Yadkin RR Co. (f)	(g)	(h)	(i)	(j)	(k)	Line No.
\$ 02,5106	\$	\$	\$	\$	\$	1
						2
						3
114,297						4
2,400						5
(116,697)						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
(116,697)						22
						23
146,984						24
						25
						26
						27
33,530						28
169,495						29
						30
						31
						32
						33
						34
						35
						36
350,009						37
233,312						38
						39
						40
						41
						42
						43
						44
						45
74						46
74						47
233,238						48



## 300. INCOME ACCOUNT FOR THE YEAR—Continued

Line No.	Item: (a)	Schedule No.	025102 Blue Ridge Ry. Co. (b)	025103 D&W Ry. Co. (c)	025104 Durham & S.C. RR Co. (d)	025105 HPRA&S RR Co. (e)
	<b>FIXED CHARGES</b>		\$	\$	\$	\$
49	(542) Rent for leased roads and equipment (pp. 48 and 59)	383				
	(546) Interest on funded debt:					
50	(a) Fixed interest not in default			97,050		42,670
51	(b) Interest in default					
52	(547) Interest on unfunded debt					
53	(548) Amortization of discount on funded debt					
54	Total fixed charges			97,050		42,670
55	Income after fixed charges (lines 48, 54)		44,653	225,032	551	51,616
	<b>OTHER DEDUCTIONS</b>					
	(546) Interest on funded debt:					
56	(c) Contingent interest					
	<b>UNUSUAL OR INFREQUENT ITEMS</b>					
57	(555) Unusual or infrequent items-Net-(Debit) credit*					
58	Income (loss) from continuing operations (lines 53-57)		44,653	225,032	551	51,616
	<b>DISCONTINUED OPERATIONS</b>					
59	(560) Income (loss) from operations of discontinued segments*					
60	(562) Gain (loss) on disposal of discontinued segments*					
61	Total income (loss) from discontinued operations (lines 59, 60)					
62	Income (loss) before extraordinary items (lines 58, 61)		44,653	225,032	551	51,616
	<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>					
63	(570) Extraordinary items-Net-(Debit) credit (p. 58)					
64	(590) Income taxes on extraordinary items-Debit (credit) (p. 58)					
65	(591) Provision for deferred taxes - Extraordinary items					
66	Total extraordinary items (lines 63-65)					
67	(592) Cumulative effect of changes in accounting principles*					
68	Total extraordinary items and accounting changes-(Debit) credit-(lines 66,67)					
69	Net income (loss) transferred to Retained Income		44,653	225,032	551	51,616
	Unappropriated (lines 62,68)					
	* Less applicable income taxes of:		\$	\$	\$	\$
	555 Unusual or infrequent items-Net (Debit) credit					
	560 Income (loss) from operations of discontinued segments					
	562 Gain (loss) on disposal of discontinued segments					
	592 Cumulative effect of changes in accounting principles					

## INCOME ACCOUNT FOR THE YEAR - EXPLANATORY NOTES

Deductions because of accelerated amortization of emergency facilities in excess of recorded depreciation resulted in reduction of Federal income taxes for the year of this report in the amount of \$ None.

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

Flow-through X Deferral

(2) If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit \$ None

(3) If deferral method was elected, indicate amount of investment tax credit utilized as a reduction of tax liability for current year \$ None

Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes \$ (None)

Balance of current year's investment tax credit used to reduce current year's tax accrual \$ None

Add amount of prior years' deferred investment tax credits being amortized and used to reduce current year's tax accrual \$ None

Total decrease in current year's tax accrual resulting from use of investment tax credits \$ None

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

## 300. INCOME ACCOUNT FOR THE YEAR—Concluded

025106						
Yadkin RR Co.						Line No.
(f)	(g)	(h)	(i)	(j)	(k)	
\$	\$	\$	\$	\$	\$	
						49
91,577						50
						51
						52
						53
91,577						54
141,661						55
						56
						57
141,661						58
						59
						60
						61
141,661						62
						63
						64
						65
						66
						67
						68
141,661						69

NOTES AND REMARKS



## 305. RETAINED INCOME-UNAPPROPRIATED

1. Show hereunder the Retained Income of each lessor company included in this report, entering the names of the lessor companies in the column headings. For instructions covering this schedule, see text pertaining to Retained Income Accounts in the Uniform System of Accounts

for Railroad Companies.

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

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

Line No.	Item (a)		Blue Ridge Ry. Co. 025102 (b)		Danv. & West Ry. Co. 025103 (c)	
			(1)	(2)	(1)	(2)
1	Unappropriate retained income (1) and equity in undistributed earnings (losses) of affiliated companies (2) at beginning of year*		\$ 132,157	\$	\$ 1,398,370	\$
2	(601.5) Prior period adjustments to beginning retained income					
	<b>CREDITS</b>					
3	(602) Credit balance transferred from income (pp. 16 and 17)	300	44,653		225,032	
4	(606) Other credits to retained income (p. 58)	396				
5	(622) Appropriations released					
6	Total		44,653		225,032	
	<b>DEBITS</b>					
7	(612) Debit balance transferred from income (pp. 16 and 17)	300				
8	(616) Other debits to retained income (p. 58)	396				
9	(620) Appropriation for sinking and other reserve funds					
10	(621) Appropriations for other purposes					
11	(623) Dividends (pp. 52 and 53)	308	75,000			
12	Total		75,000			
13	Net increase (decrease) during year*		(30,347)		225,032	
14	Unappropriated retained income (1) and equity in undistributed earnings (losses) of affiliated companies (2) at end of year*		101,810		1,623,402	
15	Balance from line 13(2)*			x x x x x		x x x x x
16	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year*		101,810	x x x x x	1,623,402	x x x x x
	Remarks					
	Amount of assigned Federal income tax consequences:					
17	Account 606			x x x x x		x x x x x
18	Account 616			x x x x x		x x x x x

\*Amount in parentheses indicates debit balance.

## NOTES AND REMARKS

## 305. RETAINED INCOME—UNAPPROPRIATED—Concluded

4. Segregate in column (2) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.

schedule 300. The total of columns (1) and (2), lines 3 and 7, should agree with line 63, schedule 300.

5. Line 3 (line 7 if debit balance), column (2), should agree with line 36,

6. Include in column (1) only amounts applicable to Retained Income exclusive of any amounts included in column (2).

Durham & SC RR Co. 025104 (d)		HPRA&S RR Co. 025105 (e)		Yadkin RR Co. 025106 (f)		(g)		Line No.
(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	
106,271		(1,525,613)		(1,170,953)				1
								2
551		51,616		141,661				3
								4
551		51,616		141,661				5
								6
								7
								8
								9
								10
								11
551		51,616		141,661				12
								13
106,822		(1,473,997)		(1,029,292)				14
	x x x x x		x x x x x		x x x x x		x x x x x	15
106,822	x x x x x	(1,473,997)	x x x x x	(1,029,292)	x x x x x		x x x x x	16
	x x x x x		x x x x x		x x x x x		x x x x x	17
	x x x x x		x x x x x		x x x x x		x x x x x	18

## NOTES AND REMARKS



## NOTES AND REMARKS

## Balance Sheet

## SOUTHERN RAILWAY COMPANY AND CONSOLIDATED SUBSIDIARIES

	December 31	
	1977	1976
	(Thousands of Dollars)	
<b>Assets</b>		
Current assets:		
Cash and short term securities .....	\$ 165,415	\$ 195,313
Accounts receivable .....	172,409	161,930
Materials, supplies and other .....	88,217	75,707
	<u>426,041</u>	<u>432,950</u>
Investments in and advances to affiliates .....	11,786	10,095
Other assets .....	37,197	39,880
Properties, net of accumulated depreciation .....	1,929,771	1,822,741
	<u>\$2,404,795</u>	<u>\$2,305,666</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued expenses .....	\$ 238,345	\$ 229,223
Income taxes .....	18,066	21,718
Current maturities of long-term debt .....	65,385	77,421
	<u>321,796</u>	<u>328,362</u>
Long-term debt .....	714,362	703,694
Reserve for income taxes .....	10,759	10,759
Deferred income taxes .....	310,033	286,167
Reserves and other liabilities .....	30,111	26,692
	<u>1,387,061</u>	<u>1,355,674</u>
Shareholders' equity:		
Preferred stock .....	54,850	57,675
Serial preference stock .....	18,468	18,658
Common stock .....	147,125	146,020
Capital surplus .....	29,422	23,511
Income retained in the business .....	767,869	704,128
	<u>1,017,734</u>	<u>949,992</u>
	<u>\$2,404,795</u>	<u>\$2,305,666</u>

Certain 1976 data have been changed for comparability.

The company reporting to the Interstate Commerce Commission in this report is a part of the Southern Railway Company and Consolidated Subsidiaries, which is comprised of 37 regulated carriers and 18 other companies. Financial reporting to shareholders and the general public is made on a consolidated basis and the following balance sheet is included in this report in order to put the financial data of the reporting company into proper perspective relative to the Southern Consolidated System.



