

RC-426102

NORTH CAROLINA RAILROAD CO.

1979

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-RC426102-

R-4

RAILROAD LESSOR

APPROVED BY CAO
B-180/250 (R0255)
EXPIRES 2-29-80

annual report

040404

	NORTH CAROLINA RAILROAD COMPANY P O BOX 665 SILER CITY, NORTH CAROLINA 27344
Correct name and address if different than shown.	Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)



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FOR THE YEAR ENDED DECEMBER 31, 1979

Not Consolidated

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:

11145. The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors, ⁽¹⁾ (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, ⁽²⁾ specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors, ⁽³⁾ as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor, ⁽⁴⁾ in such form and detail as may be prescribed by the Commission.

11145. 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. ⁽⁵⁾

11144. Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, ⁽⁶⁾ or shall knowingly or willfully ⁽⁷⁾ make 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 for a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment. ⁽⁸⁾

11901. Any carrier, or lessor, ⁽⁹⁾ 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. ⁽¹⁰⁾

11141. As used in this section ⁽¹¹⁾ 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. ⁽¹²⁾

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

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 for line number _____" should be used in answer thereto, giving precise reference to the portion in 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. Unfamiliar abbreviations may be used in stating dates.

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

4. If it be necessary or desirable to insert additional statements, typewritten or other, in a report, they should be legibly made on durable paper and, wherever practicable, on sheets not larger than a page of the form. Inverted 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 notation.

6. Money items, except averages, throughout the annual report form should be shown in whole dollars adjusted to account with fractions. 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, usually 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 \$50,000,000 or more. For this class, Annual Report Form R-1 is provided.

Class II companies are those having annual operating revenues less than \$50,000,000 but in excess of \$10,000,000. For this class, Annual Report Form R-2 is provided.

Class III companies are those having annual operating revenues of \$10,000,000 or less. For this class, Annual Report Form R-3 is provided.

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

The deferred income tax liability of \$205,846 arises from a deferred income tax benefit of \$24,154 relating to unearned rental income and from deferred income taxes payable of \$178,000 relating to gain on the sale of real estate and \$54,000 for amortization of grading. During the year, \$17,490 of deferred taxes became due and is classified as current.

NOTE D — FUNDS RESTRICTED FOR LAND PURCHASES

The Company sold three tracts of land and the rental properties owned by the subsidiary during the year ended May 31, 1977. Two of the tracts were sold to cities under threat of condemnation, and under agreements with the lessee the Company is planning to reinvest the proceeds in other land.

NOTE E — OTHER INFORMATION

The Directors of the company and the Directors of its wholly-owned subsidiary, Hoke Real Estate Company, have voted to liquidate the subsidiary.

July 12, 1979

To the Shareholders of the North Carolina
Railroad Company:

I herewith submit the consolidated financial statements of North Carolina Railroad Company and subsidiary showing the financial condition at May 31, 1979, and the statements of income and surplus and changes in financial position for the year then ended.

Respectfully submitted,

JOHN M. ALEXANDER, SR.
President

Board of Directors
North Carolina Railroad Company
Raleigh, North Carolina

We have examined the consolidated balance sheets of North Carolina Railroad Company and subsidiary as of May 31, 1979 and 1978, and the related consolidated statements of income and surplus and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of North Carolina Railroad Company and subsidiary at May 31, 1979 and 1978, and the consolidated results of their operations and changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Ernst & Ernst



Raleigh, North Carolina
June 13, 1979

RESPONDENT

COMMERCE SSION

E

CEMBER 31, 1979

Officer in charge of correspondence with the Commission

Title) Secretary-Treasurer

North Carolina 27344

and J. P. ...