## Statement of Income

## SOUTHERN RAILWAY COMPANY AND CONSOLIDATED SUBSIDIARIES

	Year 1977	Year 1976
	(Thousands of Dollars)	
Railway operating revenues:		
Freight .....	\$1,109,447	\$1,002,186
Other .....	30,571	25,806
	<u>1,140,018</u>	<u>1,027,992</u>
Other income .....	28,850	24,793
Total income .....	<u>1,168,868</u>	<u>1,052,785</u>
Railway operating expenses:		
Maintenance of way and structures .....	200,876	175,185
Maintenance of equipment .....	192,928	177,977
Transportation .....	362,383	325,997
Other .....	73,203	66,504
	<u>829,390</u>	<u>745,663</u>
State and local taxes, principally property .....	26,227	24,965
Payroll taxes .....	62,592	55,712
Net freight car rent (income) based on time and mileage .....	(16,672)	(14,817)
Other equipment rent expense .....	47,056	40,314
Joint facility rent expense .....	1,187	1,012
Miscellaneous deductions from income .....	6,981	7,373
Fixed charges, principally interest .....	60,924	54,383
Total expenses .....	<u>1,017,685</u>	<u>914,605</u>
Income before income taxes .....	<u>151,183</u>	<u>138,180</u>
Federal and state income taxes:		
Current .....	20,227	25,754
Deferred .....	23,866	23,185
Total income taxes .....	<u>44,093</u>	<u>48,939</u>
Net consolidated income for the year .....	<u>\$ 107,090</u>	<u>\$ 89,241</u>
Per average share of common stock outstanding .....	<u>\$7.04</u>	<u>\$5.85</u>

The company reporting to the Interstate Commerce Commission in this report is a part of the Southern Railway Company and Consolidated Subsidiaries, which is comprised of 37 regulated carriers and 18 other companies. Financial reporting to shareholders and the general public is made on a consolidated basis and the following income statement is included in this report in order to put the financial data of the reporting company into proper perspective relative to the Southern Consolidated System.

## Schedule 203.—SPECIAL DEPOSITS

For other than compensating balances, state separately each item of \$10,000 or more reflected in account 703, Special deposits, at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items less than \$10,000". For compensating balances, state separately the total amounts held on behalf of respondent and held on behalf of others.

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



## 211. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in accounts 731, "Road and equipment property," and 732, "Improvements on leased property," classified in accordance with the Uniform System of Accounts for Railroad Companies. Enter the names of the lessor companies in the column headings.

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

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

Line No.	Account (a)	Blue Ridge Ry. Co. <i>025102</i>		Danv. & West. Ry. Co. <i>025103</i>		Durham & SC RR Co. <i>025104</i>	
		Gross charges during year (b)	Net charges during year (c)	Gross charges during year (d)	Net charges during year (e)	Gross charges during year (f)	Net charges during year (g)
		\$	\$	\$	\$	\$	\$
1	(1) Engineering _____		(226)				
2	(2) Land for transportation purposes _____				(654)		
3	(2 1/2) Other right-of-way expenditures _____						
4	(3) Grading _____						
5	(5) Tunnels and subways _____						
6	(6) Bridges, trestles, and culverts _____						
7	(7) Elevated structures _____						
8	(8) Ties _____						
9	(9) Rails _____						
10	(10) Other track material _____						
11	(11) Ballast _____						
12	(12) Track laying and surfacing _____						
13	(13) Fences, snowshed, and signs _____						
14	(16) Station and office buildings _____						
15	(17) Roadway buildings _____						
16	(18) Water stations _____						
17	(19) Fuel stations _____		(1,303)				
18	(20) Shops and enginehouses _____		(9,013)				
19	(21) Grain elevators _____						
20	(22) Storage warehouses _____						
21	(23) Wharves and docks _____						
22	(24) Coal and ore wharves _____						
23	(25) TOFC/COFC terminals _____						
24	(26) Communication systems _____						
25	(27) Signals and interlockers _____						
26	(29) Power plants _____						
27	(31) Power-transmission systems _____						
28	(35) Miscellaneous structures _____						
29	(37) Roadway machines _____						
30	(38) Roadway small tools _____		(438)		(2,171)		(358)
31	(39) Public improvements—Construction _____						
32	(43) Other expenditures—Road _____						
33	(44) Shop machinery _____						
34	(45) Power-plant machinery _____						
35	Other (Specify & explain) _____						
36	Total expenditures for road _____		(10,980)		(2,825)		(358)
37	(52) Locomotives _____						
38	(53) Freight-train cars _____						
39	(54) Passenger-train cars _____						
40	(55) Highway revenue equipment _____						
41	(56) Floating equipment _____						
42	(57) Work equipment _____						
43	(58) Miscellaneous equipment _____						
44	Total expenditure for equipment _____						
45	(71) Organization expenses _____						
46	(76) Interest during construction _____						
47	(77) Other expenditures—General _____						
48	Total general expenditures _____						
49	Total _____		(10,980)		(2,825)		(358)
50	(90) Construction work in progress _____			6	6		
51	Grand total <sup>1</sup> _____		(10,980)	6	(2,819)		(358)

<sup>1</sup> Do not include in road and equipment accounts, including Account No. 80, "Other elements of investments," adjustments which were made pursuant to the Commission's order, dated April 17, 1963.

## 211. ROAD AND EQUIPMENT PROPERTY—Continued

4. If during the year property was acquired from some other company, state in a footnote the name of the company, the mileage acquired, and the date of acquisition, giving 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.

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

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

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

HPRA&S RR Co.		Yadkin RR Co.						Line No.
Gross charges during year	Net charges during year	Gross charges during year	Net charges during year	Gross charges during year	Net charges during year	Gross charges during year	Net charges during year	
(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
\$	\$ (42)	\$	\$	\$	\$	\$	\$	1
								2
								3
								4
								5
								6
								7
	(267)							8
	(247)							9
	(103)							10
	(134)							11
	(298)							12
								13
								14
								15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
			(69)					30
	(1,984)							31
								32
								33
								34
								35
	(3,075)		(69)					36
								37
								38
								39
								40
								41
								42
								43
								44
								45
	(50)							46
	(16)							47
	(66)							48
	(3,141)		(69)					49
								50
	(3,141)		(69)					51



## 212. PROPRIETARY COMPANIES

Give particulars called for regarding each inactive proprietary corporation of the lessor companies included in this report (i.e., one all of whose outstanding stocks or obligations are held by or for the respondent without any accounting to the said proprietary corporation). It may also in-

clude such line when the actual title to all of the outstanding stocks or obligations rests 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

Line No.	Item (a)	(b)	(c)	(d)	(e)
1	Mileage owned: Road _____				
2	Second and additional main tracks _____				
3	Passing tracks, cross-overs, and turn-outs _____				
4	Way switching tracks _____				
5	Yard switching tracks _____				
6	Road and equipment property: Road _____	\$	\$ NONE	\$	\$
7	Equipment _____				
8	General expenditures _____				
9	Other property accounts* _____				
10	Total (account 731) _____				
11	Improvements on leased property: Road _____				
12	Equipment _____				
13	General expenditures _____				
14	Total (account 732) _____				
15	Depreciation and amortization (accounts 735, 736, and 785) _____				
16	Funded debt unmatured (account 765) _____				
17	Long-term debt in default (account 768) _____				
18	Amounts payable to affiliated companies (account 769) _____				
19	Capital stock (account 791) _____				

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

## 212. PROPRIETARY COMPANIES—Concluded

forth in a footnote. The separation of accounts 731 and 732 into "Road," "Equipment," and "General expenditures" should be estimated, if not actually shown on respondent's books. Assign to "General Expenditures" only such amounts as are not included in "Road" or "Equipment." Enter brief designation of the several proprietary companies at the heads of their respective columns and state in footnotes the names of the lessor companies that control them.

(f)	(g)	(h)	(i)	(j)	(k)	Line No.
						1
						2
						3
						4
						5
\$	\$	\$	\$ NONE	\$	\$	6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19



NOTES AND REMARKS REGARDING RETURNS IN SCHEDULE NO. 211 ON PAGES 18 AND 19

ABSTRACT OF THE PROVISIONS OF THE LEASE BEARING ON RESPONDENT'S LIABILITY TO REIMBURSE THE LESSEE FOR  
IMPROVEMENTS MADE ON THE LEASED RAILROAD PROPERTY

(See instructions on page 11)

## GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 217 AND 218

1. Schedules 217 and 218 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated companies and other investments held by the lessor companies included in this report at the close of the year specifically as investments, including the obligations of a State or local government, or of an individual, so held; investments made, disposed of, or written down during the year; and dividends and interest credited to income. They should exclude securities issued or assumed by respondents. For definition of affiliated companies, see the rules governing account No. 721, "Investments in affiliated companies," in the Uniform System of Accounts for Railroad Companies.
2. These investments should be subdivided to show the book value pledged, unpledged, and held in fund accounts. Under "pledged" include the book value of securities recorded in accounts Nos. 721, "Investments in affiliated companies," and 722, "Other investments," which are deposited with some pledgee or other trustee, or held subject to the lien of a chattel mortgage, or subject to any other restriction or condition which makes them unavailable for general corporate purposes. "Unpledged" should include all securities held by or for the respondent free from any lien or restriction, recorded in the accounts mentioned above. Under "In sinking, insurance, and other funds" include the book value of securities recorded in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; and 717, "Insurance and other funds."
3. For each lessor company, list the investments in the following order and show a total for each group and each class of investments by accounts in numerical order:
  - (A) Stocks:
    - (1) Carriers—active.
    - (2) Carriers—inactive.
    - (3) Noncarriers—active.
    - (4) Noncarriers—inactive.
  - (B) Bonds (Including U.S. Government bonds);
  - (C) Other secured obligations;
  - (D) Unsecured notes;
  - (E) Investment advances;
4. The subclassification of classes (B), (C), (D), and (E) should be the same as that provided for class (A).
5. The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations, the symbols and industrial classifications to be as follows:
 

Symbol	Kind of Industry
I. Agriculture, forestry, and fisheries.	
II. Mining.	
III. Construction.	
IV. Manufacturing.	
V. Wholesale and retail trade.	
VI. Finance, insurance, and real estate.	
VIII. Transportation, communications, and other public utilities.	
VIII. Services.	
IX. Government.	
X. All other.	
6. By carriers, as the term is here used, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express service and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.
7. Noncarrier companies should, for the purposes of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely "holding companies" are to be classed as noncarrier companies, even though the securities held by such companies are largely or entirely those issued or assumed by carriers.
8. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs; if it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.



## 217. INVESTMENTS IN AFFILIATED COMPANIES

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

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

Entries in this schedule should be made in accordance with the definitions and general instructions

given on page 23, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

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.

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

Entries in columns (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

Line No.	Account No. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company and description of security held, also lien reference, if any (d)	Extent of control (e)	INVESTMENTS AT CLOSE OF YEAR	
						BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
						Pledged (f)	Unpledged (g)
					% \$	\$	\$
1				<u>Blue Ridge Railway Company</u>			
2	721	E-1	VII	Norfolk Southern Ry. Co.			80,539
3							
4	721	E-3	VI	Southern Region Industrial Realty, Inc.			2,000
5							
6	721	B-1	VII	Sou. Ry. Co. 1st Mtge. Coll. Trust Bds.			8,955
7							
8	721	B-1	VII	Sou. Ry. Co. 1st Gen. Mtge. Bds.			162,605
9				Total 721			254,099
10							
11							
12				<u>Danville and Western Railway Company</u>			
13	721	A-1	VII	Sou. Ry. Co. - Common Stock			480,527
14							
15		E-1	VII	Norfolk Southern Ry. Co.			83,993
16							
17		D-3	VI	Southern Region Industrial Realty, Inc.			880,633
18							
19		B-1	VII	Southern Ry. Co. 1st & Gen. Mtge. Bds.			176,055
20				Total 721			1,621,208
21							
22							
23				<u>High Point, Randleman, Asheboro and Southern R.R. Co.</u>			
24	721	A-1	VII	Southern Ry. Co. - Preferred Stock			166,070
25							
26		A-1	VII	Southern Ry. Co. - Common Stock			74,952
27							
28		B-1	VII	Southern Ry. Co. - 1st Mtge. Coll. Trust Bds.			10,045
29							
30		E-1	VII	Norfolk Southern Ry. Co.			16,545
31				Total 721			268,512
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							

## 217. INVESTMENTS IN AFFILIATED COMPANIES—Continued

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

If any of the companies included in this schedule are controlled by respondent, the percent of control should be given in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.

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

Particulars of investments made, disposed of, or written down during the year should be given

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

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

INVESTMENTS AT CLOSE OF YEAR			Book value of investments made during year (j)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR				Book value (k)	Selling price (l)	Rate (m)	Amount credited to income (n)	
In sinking, insurance, and other funds (h)	Total book value (i)					%	\$	
\$	\$	\$	\$	\$				
	80,539							1
								2
	2,000							3
								4
	8,955					4.5	405	5
								6
	162,605					4-5/8	9,111	7
	254,099						9,516	8
								9
								10
								11
	480,527					\$2.53	54,233	12
					Per share			13
	83,993							14
								15
	880,633							16
								17
	176,055					4-5/8	10,499	18
	1,621,208						64,732	19
								20
								21
								22
								23
	166,070					5	9,800	24
								25
	74,952					\$2.53	10,591	26
					Per share			27
	10,945					4.5	495	28
								29
	16,545							30
	268,512						20,886	31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46
								47
								48
								49
								50



## 217. INVESTMENTS IN AFFILIATED COMPANIES—Continued

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and description of security held, also for reference, if any	Extent of control	INVESTMENTS AT CLOSE OF YEAR	
						BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
						Pledged	Unpledged
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
51				Yadkin Railroad Company	% \$	6	\$
52	721	A-1	VII	Southern Ry.Co.-Preferred Stock			203,451
53							
54		A-1	VII	Southern Ry. Co.-Common Stock			223,732
55							
56	721	B-1	VII	Sou.Ry.Co.-1st Mtge.Coll.Trust Bds.			46,575
57							
58				Sou.Ry.Co.-1st & Gen.Mtge.Bds.			418,419
59							
60	721	D-3	VI	Southern Region Industrial Realty, Inc.			383,415
61							
62				National Investment Co.-Note			463,781
63							
64				National Investment Co.-Note			413,836
65							
66	721	E-1	VII	Norfolk Southern Ry. Co.			37,174
67				Total			2,190,383
68							
69							
70							
71							
72							
73							
74							
75							
76							
77							
78							
79							
80							
81							
82							
83							
84							
85							
86							
87							
88							
89							
90							
91							
92							
93							
94							
95							
96							
97							
98							
99							
100							
101							
102							
103							
104							
105					Total		

## 217. INVESTMENTS IN AFFILIATED COMPANIES—Concluded

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year (j)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
In sinking, insurance, and other funds (h)	Total book value (i)		Book value (k)	Selling price (l)	Rate (m)	Amount credited to income (n)	
\$	\$	\$	\$	\$	%	\$	
	203,451				5	10,036	51
	223,732				\$2.53	23,494	52
	46,575				Per share 4.5	2,475	53
	418,419				4-5/8	22,848	54
	383,415						55
	463,781				5	23,189	56
	413,836				5.5	22,761	57
	37,174						58
	2,190,383					104,803	59
							60
							61
							62
							63
							64
							65
							66
							67
							68
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							103
							104
							105



217A INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES

Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stocks included in Account 721. Investments in Affiliated Companies, which qualify for the equity method under instruction 6-2 in the Uniform System of Accounts for Railroad Companies.

2. Enter in column (c) the amount necessary to retroactively adjust those investments qualifying for the equity method of

accounting in accordance with instruction 6-2 (b) (11) of the Uniform System of Accounts for Railroad Companies.

3. Enter in column (d) the share of undistributed earnings (i.e., less dividends) or losses.

4. Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date

of acquisition. See instructions 6-2 (b) (4).

5. The total of column (g) must agree with line 21, schedule 200.

6. For definitions of "carrier" and "noncarrier", see general instructions 6 and 7 on page 23.

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments qualifying for equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)
	Carriers: (List specifics for each company)	\$	\$	\$	\$	\$	\$
1							
2							
3							
4							
5							
6							
7							
8	NONE						
9							
10							
11							
12							
13							

217A INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES-Concluded

Undistributed Earnings From Certain Investments in Affiliated Companies

Line No.	Names of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments qualifying for equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)
	Carriers: (List specifics for each company)	\$	\$	\$	\$	\$	\$
14							
15							
16							
17							
18							
19							
20	NONE						
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40	Total						
41	Noncarriers: (Show totals only for each column)						
42	Total (lines 40 and 41)						

Lessor Initials

NS

Year 1977



## 218. OTHER INVESTMENTS

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of all corporations other than affiliated companies, included in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; 722, "Other investments"; and 717, "Insurance and other funds." Investments included in account Nos. 715, 716, and 717 held by trustees in lieu of cash deposits required under the governing instrument are to be excluded from this schedule.

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

3. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 23, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c). Investments in U.S. Treasury bills and notes may be reported as one item.

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

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

Line No.	Ac-count No. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company or government and description of security held, also lien reference, if any (d)	INVESTMENTS AT CLOSE OF YEAR	
					BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
					Pledged (e)	Unpledged (f)
					\$	\$
1						
2						
3						
4						
5						
6						
7				NONE		
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
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42						
43						
44						
45						
46						
47						
48						
49						
50				Total		

## 218. OTHER INVESTMENTS—Concluded

6. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "serially 19\_\_\_ to 19\_\_\_." In making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

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

8. Particulars of investments made, disposed of, or written down during the year should be given in columns (i) to (k), inclusive. If the cost of any investment made during the year differs from the book value reported in column (i), explain the matter in a footnote. By "cost" is meant the consideration given minus accrued interest or dividends included therein. If the consideration given or received for such investments was other than cash, describe the transaction in a footnote. Identify all entries in column (j) which represent a reduction in the book value of securities by symbol and give full explanation in a footnote in each case.

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year  (i)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR			Book value  (j)	Selling price  (k)	Rate  (l)	Amount credited to income  (m)	
In sinking, insurance, and other funds  (g)	Total book value  (h)						
\$	\$	\$	\$	\$	%	\$	1
							2
							3
							4
							5
							6
							7
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							48
							49
					X X		50



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

Give particulars of investments represented by securities and advances (including securities issued or assumed by the respondent), and of other intangible property, indirectly owned or controlled by the lessor companies included in this report through any subsidiary which does not re-

port to the Commission under the provisions of Part I of the Interstate Commerce Act, without regard to any question of whether the company issuing the securities, or the obligor, is controlled by the subsidiary.

Line No.	Class No. (a)	Name of lessor company (b)	Name of nonreporting carrier or noncarrier subsidiary that owns the securities, advances, or other intangible property (c)	Name of issuing company and security or other intangible thing in which investment is made (d)
1				
2				
3				
4				
5				
6				
7				
8				
9		NONE		
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
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53				

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

This schedule should include all securities, open account advances, and other intangible property owned or controlled through nonreporting carrier and noncarrier subsidiaries, as well as those

of other organizations or individuals whose actions respondent is able to determine. Investments in U.S. Treasury obligations may be combined in a single item.