CONSOLIDATED BALANCE SHEETS NORTH CAROLINA RAILROAD COMPANY AND SUBSIDIARY

	May 31 1979	1978
ASSETS		
CURRENT ASSETS		
Cash	\$ 31,588	\$ 48,235
Invested cash	680,947	398,157
Rentals receivable	119,167	119,167
Interest receivable	9,328	3,850
Accounts receivable	-0-	13,000
Prepaid expenses	285	150
TOTAL CURRENT ASSETS	841,315	579,559
FUNDS RESTRICTED FOR LAND PURCHASES - Note D		
Invested cash	357,324	557,324
PROPERTIES		
Roadway and land leased to Southern Railway Company - Note B	4,889,090	4,889,090
	<u>\$6,087,729</u>	<u>\$6,025,973</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES		
Accrued expenses	\$ 23,594	\$ 22,806
Matured dividends payable	900	1,171
Unearned rental income	47,437	47,437
Note payable	15,000	-0-
Income taxes payable	33,308	35,572
TOTAL CURRENT LIABILITIES	120,239	106,986
DEFERRED INCOME TAXES - Note C		
	205,846	237,030
SHAREHOLDERS' EQUITY		
Common Stock, par value \$100 per share - authorized 40,000 shares, issued and outstanding 40,000 shares, including 412 shares owned by subsidiary	4,000,000	4,000,000
Surplus	1,833,681	1,753,934
	<u>5,833,681</u>	<u>5,753,934</u>
Less cost of Common Stock owned by subsidiary	72,037	72,037
	<u>5,761,644</u>	<u>5,681,897</u>
	<u>\$6,087,729</u>	<u>\$6,025,973</u>

See notes to consolidated financial statements

STATEMENTS OF CONSOLIDATED INCOME AND SURPLUS NORTH CAROLINA RAILROAD COMPANY AND SUBSIDIARY

	Year Ended May 31 1979	1978
Lease of roadway and land to Southern Railway Company		
Lease of other properties	\$367,319	\$365,378
Interest income	2,635	1,710
Gain on sale of real property	85,369	48,564
	-0-	378
Less maintenance of investment organization	455,323	416,328
	23,000	24,776
INCOME BEFORE INCOME TAXES	432,323	391,552
Income taxes - Note C:		
Current	49,626	21,505
Deferred	(13,754)	10,900
	35,872	32,405
NET INCOME	396,451	359,147
Surplus at beginning of year	1,753,934	1,711,491
	2,150,385	2,070,638
Cash dividends - \$8 per share in 1979 and 1978	316,704	316,704
SURPLUS AT END OF YEAR	\$1,833,681	\$1,753,934
Net income per share	\$10.01	\$9.07

See notes to consolidated financial statements

STATEMENTS OF CONSOLIDATED CHANGES IN FINANCIAL POSITION NORTH CAROLINA RAILROAD COMPANY AND SUBSIDIARY

	Year Ended May 31 1979	1978
SOURCE OF FUNDS		
Net income	\$396,451	\$359,147
Items in income not requiring (providing) working capital:		
Deferred income taxes - Note C	(13,754)	10,900
TOTAL FROM OPERATIONS	382,697	370,047
Reduction in restricted funds used to purchase property	-0-	126,379
Transfer from current taxes payable to deferred taxes	-0-	47,220
Reduction of deferred charges	-0-	60,028
Transfer from restricted funds to current assets	200,000	-0-
	<u>582,697</u>	<u>603,674</u>

See notes to consolidated financial statements

APPLICATION OF FUNDS

Cash dividends	316,704	316,704
Purchase of property	-0-	11,326
Current maturity of deferred income taxes	17,490	-0-
	334,194	428,030
INCREASE IN WORKING CAPITAL	\$248,503	\$175,644

CHANGES IN COMPONENTS OF WORKING CAPITAL

Increase (decrease) in current assets:		
Cash	\$10,647	\$214,837
Invested cash	282,790	227,685
Interest receivable	5,478	(7,603)
Accounts receivable	(10,000)	10,000
Prepaid expenses	135	150
	<u>261,756</u>	<u>15,395</u>
Increase (decrease) in current liabilities:		
Accrued expenses	788	17,056
Matured dividends payable	(271)	(631)
Unearned rental income	-0-	(3,401)
Note payable	15,000	-0-
Federal and state income taxes	(2,264)	(173,273)
	<u>13,253</u>	<u>(160,249)</u>
INCREASE IN WORKING CAPITAL	\$248,503	\$175,644

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS NORTH CAROLINA RAILROAD COMPANY AND SUBSIDIARY

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements include the accounts of the Company and its wholly-owned subsidiary, Hoke Real Estate Company, on a consolidated basis. All intercompany accounts have been eliminated, and the Common Stock of the parent owned by the subsidiary has been accounted for as treasury shares.