Total book value of investments at close of the year (e)	Book value of investments made during the year (f)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		Remarks (i)	Line No.
		Book value (g)	Selling price (h)		
\$	\$	\$	\$		1
					2
					3
					4
					5
		NONE			6
					7
					8
					9
					10
					11
					12
					13
					14
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					53



## 251. CAPITAL STOCK

Give particulars of the various issues of capital stock which were in existence at the close of the year.

Show separate returns for each lessor company included in this report, classifying the stocks as follows:

Common.

Preferred.

Debtenture.

Receipts outstanding.

State, in a footnote, the class of stock covered by the receipts.

In case any "Preferred" or "Debtenture" stock is outstanding, the rate of dividend requirements should be shown in column (b), and it should be stated whether the dividends are cumula-

tive or noncumulative. If the designation of any class of stock shown in column (b) is not sufficiently descriptive to indicate clearly its dividend rights and equity in the assets of the respondent, a complete statement of the facts should be given.

In stating the date of an authorization, the date of the latest assent or ratification necessary to its validity should be shown; e.g., in case an authorization is required to be ratified by stockholders after action by the board of directors, but is not required to be approved by any State or other governmental board or officer, give the date of approval by stockholders; if the assent of a State railroad commission or other public board or officer is necessary, give the date of such assent, or it subsequent to such assent notice has to be filed with a secretary of state or other public officer and a tax or other fee has to be paid as a condition precedent to the validity of the issue, give the date of such payment. In case some condition precedent has to be complied with after the approval.

## WITH PAR VALUE

Line No.	Name of lessor company (a)	Class of stock (b)	Par value per share (c)	Date issue was authorized (d)	Par value of amount authorized (e)	Total par value outstanding at close of year (f)	Total par value nominally issued and nominally outstanding at close of year		
							In treasury (g)	Pledged as collateral (h)	In sinking or other funds (i)
1	<u>Blue Ridge Railway Company</u>		\$	\$	\$	\$	\$	\$	\$
2		Common	100	4/28/01	100,000	100,000			
3									
4									
5	<u>Danville and Western Railway Company</u>								
6		Common	100	1/14/91	368,600	368,600			
7									
8									
9	<u>Durham &amp; South Carolina Railroad Company</u>								
10		Common	100	1/20/05	100,000	250,000			
11									
12									
13	<u>High Point, Randleman, Asheboro and Southern Railroad Company</u>								
14		Common	50	2/26/87	248,100	248,100			
15									
16									
17	<u>Yadkin Railroad Company</u>								
18		Common	50	11/7/80	625,000	625,000			
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
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49									

## 251. CAPITAL STOCK—Concluded

and ratification of the stockholders has been obtained, state, in a footnote, the particulars of such condition and of the respondent's compliance therewith. It should be noted that section 20a of the Interstate Commerce Act makes it unlawful for a carrier to issue or assume any securities, unless and until, and then only to the extent that, the Commission by order authorizes such issue or assumption.

Entries in columns (f) and (n) should include stock nominally issued, nominally outstanding, and actually outstanding. For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the

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

Total par value actually outstanding	Without Par Value							Line No.	
	Class of stock	Date issue was authorized	Number of shares authorized	Number of shares outstanding at close of year	Number of shares nominally issued and nominally outstanding at close of year				Cash value of consideration received for stocks actually outstanding
					In treasury	Pledged as collateral	In sinking or other funds		
(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	
\$								\$	1
100,000									2
									3
									4
									5
368,600									6
									7
									8
									9
250,000									10
									11
									12
									13
248,100									14
									15
									16
									17
625,000									18
									19
									20
									21
									22
									23
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									49



## 253. CAPITAL STOCK CHANGES DURING THE YEAR

Give full particulars of stocks actually or nominally issued (either original issues or reissues) and of stocks reacquired or canceled during the year. Enter the name of a reporting lessor company in the body of the schedule and give, thereunder, particulars of its capital stock changes during the year before listing those of a second lessor. These names should be listed in the order in which

they appear on the balance sheet. In column (c) state whether issued for construction of new properties, for additions and betterments, for purchase of railway or other property, for conversion, for acquisition of securities, for reorganization, or for other corporate purposes. Also give the number and date of the authorization by the public authority under whose control such issue

Line No.	Class of stock	STOCKS ISSUED DURING YEAR			
		Date of issue	Purpose of the issue and authority	Par value*	Net proceeds received for issue (cash or its equivalent)
	(a)	(b)	(c)	(d)	(e)
1			NONE	\$	\$
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
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26					
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30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
Total					

\*For nonpar stock, show the number of shares.

## 254. STOCK LIABILITY FOR CONVERSION OF SECURITIES OF OTHER COMPANIES

If at the close of the year the lessor companies included in this report were subject to any liability to issue their own capital stock in exchange for outstanding securities of constituent or other companies, give full particulars thereof here under, including names of parties to contracts and

NONE

Lessor Initials NS

Year 19 77

# 253. CAPITAL STOCK CHANGES DURING THE YEAR—Concluded

was made, naming such authority. In column (e) include as cash all money, checks, drafts, bills of exchange, and other commercial paper payable at par on demand. For nominally issued stock, show returns in columns (a), (b), (c), and (d) only. For each class of par stock actually issued the sum of the entries in columns (e), (f), and (h), plus discounts or less premiums in column (g).

should equal the entry in column (d). Particulars concerning the reacquirement of stock that was actually outstanding should be given in columns (a), (i), and (j).

STOCKS ISSUED DURING YEAR—Continued				STOCKS REACQUIRED DURING YEAR		Remarks (k)	Line No.
Cash value of other property acquired or services received as consideration for issue (f) \$	Net total discounts (in black) or premiums (in red). Excludes entries in column (h) (g) \$	Expense of issuing capital stock (h) \$	AMOUNT REACQUIRED				
			Par value* (i) \$	Purchase price (j) \$			
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
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							37
							38
							39

STOCKS ISSUED DURING YEAR—Continued

STOCKS REACQUIRED DURING YEAR

AMOUNT REACQUIRED

Par value\* (i)

Purchase price (j)

Remarks (k)

Line No.

should equal the entry in column (d). Particulars concerning the reacquirement of stock that was actually outstanding should be given in columns (a), (i), and (j).

254. STOCK LIABILITY FOR CONVERSION OF SECURITIES OF OTHER COMPANIES

abstracts of terms of contracts whereunder such liability exists.

\*For nonpar stock, show the number of shares.

## 254. STOCK LIABILITY FOR CONVERSION OF SECURITIES OF OTHER COMPANIES—Concluded

abstracts of terms of contracts whereunder such liability exists.



## NOTES AND REMARKS

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 261 ON PAGES 38, 39, 40, AND 41

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

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

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

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

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

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

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

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

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

For definitions of "nominally issued," "nominally outstanding," "actually issued," and "actually outstanding," see Schedule 251.

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

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

On page 41, give particulars of changes during the year in funded debt and other obligations, following the same order in which they appear in the prior pages of this schedule.

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

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

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

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

## NOTES AND REMARKS



## 261. FUNDED DEBT AND OTHER OBLIGATIONS

Line No.	Name of lessor company and name and character of obligation	Nominal date of issue	Date of maturity	INTEREST PROVISIONS		DOES OBLIGATION PROVIDE FOR— (Answer "Yes" or "No")			IS OTHER PROPERTY (REAL OR PERSONAL OR LEASEHOLD) SUBJECT TO LIEN OF THE OBLIGATION? (ANSWER "YES or NO")	
				Rate per cent per annum (current year)	Date due	Conversion	Call prior to maturity, other than for sinking fund	Sinking fund	First lien	Junior to first lien
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Blue Ridge Railway Company									
2										
3	None									
4										
5										
6										
7	Danville and Western Railway Company									
8	765 (1-a) First Mortgage Bonds	2/4	12/31							
9		1891	2000	5	J&J-1	No	No	No	Yes	No
10										
11										
12										
13										
14	Durham & South Carolina Railroad Company									
15										
16	None									
17										
18										
19										
20										
21	High Point, Randleman, Asheboro and Southern Railroad Company									
22	765 (1-a) First Mortgage Bonds	4/1	12/31							
23		1899	2000	5	J&J-1	No	No	No	Yes	No
24										
25										
26										
27										
28	Yadkin Railroad Company									
29	765 (1-a) First Mortgage Bonds	11/7	12/31							
30		1980	2000	5	J&J-1	No	No	No	Yes	No
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										

Grand Total

## 261. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

APPROXIMATE NUMBER OF MILES OF LINE DIRECTLY SUBJECT TO—		Total amount nominally and actually issued	AMOUNT NOMINALLY ISSUED AND—		Total amount actually issued	AMOUNT REACQUIRED AND—		TOTAL AMOUNT ACTUALLY OUTSTANDING			Line No.
			Held in special funds or in treasury or pledged securities by symbol "P"; matured by symbol "M"	Canceled		Canceled through sinking fund or otherwise canceled (Identify canceled through sinking fund by symbol "S")	Held in special funds or in treasury or pledged securities by symbol "P"; matured by symbol "M"	Unmatured (accounts 765, 766, and 767)	Unmatured (account 764)	Matured and no provision made for payment (account 768)	
First lien	Junior to first lien	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	
(k)	(l)										
		\$	\$	\$	\$	\$	\$	\$	\$	\$	1
											2
											3
											4
											5
											6
											7
											8
42		1,052,000			1,052,000	61,000		991,000	(1)		9
											10
											11
											12
											13
											14
											15
											16
											17
											18
											19
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											21
											22
27		402,000			402,000	19,000		383,000	(1)		23
											24
											25
											26
											27
											28
											29
31		615,000			615,000	10,658		604,342	(1)		30
											31
											32
											33
											34
											35
											36
											37
											38
											39
											40
											41
											42
											43
											44
											45
											46
											47
											48
											49
											50
											51
											52
											53
											54