Properties in the roadway and land account are carried at an amount which approximates the 1916 valuation by the Interstate Commerce Commission. There are no detail records available on the original cost of these properties which were acquired in the previous century.

The Company does not provide for depreciation of its property, which consists principally of land and roadbed. The lessee is required to keep the property in good repair and return it to the lessor in a state equivalent to its original condition.

Rentals from the lease of properties are included in the financial statements under the operating method in the period to which the rentals apply, without, for income tax purposes, such rentals are reported as income as collections are received. Any resulting difference between taxes actually payable and taxes provided in the income statement is included as deferred income taxes.

Deferred taxes are also provided on the gain on sale of properties. The Company is planning to reinvest the proceeds in similar property thereby deferring the taxes until sale of the new property. Deferred taxes are also provided on the amortization of grading. Amortization is taken for income tax purposes, but not for financial statement purposes.

Income tax expense is disproportionate to income before income taxes because the lessee of certain of the properties, pursuant to the terms of the lease, pays the income taxes arising from the subject lease.

NOTE B - LEASE ON ROADWAY AND LAND

The Company has its roadway and land under two leases to Southern Railway Company.

The first lease expires on January 1, 1995, and provides for an annual rental of \$286,000. Under the terms of the lease, all income, property and franchise taxes are paid by the lessee.

The second lease expires on December 31, 2067, and provides for an annual rental of \$87,150 through the first year. At the beginning of the fifty-first lease year, 6% of the appraised value will be the annual rental for the last forty-nine years of the lease. Under the terms of the lease, all taxes connected with the property except income taxes are paid by the lessee.

NOTE C - INCOME TAXES

A reconciliation of the total tax expense to the amount computed by applying the statutory federal income tax rate (48% through December 31, 1978; 46% beginning January 1, 1979) to income before income taxes follows.

	Year Ended May 31	
	1979	1978
Income taxes at the statutory rates	\$208,754	\$187,945
Plus:		
State income taxes, net of federal tax benefit	13,556	12,216
	222,110	200,161
Less:		
Surplus exemption	6,525	3,994
Federal and state income taxes paid by lessee	171,494	155,327
Amortization of railroad grading	6,055	5,449
Other	2,164	2,986
	186,238	167,756
	\$35,872	\$32,405

Audited Financial Statements

of

North Carolina Railroad Company

for

Shareholders' Meeting

July 12, 1979

11:00 a.m.

OFFICERS

John M. Alexander, Sr. President
 Ralph Scott. Vice President
 Jack A. Moody Secretary-Treasurer
 Wade Smith. Assistant Secretary-Treasurer
 Thomas L. Barringer Attorney
 Woodrow W. Gunter Expert

DIRECTORS

John M. Alexander, Sr. Cornelia C. Lyles
 J. Fred Corriher, Jr. L. P. McLendon, Jr.
 R. Reed DeVane Jack A. Moody
 Kenneth Ray Downs Dot Mason
 Pleas Lackey Ralph Scott
 Sarah E. Lefler Maurice Thiem

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Board of Directors
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E. M. Smith & Co.

E-M

Raleigh, North Carolina
 June 13, 1979

ANNUAL REPORT

OF

NORTH CAROLINA RAILROAD COMPANY

(FULL NAME OF THE RESPONDENT)

RALEIGH, NORTH CAROLINA

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1979

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

(Name) Jack A. Moody (Title) Secretary-Treasurer

(Telephone number) 919 742-5614

(Office address) P. O. Box 665, Siler City, North Carolina 27344

SPECIAL NOTICE

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

This form is revised to: (1) improve the disclosure of information for both ratemaking and financial reporting purposes; (2) eliminate unnecessary reporting and (3) conform with the new Uniform System of Accounts for Railroads, effective January 1, 1978. Other significant modifications include revisions to conform with reporting under generally accepted accounting principles and the rearrangement of schedules in a more orderly fashion to make them easier to complete and use.