## 261. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Line No.	Name of lessor company and name and character of obligation (List on same lines and in same order as on page 38)	AMOUNT OF INTEREST ACCRUED DURING YEAR		Amount of interest paid during year	Total amount of interest in default
		Charged to income	Charged to investment accounts		
	(a)	(v)	(w)	(x)	(y)
1	<u>Blue Ridge Railway Co.</u>	\$	\$	\$	\$
2					
3	None				
4					
5					
6					
7	<u>Danville and Western Railway Company</u>				
8	765 (1-a) First Mortgage Bonds	49,550		49,550	
9					
10					
11					
12					
13					
14	<u>Durham &amp; South Carolina Railroad Company</u>				
15					
16	None				
17					
18					
19					
20					
21	<u>High Point, Randleman, Asheboro and Southern Railroad Company</u>				
22	765 (1-a) First Mortgage Bonds				
23		19,150		19,150	
24					
25					
26					
27					
28	<u>Yadkin Railroad Company</u>				
29	765 (1-a) First Mortgage Bonds				
30		30,217		30,217	
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54	Grand Total				

## 261. FUNDED DEBT AND OTHER OBLIGATIONS—Concluded

SECURITIES ISSUED DURING YEAR				SECURITIES REACQUIRED DURING YEAR		Line No.
Purpose of the issue and authority  (z)	Par value  (aa)	Net proceeds received for issue (cash or its equivalent)  (bb)	Expense of issuing securities  (cc)	AMOUNT REACQUIRED		
				Par value  (dd)	Purchase price  (ee)	
	\$	\$	\$	\$	\$	1
						2
						3
						4
						5
						6
						7
None						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
None						23
						24
						25
						26
						27
						28
						29
None						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
						51
						52
						53
Grand Total						54



**266. INTEREST ON INCOME BONDS**

1. Give particulars concerning interest payable, accrued, paid, and accumulated and unpaid on the securities having contingent interest provisions classified as (1) Mortgage Bonds, (2) Collateral Trust Bonds, and (3) Unsecured Bonds (Debentures), in schedule 261. "Funded Debt and Other Obligations."

columns (a), (v), and (d), respectively, in schedule 261, for each security of the kind indicated. List the names of such securities in the same order as in schedule 261.

3. In column (d) show the amount of interest payable for the year at the nominal rate, if earned, on all of the bonds outstanding at the close of the year plus those retired during the year.

2. In columns (a), (b), and (c) state the name, amount, and nominal rate of interest shown in

Line No.	Name of issue (from schedule 261) (a)	Amount actually outstanding (from schedule 261) (b)	Nominal rate of interest (from schedule 261) (c)	AMOUNT OF INTEREST	
				Maximum amount payable, if earned (d)	Amount actually payable under contingent interest provisions, charged to income for the year (e)
1		\$		\$	\$
2					
3					
4					
5					
6					
7					
8	None				
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

**268. AMOUNTS PAYABLE TO AFFILIATED COMPANIES**

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

Line No.	Name of debtor company (a)	Name of creditor company (b)
1	<u>Blue Ridge Railway Company</u>	None
2		
3	<u>Danville and Western Railway Company</u>	
4	Notes	Southern Railway Company
5	Interest on Certificates of Indebtedness	Southern Railway Company
6	Interest on First Mortgage Bonds	Southern Railway Company
7		
8	<u>High Point, Randleman, Asheboro and Southern RR Co.</u>	
9	Advances	Norfolk Southern Railway Co.
10	Certificates of Indebtedness	Southern Railway Company
11	Interest on First Mortgage Bonds	Southern Railway Company
12	Advances	Southern Railway Company
13	Interest on Certificate of Indebtedness	Southern Railway Company
14	Interest on Unpaid Interest of Cts. of	
15	Indebtedness	Southern Railway Company
16	Total Payable to Southern Railway Company	
17	Total Payable to Affiliated Companies	
18		
19	<u>Yadkin Railroad Company</u>	
20	Advances	Southern Railway Company
21	Certificates of Indebtedness	Southern Railway Company
22	Interest on unpaid Int. on Ctf. of Indebtedness	Southern Railway Company
23	Interest on Certificates of Indebtedness	Southern Railway Company
24	Interest on First Mortgage Bonds	Southern Railway Company

## 266. INTEREST ON INCOME BONDS—Concluded

4. In column (e) show the amount of interest charged to the income account for the year.  
 5. In column (f) show the difference between columns (d) and (e).  
 6. In columns (h), (i), and (j) show the amounts of interest actually paid during the year, segregated in columns (h) and (i) between payments applicable to the current year's accruals, and those

applicable to past accruals.

7. In column (k) show the sum of unearned interest accumulated under the provisions of the security plus earned interest unpaid at the close of the year.

## AMOUNT OF INTEREST—Continued

DIFFERENCE BETWEEN MAXIMUM PAYABLE IF EARNED AND AMOUNT ACTUALLY PAYABLE		TOTAL PAID WITHIN YEAR			Period for, or percentage of, for which cumulative, if any (k)	Total accumulated un- earned interest plus earned interest unpaid at the close of the year (l)	Line No.
Current year (f)	All years to date (g)	On account of current year (h)	On account of prior years (i)	Total (j)			
\$	\$	\$	\$	\$		\$	1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20

## 268. AMOUNTS PAYABLE TO AFFILIATED COMPANIES—Concluded

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

BALANCE AT CLOSE OF YEAR			Rate of interest (f)	INTEREST ACCRUED DURING YEAR		Interest paid during year (i)	Line No.
Notes (c)	Open accounts (d)	Total (e)		Charged to income (g)	Charged to construction or other investment account (h)		
\$	\$	\$	%	\$	\$	\$	1
			*To	Extent Earned	- Not Over	%	2
							3
950,000		950,000	*	47,500		47,500	4
	354,281	354,281					5
	801,260	801,260					6
950,000	1,155,541	2,105,541		47,500		47,500	7
	8,880	8,880					8
9,141		9,141	5	457		457	9
	763,785	763,785					10
	8,230	8,230					11
	932,202	932,202					12
	461,262	461,262	5	23,063		23,063	13
9,141	2,165,479	2,174,620		23,520		23,520	14
9,141	2,174,359	2,183,500		23,520		23,520	15
							16
	69,750	69,750					17
62,658		62,658	5	3,133		3,133	18
	1,164,532	1,164,532	5	58,227		58,227	19
	2,380,461	2,380,461					20
	919,101	919,101					21
62,658	4,533,844	4,596,502		61,360		61,360	22



## 282. DEPRECIATION BASE—EQUIPMENT OWNED

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

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

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

Line No.	Name of lessor company (a)	Account (b)	Balance at beginning of year (c)	DEBITS DURING THE YEAR			CREDITS DURING THE YEAR			Balance at close of year (j)
				Additions and betterments (d)	Other debits (e)	Total debits (f)	Property retired (g)	Other credits (h)	Total credits (i)	
1	Blue Ridge Railway Company	(52) Locomotives	\$ 188,724	\$	\$	\$	\$	\$	\$	\$ 188,724
2		(53) Freight-train cars								
3		(54) Passenger-train cars								
4		(55) Highway revenue equipment								
5		(56) Floating equipment								
6		(57) Work equipment								
7		(58) Miscellaneous equipment								
8		Total	188,724							188,724
9	Danville and Western Railway Company	(52) Locomotives	183,393							183,393
10		(53) Freight-train cars								
11		(54) Passenger-train cars								
12		(55) Highway revenue equipment								
13		(56) Floating equipment								
14		(57) Work equipment								
15		(58) Miscellaneous equipment								
16		Total	183,393							183,393
17	High Point, Randle- man, Asheboro and Southern Railroad Company	(52) Locomotives								
18		(53) Freight-train cars								
19		(54) Passenger-train cars								
20		(55) Highway revenue equipment								
21		(56) Floating equipment								
22		(57) Work equipment								
23		(58) Miscellaneous equipment								
24		Total	None							None
25	Yadkin Railroad	(52) Locomotives	114,827							114,827
26		(53) Freight-train cars								
27		(54) Passenger-train cars								
28		(55) Highway revenue equipment								
29		(56) Floating equipment								
30		(57) Work equipment								
31		(58) Miscellaneous equipment								
32		Total	114,827							114,827
33		(52) Locomotives								
34		(53) Freight-train cars								
35		(54) Passenger-train cars								
36		(55) Highway revenue equipment								
37		(56) Floating equipment								
38		(57) Work equipment								
39		(58) Miscellaneous equipment								
40		Total								

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



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NORFOLK SOUTHERN RY CO.

## 285. ACCRUED DEPRECIATION—ROAD AND EQUIPMENT

Give the particulars called for hereunder of the credits and debits made to account 735, "Accrued depreciation—Road and Equipment," during the year which relate to

equipment by each lessor company included in this report. A debit balance in column (c) and (j) for any primary account should be preceded by the abbreviation "Dr."

Line No.	Name of lessor company (a)	Account (b)	Balance at beginning of year (c)	CREDITS TO RESERVE DURING THE YEAR			DEBITS TO RESERVE DURING THE YEAR			Balance at close of year (j)
				Charges to others (d)	Other credits (e)	Total credits (f)	Charges for Retirement (g)	Other debits (h)	Total debits (i)	
1	Blue Ridge Railway Company	(52) Locomotives	\$ 188,724	\$	\$	\$	\$	\$	\$	\$ 188,724
2		(53) Freight-train cars								
3		(54) Passenger-train cars								
4		(55) Highway revenue equipment								
5		(56) Floating equipment								
6		(57) Work equipment								
7		(58) Miscellaneous equipment								
8		Total	188,724							188,724
9	Danville and Western Railway Company	(52) Locomotives	183,393							183,393
10		(53) Freight-train cars								
11		(54) Passenger-train cars								
12		(55) Highway revenue equipment								
13		(56) Floating equipment								
14		(57) Work equipment								
15		(58) Miscellaneous equipment								
16		Total	183,393							183,393
17	High Point, Randleman, Asheboro and Southern Railroad Company	(52) Locomotives								
18		(53) Freight-train cars								
19		(54) Passenger-train cars								
20		(55) Highway revenue equipment								
21		(56) Floating equipment								
22		(57) Work equipment								
23		(58) Miscellaneous equipment	None							None
24		Total								114,827
25	Yadkin Railroad Company	(52) Locomotives	114,827							114,827
26		(53) Freight-train cars								
27		(54) Passenger-train cars								
28		(55) Highway revenue equipment								
29		(56) Floating equipment								
30		(57) Work equipment								
31		(58) Miscellaneous equipment								
32		Total	114,827							114,827
33		(52) Locomotives								
34		(53) Freight-train cars								
35		(54) Passenger-train cars								
36		(55) Highway revenue equipment								
37		(56) Floating equipment								
38		(57) Work equipment								
39		(58) Miscellaneous equipment								
40		Total								



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

Lessor Initials

NS

Year 19 77

## 286. DEPRECIATION RESERVE—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

Give a classified statement, for each lessor company included in this report, of the credits to the reserve accounts for depreciation of road and miscellaneous physical property during the year, and the charges to the reserve accounts during the year because of property retired, also the balances in the accounts at the beginning and at the close of the year.

Line No.	Item (a)	Blue Ridge 025102(b)	D&W 025103(c)	HPRA&S 025105(d)	Yadkin 025106(e)
	Credits	\$	\$	\$	\$
1	Balances at beginning of year	253,523	427,089	74,559	64,541
2	Accrued depreciation-Road				
	Accrued depreciation-Miscellaneous physical property				
3	Road property (specify):				
	1-Engineering	243	455	33	83
4	3-Grading	59	66	11	36
5	6-Bridges, Trestles & Culverts	6,241		325	1,361
6	13-Fences, Snowsheds & Signs	7	31		
7	16-Station & Office Buildings		2,482	1,626	564
8	17-Roadway Building		150	47	40
9	18-Water Stations		73		
10	19-Fuel Stations	131			
11	20-Shops and Enginehouses			3	
12	22-Storage Warehouse	8			
13	26-Communication System		857		12
14	27-Signals and Interlocker	1	109		
15	31-Power Transmission System	35			
16	35-Miscellaneous Structures		21		
17	37-Roadway Machine				
18	39-Public Improvements-Const.	262	108	54	18
19	44-Shop Machinery				
20					
	Miscellaneous physical property (specify):				
21					
22					
23					
24					
25	TOTAL CREDITS	6,987	4,352	2,099	2,114
	Debits				
26	Road property (specify):				
27	1-Engineering	225			
28	3-Grading				
29	6-Bridges, Trestles & Culverts				
30	13-Fences-Snowsheds & Signs				
31	16-Station and Office Building				
32	17-Roadway Building				
33	18-Water Stations				
34	19-Fuel Stations	1,303			
35	20-Shop & Enginehouse	9,014			
36	22-Storage Warehouse				
37	26-Communication System				
38	31-Power Transmission System				
39	35-Miscellaneous Structures				
40	37-Roadway Machines				
41	39-Public Improvement-Const.			1,982	
42	44-Shop Machinery				
43	27-Signals and Interlockers				
	Miscellaneous physical property (specify):				
44					
45					
46					
47					
48					
49	TOTAL DEBITS	10,542		1,982	
50	Balances at close of year	242,968	431,141	74,676	66,655
51	Accrued depreciation-Road				
	Accrued depreciation-Miscellaneous physical property				



## 286. DEPRECIATION RESERVE—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY—Concluded

Enter the names of the lessor companies in the column headings. All debits or credits to the reserve respecting amortization, if a general amortization program has been authorized, should be included.

(f)	(g)	(h)	(i)	(j)	(k)	Line No.
\$	\$	\$	\$	\$	\$	1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
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						31
						32
						33
						34
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						36
						37
						38
						39
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						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
						51

## 287. DEPRECIATION RATES—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

Give a statement of the percentages used by each lessor company for computing the amounts accrued for depreciation during the

year on various classes of road and miscellaneous physical property, together with the estimated life of the property upon which such

percentages are based.

Line No.	Name of lessor company (a)	Class of property on which depreciation was accrued (b)	Estimated life (in years) (c)	Annual rate of depreciation (d) %	Name of lessor company (e)	Class of property on which depreciation was accrued (f)	Estimated life (in years) (g)	Annual rate of depreciation (h) %
1								
2	Blue Ridge Railway Company					High Point, Randleman, Asheboro and Southern		
3						R.R. Co.		
4	1. Engineering			.60	1. Engineering			.35
5	3. Grading			.01	6. Bridges		36	2.75
6	6. Bridges, Trestles & Culverts	77	1.30		16. Station & Office Building		45	2.20
7	13. Fences, Snowsheds & Signs		.20		17. Roadway Building		41	2.45
8	19. Fuel Stations	33	3.00		20. Shops & Enginehouse		43	2.30
9	22. Storage Warehouses	50	2.00		39. Public Improvements			.73
10	27. Signals and Interlockers	53	1.90					
11	35. Miscellaneous Structures	25	4.00					
12	39. Public Improvements		.75					
13								
14								
15								
16								
17								
18								
19								
20	Danville and Western Railway Company					Yadkin Railroad		
21								
22	1. Engineering		.90		1. Engineering			.50
23	3. Grading		.02		3. Grading			.03
24	6. Bridges, Trestles & Culverts	34	2.95		6. Bridges, Trestles & Culverts	41	2.45	
25	13. Fences, Snowsheds & Signs	80	1.25		16. Stations & Office Building	42	2.40	
26	16. Station & Office Building	57	1.75		17. Roadway Building	45	2.20	
27	17. Roadway Building	42	2.40		18. Water Stations	34	2.95	
28	18. Water Stations	29	3.45		39. Public Improvements		.21	
29	26. Communication Systems	29	3.50					
30	27. Signals & Interlockers	30	3.30					
31	35. Miscellaneous Structures	21	3.85					
32	39. Public Improvements		.70					
33								
34								
35								
36								
37								
38								
39								



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## 308. DIVIDENDS DECLARED

Give particulars of each dividend declared by each lessor company included in this report. For par value or nonpar stock, show in column (e) the respective total par value or total number of shares on which dividend was declared and the corresponding rate percent or per share in column (c) and (d). If any such dividend was payable in

anything other than cash; or, if any obligation of any character has been incurred for the purpose of procuring funds for the payment of any dividend or for the purpose of replenishing the treasury after such payment; or, if any class of stock received a return not reportable in this schedule, explain the matter fully in the remarks column. For

nonpar stock, show the number of shares in column (e) and the rate per share in column (c) or (d). The dividends in column (f) should be totaled for each company. The sum of the dividends stated in column (f) should equal the amount shown in schedule No. 305.

Line No.	Name of lessor company (a)	Name of security on which dividend was declared (b)	RATE PERCENT (PAR VALUE STOCK) OR RATE PER SHARE (NONPAR STOCK)		Total par value of stock or total number of shares of nonpar stock on which dividend was declared (e)	Dividends (Account 623) (f)	DATE		Remarks (g)
			Regular (c)	Extra (d)			Declared (g)	Payable (h)	
1	Blue Ridge Railway Co.	Common Stock		*	100,000	75,000	12/16/77	12/22/77	
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
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### 340. MISCELLANEOUS PHYSICAL PROPERTIES OPERATED DURING THE YEAR

Give particulars of each class of miscellaneous physical property or plant operated by each lessor company included in this report during the year. If any of the operations listed in this schedule were discontinued before the close of the year, explain the matter in a footnote. Group the properties under the heads of the classes of operations to which they are devoted.

In column (a) give the designation used in the respondent's records and the name of the town or city and State in which the property or plant is located, stating whether the respondent's title is that of ownership or whether the property is held under lease or other incomplete title. All peculiarities of title should be explained in a footnote.

The totals of columns (b), (c), and (d) should agree with the totals of accounts Nos. 502, "Revenue from miscellaneous operations," 534, "Expenses of miscellaneous operation," and 535, "Taxes on miscellaneous operating property," in respondent's Income Account for the Year. If not, differences should be explained in a footnote.

Line No.	Designation and location of property or plant, character of business, and title under which held (a)	Total revenue during the year (b)	Total expenses during the year (c)	Total taxes applicable to the year (d)
1		\$	\$	\$
2				
3	None			
4				
5				
6				
7				
8				
9				
10	Total			

## 350. RAILWAY TAX ACCRUALS

1. Give particulars called for of the "Other than U. S. Government taxes" and "U. S. Government taxes" accrued and charged to account No. 532, "Railway tax accruals," during the year.

2. Enter in the column headings the names of the lessor companies which accrued the taxes.

3. In section A show for each State the taxes accrued which were levied by the State Governments (or Governments other than

the United States).