ESTIMATE OF REPORTING BURDEN

In order to monitor carrier reporting burden and to satisfy GAO requirements pursuant to Section 409 of Public Law 93-153, it is requested that you voluntarily furnish your best estimate of the number of hours required to complete this report.

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

Total hours (Estimated) 3

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Receiver or Trustee	D	6	Compensation of Officers, Directors, Etc.	500	30
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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

North Carolina Railroad Company

Name of lessor companies that file separate reports

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.

A. 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 corporate name. Be careful to distinguish between railroad and rail-

way.

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 possession 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 705, "Changes during the year."

Line No.	Exact name of lessor company (a)	INCORPORATION		CORPORATE CONTROL OVER RESPONDENT			Total number of stockholders (f)	Total voting power of all security holders at close of year (g)
		Date of incorporation (b)	Name of State or Territory in which company is incorporated (c)	Name of controlling corporation (d)	Extent of control (percent) (e)			
1	North Carolina Railroad Company	1849	N. C.	State of North Carolina	75		288	40 000
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B. 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 stockholders. 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, 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	Name of stockholder	Voting power	Name of stockholder	Voting power	Name of stockholder	Voting power	Name of stockholder	Voting power
1	N. C. Railroad Co.	State of N.C.	30002	Jefferson Standard Life	2007	State Capital Insurance	654	TEPE & Co.	636
2								Hoke Real Estate	412
3									
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5									
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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.

State total number of votes cast at latest general meeting for election of directors of respondent

Give the date of such meeting

Give the place of such meeting

C. DIRECTORS

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

Line No.	Item	
		N. C. Railroad Co.
1	Name of director	John M. Alexander, Sr.
2	Office address	Raleigh, N. C.
3	Date of beginning of term	8/1/79
4	Date of expiration of term	7/31/80
5	Name of director	J. Fred Corriher, Jr.
6	Office address	Landis, N. C.
7	Date of beginning of term	8/1/79
8	Date of expiration of term	7/31/80
9	Name of director	R. Reed DeVane
10	Office address	Greensboro, N. C.
11	Date of beginning of term	8/1/79
12	Date of expiration of term	7/31/80
13	Name of director	Kenneth Ray Downs
14	Office address	Pineville, N. C.
15	Date of beginning of term	8/1/79
16	Date of expiration of term	7/31/80
17	Name of director	Pleas Lackey
18	Office address	Hiddenite, N. C.
19	Date of beginning of term	8/1/79
20	Date of expiration of term	7/31/80
21	Name of director	Sarah E. Lefler
22	Office address	Willard, N. C.
23	Date of beginning of term	8/1/79
24	Date of expiration of term	7/31/80
25	Name of director	Cornelia C. Lyles
26	Office address	Concord, N. C.
27	Date of beginning of term	8/1/79
28	Date of expiration of term	7/31/80
29	Name of director	L. P. McLendon, Jr.
30	Office address	Greensboro, N. C.
31	Date of beginning of term	8/1/79
32	Date of expiration of term	7/31/80
33	Name of director	Jack A. Moody
34	Office address	Siler City, N. C.
35	Date of beginning of term	8/1/79
36	Date of expiration of term	7/31/80
37	Name of director	Dot Mason
38	Office address	Murphy, N. C.
39	Date of beginning of term	8/1/79
40	Date of expiration of term	7/31/80
41	Name of director	Ralph Scott
42	Office address	Burlington, N. C.
43	Date of beginning of term	8/1/79
44	Date of expiration of term	7/31/80
45	Name of director	Maurice Thiem
46	Office address	Raleigh, N. C.
47	Date of beginning of term	8/1/79
48	Date of expiration of term	7/31/80
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	