4. In section B give an analysis by kind of U. S. Government taxes.

5. Substantial adjustments included in the amounts reported should be explained in a footnote.

025105

025106

Line No.	Name of State and kind of tax (a)	Blue Ridge Railway Company	Danville and Western Railway Co.	Durham and South Caro. Railroad	High Point Randleman Asheville & Southern RR Co.	Yadkin Railroad Company
		Amount	Amount	Amount	Amount	Amount
	<b>A. Other Than U. S. Government Taxes</b> (Enter names of States)	\$	\$	\$	\$	\$
1	Virginia		5,664			
2						
3	North Carolina				4,039	
4						
5	North Carolina					12,268
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26	Total—Other than U. S. Government taxes		5,664		4,039	12,268
	<b>B. U. S. Government Taxes</b>					
27	Income taxes	50,966	166,146	508	30,595	102,029
28	Old-age retirement					
29	Unemployment insurance					
30	All other United States taxes					
31	Total—U. S. Government taxes	50,966	166,146	508	30,595	102,029
32	GRAND TOTAL—Railway Tax Accruals (account 532)	50,966	171,810	508	34,634	114,297



## 350. RAILWAY TAX ACCRUALS-Continued

## C. Analysis of Federal Income Taxes

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

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

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

4. Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or 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 10 in columns (c) and (d) should agree with the total of the contra charges (credits) to account 533, Provision for deferred taxes, and account 591, Provision for deferred taxes - extraordinary and prior period 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.

Name of Lessor Blue Ridge Railway Company

Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc 62-21	37,440	4,800		42,240
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Accelerated amortization of rolling Stock, Sec. 184 I.R.C.		5,760		5,760
4	Amortization of rights of way, Sec. 185 I.R.C.				
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	37,440	10,560		48,000

Name of Lessor Danville and Western Railway Company

Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21	38,400	9,600		48,000
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Accelerated amortization of rolling Stock, Sec. 184 I.R.C.		3,360		3,360
4	Amortization of rights of way, Sec. 185 I.R.C.				
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	38,400	12,960		51,360

## 350. RAILWAY TAX ACCRUALS-Continued

Name of Lessor Durham and South Carolina Railroad Company

Line No.	Particulars (a)	Beginning of Year Balance	Net Credits (Charges) for Current Year	Adjustments	End of Year Balance
		(b)	(c)	(d)	(e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21				
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Accelerated amortization of rolling Stock, Sec. 184 I.R.C.				
4	Amortization of rights of way, Sec. 185 I.R.C.				
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS				

Name of Lessor High Point, Randleman, Asheboro and Southern Railroad Company

Line No.	Particulars (a)	Beginning of Year Balance	Net Credits (Charges) for Current Year	Adjustments	End of Year Balance
		(b)	(c)	(d)	(e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc 62-21	5,760	1,440		7,200
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Accelerated amortization of rolling Stock, Sec. 184 I.R.C.				
4	Amortization of rights of way, Sec. 185 I.R.C.		480		480
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	5,760	1,920		7,680

Name of Lessor Yadkin Railroad Company

Line No.	Particulars (a)	Beginning of Year Balance	Net Credits (Charges) for Current Year	Adjustments	End of Year Balance
		(b)	(c)	(d)	(e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc 62-21	4,320	960		5,280
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Accelerated amortization of rolling Stock, Sec. 184 I.R.C.				
4	Amortization of rights of way, Sec. 185 I.R.C.		1,440		1,440
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	4,320	2,400		6,720



Lessor Initials NS

Year 19 77

55B

NOTES AND REMARKS

## 371. INCOME FROM LEASE OF ROAD AND EQUIPMENT

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

ment."

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

accrued, give particulars in a footnote.

Line No.	DESCRIPTION OF ROAD			Name of present leaseholder	RENT ACCRUED DURING YEAR		
	Name of lessor company (a)	Termini (b)	Length (c)		Total (e)	Depreciation (f)	All other (Account 509) (g)
1	<u>Blue Ridge Railway Company</u>				\$	\$	\$
2		Anderson, S.C. to					
3		Walhalla, S.C.	32.90		86,440		86,440
4							
5							
6							
7	<u>Danville and Western Railway Company</u>						
8		Stokesland, Va. to					
9		Fieldale, Va.	42.13				
10		Leaksville Jct., Va. to					
11		Leaksville, Va.	7.67		317,912		317,912
12							
13							
14							
15	<u>High Point, Randleman, Asheboro and Southern R.R. Co.</u>						
16		HPRA&S Jct. to					
17		Asheboro, N.C.	27.30		86,768		86,768
18							
19							
20							
21	<u>Yadkin Railroad Company</u>						
22		Yadkin Jct. to					
23		Albemarle, N.C.	30.94		146,984		146,984
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							



### 371A. ABSTRACT OF TERMS AND CONDITIONS OF LEASES

Give brief abstracts of the terms and conditions of the leases under which the above stated rents are derived, showing particularly (1) the name of lessor, (2) the name of lessee, (3) the date of the grant, (4) the chain of title (in case of assignment or subletting) and dates of transfer connecting the original parties with the

present parties, (5) the basis on which the amount of the annual rent is determined, and (6) the date when the lease will terminate, or, if the date of termination has not yet been fixed, the provisions governing the termination of the lease. Also give reference to the Commission's authority for the lease, if any. If none, state

the reasons therefor.

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

**NOTE.—Only changes during the year are required.—**Indicate the year in which reference was made to the original lease, and also the years in which any changes in lease were mentioned.

**383. RENTS FOR LEASED ROADS AND EQUIPMENT**

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

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

3. Taxes paid or payable by the respondent as a part of the stipulated rent should be included in column (f) and specifically stated under "Remarks."

4. This account includes amounts payable accrued as rent for roads, tracks, or bridges (including equipment or other railroad property cov-

Line No.	Name of leaseholder (a)	Name of lessor company (b)	Total rent accrued during year (c)
1			\$
2			
3			
4	None		
5			
6			
7			
8			
9			
10			

**383A. ABSTRACT OF LEASEHOLD CONTRACTS**

Give brief abstracts of the terms and conditions of the leases under which the above-named properties are held, showing particularly (1) the name of lessee, (2) the name of lessor, (3) the date of the lease, (4) the chain of title and dates of transfer connecting the original parties with the

present parties in case of assignment or subletting, (5) the basis on which the amount of the annual rent is determined, and (6) the date when the lease is to terminate, or, if such date has not yet been determined, the provisions governing its determination. Also give reference to the Com-

NOTE.—Only changes during the year are required.

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

Give a detailed analysis regardless of the amounts of all items included in accounts 570, "Extraordinary items"; and 590 "Federal income taxes on extraordinary items; 605, "Other credits to retained income" and 616, "Other debits to retained income."

Line No.	Name of lessor company (a)	Account No. (b)	Item (c)	Debits (d)	Credits (e)
1				\$	\$
2					
3					
4					
5			None		
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					



**383. RENTS FOR LEASED ROADS AND EQUIPMENT—Concluded**

ered by the contract), and for specific equipment held under lease for 1 year or more, the property being owned by other companies, and held under lease or other agreement by the terms of which exclusive use and control for operating purposes are secured.

5. If the reporting companies held under lease, during all or any part of

the year, road on which no rent payable accrued, or if any portion of the charge shown hereunder is for construction on a line in which the leasehold interest will soon expire, give full particulars in the "Remarks" column.

CLASSIFICATION OF RENT			Remarks (g)	Line No.
Guaranteed interest on bonds (d)	Guaranteed dividends on stocks (e)	Cash (f)		
\$	\$	\$		1
				2
				3
				4
				5
				6
				7
				8
				9
				10

**383A. ABSTRACT OF LEASEHOLD CONTRACTS—Concluded**

mission's authority for the lease, if any. If none, state the reasons therefor.

In lieu of the abstracts here called for, copies of lease agreements may

be filed. Reference to copies filed in prior years should be given in connection with any changes in terms and conditions of the leasehold contracts.

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

Each item recorded in accounts 606 and 616 amounting to \$10,000 or more should be stated; items less than \$10,000 may be combined in a single entry, designated "Minor items, each less than \$10,000."

Line No.	Name of lessor company (a)	Account No. (b)	Item (c)	Debit (d)	Credits (e)
				\$	\$
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					

**411. TRACKS OWNED AT CLOSE OF YEAR**  
(For lessors to other than switching and terminal companies)

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

The classes of tracks are defined as follows:

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

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

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

tracks switched by yard locomotives.

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

Line No.	Name of road (a)	Termini between which road named extends (b)	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	Total (i)
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, etc. (f)			
1	Blue Ridge Ry. Co.	Anderson, S.C. to Wahalla, S.C.	32.82			1.65	5.20	2.31	41.98
2									
3	Danville & Western Ry. Co.	Stokesland, Va. to Fieldale, Va.	42.13			1.48	1.17	3.04	47.82
4									
5		Leaksville Jct., Va. to							
6		Leaksville, N.C.	7.67			0.99	2.30	2.78	13.74
7									
8	Durham & So. Carolina RR Co.	Duncan, N.C. to Durham, N.C.	35.77			0.51	4.67	0.69	41.64
9									
10									
11	High Point, Randleman,	HPRA& Jct. to							
12	Asheboro & Southern RR Co.	Asheboro, N.C.	27.30			1.19	1.78	1.82	32.09
13									
14									
15	Yadkin R.R. Co.	Yadkin Jct., N.C. to							
16		Albemarle, N.C.	30.94			1.74	2.97	1.90	37.55
17									
18									
19									
20									
21									
22									
23									
24									

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

Line No.	Name of road	(Enter names of States or Territories in the column headings)							Total
25	Blue Ridge Ry. Co.						Virginia	N.C.	32.82
26	Danville and Western Ry. Co.	(line 3 above)					40.45	1.68	42.13
27	Danville & Western Ry. Co.	(line 5 above)					0.19	7.48	7.67
28	Durham & South Carolina R.R. Co.							35.77	35.77
29	High Point, Randleman, Asheboro & Southern R.R. Co.							27.30	27.30
30	Yadkin R.R. Co.							30.94	30.94
31									



[illegible]411A. TRACKS OWNED AT CLOSE OF YEAR  
(For lessors to switching and terminal companies)

Give particulars of the mileage owned by lessors to switching and terminal companies. If a company of this class controls any mileage by lease, and, in turn, subleases such mileage to another company, give particulars

in a footnote.