D. 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			
1	Name of general officer	John M. Alexander		
2	Title of general officer	President		
3	Office address	Raleigh, N. C.		
4	Name of general officer	Ralph Scott		
5	Title of general officer	Vice-President		
6	Office address	Raleigh, N. C.		
7	Name of general officer	Jack A. Moody		
8	Title of general officer	Secretary-Treasurer		
9	Office address	Siler City, N. C.		
10	Name of general officer	Wade Smith		
11	Title of general officer	Asst. Sec-Treas.		
12	Office address	Raleigh, N. C.		
13	Name of general officer	Thomas L. Barringer		
14	Title of general officer	Attorney		
15	Office address	Raleigh, N. C.		
16	Name of general officer	Woodrow W. Gunter		
17	Title of general officer	Railroad Expert		
18	Office address	Hamlet, N. C.		
19	Name of general officer			
20	Title of general officer			
21	Office address			
22	Name of general officer			
23	Title of general officer			
24	Office address			
25	Name of general officer			
26	Title of general officer			
27	Office address			
28	Name of general officer			
29	Title of general officer			
30	Office address			
31	Name of general officer			
32	Title of general officer			
33	Office address			
34	Name of general officer			
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45	Office address			
46	Name of general officer			
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52	Name of general officer			
53	Title of general officer			
54	Office address			
55	Name of general officer			
56	Title of general officer			
57	Office address			

D. 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. STATEMENT OF FINANCIAL POSITION-ASSETS

Disclose below the asset side of the balance sheet at the close of year of each lessor company included in this report. Enter the names of the lessor company in the column heading (b) through (i). Show contra entries in parenthesis.

Line No.	Account No.	Title (a)	(b)	(c)
		<u>Current Asset</u>	\$	\$
1	701	Cash	18 018	
2	702	Temporary Cash Investments (Sch. 300)	319 177	
3	703	Special Deposits (Sch. 300)		
		Accounts Receivable		
4	705	- Interline and Other Balances		
5	706	- Customers		
6	707, 704	- Other		
7	709, 708	- Accrued Accounts Receivables		
8	708.5	- Receivables from Affiliated Companies		
9	709.5	- Less: Allowance for Uncollectible Accounts		
10	711, 714	Prepayments (and working funds) (Sch. 300)		
11	712	Materials and Supplies		
12	713	Other Current Assets (Sch. 300)		
13		Total Current Assets	337 195	
		<u>Other Assets</u>		
14	715, 716, 717, 722, 723, 724	Special Funds and Other Investments and advances (Sch. 315)		
15	721, 721.5	Investments and Advances; Affiliated Companies (Sch. 310)	65 000	
16	737, 738	Property used in other than Carrier Operations (less depreciation \$). (Sch. 325)		
17	739, 741	Other Assets (Sch. 329)		
18	743, 744	Other Deferred Debits (Sch. 329)		
19		Total Other Assets	65 000	
		<u>Road and Equipment</u>		
20	731, 732	Road (Sch. 330)	5 252 820	
21		Equipment		
22		Unallocated Items		
23	733, 734, 736	Accumulated Depreciation and amortization (Schs. 325, 325A, 335, 342)		
24	735	Accumulated Depreciation - Road (Sch. 342)		
25	735	Accumulated Depreciation - Equipment (Sch. 342)		
26	772	Accumulated Depreciation - Leased Property		
27		Net road and Equipment	5 252 820	
28		Total Assets	5 655 015	

NOTES AND REMARKS

Note: Provision has not been made for Federal income taxes which may be payable in future years as 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 N/A \$ N/A

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 N/A \$

Grading amortization only

200. STATEMENT OF FINANCIAL POSITION—ASSETS—(Continued)

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	1
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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 \$ N/A

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 \$ N/A

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

Show amount of past service pension costs determined by actuaries at year end \$ N/A

Total pension costs for year:

Normal costs \$ N/A

Amortization of past service costs \$ N/A

State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610).