In the lower table, classify the mileage of tracks owned at close of year by States and Territories. Enter names of States or Territories in the col-

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

Line No.	Name of road (a)	Location (b)	Mileage of tracks owned (c)	Name of lessee (d)
1				
2				
3				
4		NONE		
5				
6				
7				
8				
9				
10				

MILES OF TRACKS OWNED AT CLOSE OF YEAR—BY STATES AND TERRITORIES

(Enter names of States or Territories in the column headings)

[illegible]

**561. EMPLOYEES AND COMPENSATION**

1. Give the average number of employees in the service of the lessor companies included in this report and the total compensation paid to them. General officers who served without compensation or were carried on the pay rolls of another company, and pensioners rendering no service, are not to be included.

2. Averages called for in columns (b), (c), and (d) should be the average of 12 middle-of-month

COMMENTS:

3. This schedule does not include old-age retirement, and unemployment insurance taxes. See schedule 350 for such taxes.

Line No.	Name of lessor company (a)	AVERAGE NUMBER OF EMPLOYEES IN SERVICE			TOTAL COMPENSATION DURING YEAR		
		Executives, general officers, and staff assistants (b)	Other employees (c)	Total employees (d)	Executives, general officers, and staff assistants (e)	Other employees (f)	Total compensation (g)
1					\$	\$	\$
2							
3			NONE				
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							

**562. COMPENSATION OF OFFICERS, DIRECTORS, ETC.**

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee, of each officer, director, pensioner, or employee to whom the lessor companies included in this report paid \$40,000 or more during the year as compensation for current or past services over and above necessary expenses incurred in discharge of their duties.

If more convenient, this schedule may be filled out for a group of roads considered as one system and shown only in the report of the principal road of the system with a reference thereto in this report.

Any large "Other compensation" should be explained.

Line No.	Name of lessor company (a)	Name of person (b)	Title (c)	Salary per annum as of close of year (d)	Other compensation during the year (e)	Remarks (f)
1			NONE	\$	\$	
2						
3						
4						
5						
6						
7						
8						
9						
10						

**563. PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

Give particulars concerning payments, fees, retainers, commissions, gifts, contributions, assessments, bonuses, pensions, subscriptions, allowances for expenses, or any form of payments amounting in the aggregate to \$10,000 or more during the year to any corporation, institution, association, firm, partnership, committee, or any person (other than one of respondents' employees covered in schedule 562 in this annual report) for services or as a donation.

Payments for services which both as to their nature and amount may reasonably be regarded as

ordinarily connected with the routine operation, maintenance, or construction of a railroad should be excluded, but any special or unusual payments for services should be reported.

If more convenient, this schedule may be filled out for a group of roads considered as one system and shown only in the report of the principal road of the system with a reference thereto in this report.

Line No.	Name of lessor company (a)	Name of recipient (b)	Nature of service (c)	Amount of payment (d)	Remarks (e)
1			NONE	\$	
2					
3					
4					
5					
6					
7					
8					
9					
10					



## 581. CONTRACTS, AGREEMENTS, ETC.

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

1. Express companies.
2. Mail.
3. Sleeping, parlor, and dining car companies.
4. Freight or transportation companies or lines.
5. Other railway companies.
6. Steamboat or steamship companies.
7. Telegraph companies.
8. Telephone companies.
9. Equipment purchased under conditional sales contracts.
10. Other contracts.

Under item 9, give particulars of conditional sales agreements, lease or rental contracts, and other similar instruments, entered into by respondent for the purchase of equipment, which provide for payment in installments and do not involve the issuance of securities by respondent. State the names of the parties to the contracts or agreements, the number of units of each class of equipment covered, and the terms and conditions of payment.

Information concerning contracts of minor importance may be omitted. A contract of minor importance is defined as one involving receipts or payments of less than \$10,000 per year, and which by its terms is otherwise unimportant.

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

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

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

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

NONE

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 hundredth of a mile.

1. 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.

### 591. CHANGES DURING THE YEAR

2. For changes in miles of road, give dates of beginning or abandonment of operation. If any changes reportable in this schedule occurred under authority granted by the Commission in certificates of convenience and necessity, issued under paragraphs (18) to (22) of section 1 of the Interstate Commerce Act or otherwise, specific reference to such authority should in each case be made by docket number or otherwise as may be appropriate.
3. All consolidations, mergers, and reorganizations effected, giving particulars.  
This statement should show the mileage, equipment, and cash value

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

4. Adjustments in the book value of securities owned, and reasons therefor.
5. Other financial changes of more than \$50,000, not elsewhere provided for, giving full particulars.

### INCREASES IN MILEAGE

Line No.	Class	Name of lessor company	Main (M) or branch (B) line (c)	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks (h)	Miles of yard switching tracks (i)	Total (j)
				Miles of road (d)	Miles of second main track (e)	Miles of all other main tracks (f)	Miles of passing tracks, cross-overs, and turn-outs (g)			
1		HPRA&S R.R. Co.					0.03			0.03
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14				Total Increase			0.03			0.03

### DECREASES IN MILEAGE

15										
16		Blue Ridge Ry. Co.					0.06		0.01	0.07
17		Durham & South Carolina R.R. Co.		2.24			0.03		0.01	2.28
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29				Total Decrease	2.24		0.09		0.02	2.35

Lessor Initials

NS

Year 19 77



If returns under Inquiry No. 1 on page 64 include any first main track owned by respondent or its proprietary companies representing new construction or permanent abandonment give the following particulars:

Line No.	OWNED BY RESPONDENT			OWNED BY PROPRIETARY COMPANIES		
	Name of lessor company (a)	MILES OF ROAD		Name of proprietary company (d)	MILES OF ROAD	
		Constructed (b)	Abandoned (c)		Constructed (e)	Abandoned (f)
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

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.

## Schedule 595.—COMPETITIVE BIDDING -- CLAYTON ANTITRUST ACT

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

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

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

Line No.	Nature of bid (a)	Date Published (b)	Contract number (c)	No. of bidders (d)	Method of awarding bid (e)	Date filed with the Commission (f)	Company awarded bid (g)
1							
2							
3							
4							
5							
6							
7							
8			"This Company had no dealings, and executed no contracts, of the kind requiring compliance with the Commission's competitive bidding rules pursuant to Section 10 of the Clayton Antitrust Act (49 CER Part 1010 through Part 1010.7) during 1977."				
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							



NOTES AND REMARKS

## VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondents. It should be verified, also, by the oath of the president or other chief officer of the respondents, unless the respondents state on the last preceding page of this report that such chief officer has no control over the accounting of the respondents. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken. While the President and Board of Directors have the right to exercise control of the accounting of these companies, they have delegated to the Comptroller the supervision of the books of account and the control of the manner in which such books are **OATH** kept.  
(To be made by the officer having control of the accounting of the respondents)

State of XXXXX DISTRICT OF COLUMBIA  
County of XXXXX CITY OF WASHINGTON

ss:

F. A. Luckett  
(Insert here the name of the affiant)

makes oath and say that he is Assistant Comptroller  
(Insert here the official title of the affiant)

of LESSORS OF NORFOLK SOUTHERN RAILWAY COMPANY  
(Insert here the exact legal titles or names of the respondents)

Blue Ridge Railway Company

Danville and Western Railway Company

High Point, Randleman, Asheboro and Southern  
Railroad Company

Durham & South Carolina Railroad Company

Yadkin Railroad Company

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

January 1, 19 77, to and including December 31, 19 77

F. A. Luckett  
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and  
county above named, this 30th day of March, 19 78

My commission expires August 31, 1979

[ Use an  
L. S.  
impression seal ]

Lawrence H. [Signature]  
(Signature of officer authorized to administer oaths)



## VERIFICATION—Concluded

## SUPPLEMENTAL OATH

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

State of \_\_\_\_\_ }  
 County of \_\_\_\_\_ } ss:

\_\_\_\_\_  
 (Insert here the name of the affiant) Makes oath and says that he is \_\_\_\_\_  
 (Insert here the official title of the affiant)  
 of \_\_\_\_\_  
 (Insert here the exact legal titles or names of the respondents)

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 respondents during the period of time from and including

\_\_\_\_\_, 19\_\_\_\_, to and including \_\_\_\_\_, 19\_\_\_\_

\_\_\_\_\_  
 (Signature of affiant)

Subscribed and sworn to before me, a \_\_\_\_\_, in and for the State and  
 county above named, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

My commission expires \_\_\_\_\_

[ Use an  
 L. S.  
 impression seal ]

\_\_\_\_\_  
 (Signature of officer authorized to administer oaths)





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