YES _____ NO X

200. STATEMENT OF FINANCIAL POSITION—LIABILITIES AND EQUITY

Disclose below the liability side of the balance sheet at the close of the year of each lessor company included in this report, entering the names

Line No.	Account No.	Title (a)	(b)	(c)
		<u>Current Liabilities</u>	\$	\$
29	751	Loans and Notes Payable		
30	752	Accounts Payable, Interline and Other Balances		
31	753, 754	Other Accounts Payable	361	
32	755, 756	Interest and Dividends Payable	9 186	
33	757	Payables to Affiliated Companies (Sch. 390)		
34	759	Accrued accounts Payable		
35	760, 761, 761.5, 762	Taxes Accrued	23 906	
36	763	Other Current Liabilities		
37	764	Equipment obligations and other long-term debt due within one year		
38		Total Current Liabilities	33 453	
		<u>Non Current Liabilities</u>		
39	765, 767	Funded debt unmatured (Sch. 380)		
40	766	Equipment obligations		
41	766.5	Capitalized Lease Obligations		
42	768	Debt in default		
43	769	Accounts payable, Affiliated Companies		
44	770.1, 770.2	Unamortized debt premium		
45	781	Interest in default		
46	783	Deferred revenues-Transfers from Government Authorities		
47	786	Accumulated deferred income tax credits		
48	771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits		
49		Total Noncurrent Liabilities	None	
		<u>Stockholders' Equity</u>		
50	791, 792	Capital Stock (Sch. 230)	4,000 000	
51		Common Stock	4 000 000	
52		Preferred Stock		
53	793	Discount on Capital Stock		
54	794, 795	Additional Capital (Sch. 230)		
		Retained Earnings:		
55	797	Appropriated		
56	798	Unappropriated (Sch. 220)	1 621 562	
57	798.1	Net Unrealized loss on noncurrent marketable equity securities		
58	798.5	Less Treasury Stock		
59		Net Stockholders Equity	5 621 562	
60		Total Liabilities and Shareholders Equity	5 655 015	

NOTES AND REMARKS

200. STATEMENT OF FINANCIAL POSITION—LIABILITIES AND EQUITY—(Continued)

of the lessor companies in the column headings (b) through (i). Show contra entries in parenthesis.

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	29
						30
						31
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NOTES AND REMARKS

210. RESULTS OF OPERATIONS

Disclose below the results of operations for each lessor company included in this report entering the names of the lessor companies in the column headings.

Line No.	Item (a)	(b)	(c)
	OTHER INCOME	\$	\$
1	(506) Revenue from property used in other than carrier operations	369 943	
2	(510) Miscellaneous rent income		
3	(512) Separately operated properties-Profit		
4	(513) Dividend income	87 590	
5	(514) Interest income		
6	(516) Income from sinking and other funds		
7	(517) Release of premiums of funded debt		
8	(518) Contributions from other companies	3	
9	(519) Miscellaneous income		
	Income from affiliated companies:		
10	Dividends		
11	Equity in undistributed earnings (losses)	457 536	
12	Total other income		
	MISCELLANEOUS DEDUCTIONS FROM INCOME		
13	(534) Expenses of property used in other than carrier operations		
14	(535) Taxes on property used in other than carrier operations		
15	(543) Miscellaneous rent expense	2 345	
16	(544) Miscellaneous taxes		
17	(545) Separately operated properties-Loss		
18	(549) Maintenance of investment organization		
19	(550) Income transferred to other companies	22 266	
20	(551) Miscellaneous income charges		
21	(553) Uncollectible accounts	24 611	
22	Total miscellaneous deductions	432 925	
23	Income available for fixed charges (lines 12, 22)		

NOTES AND REMARKS

Grading amortization in the amount of \$32,207 has been deducted for tax purposes only and is not included in above.

210. RESULTS OF OPERATIONS - Continued

For instructions covering this schedule, see the text pertaining to Income Accounts in the Uniform System of Accounts for Railroad Companies.

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	1
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NOTES AND REMARKS

210. RESULTS OF OPERATIONS - Continued

Line No.	Item (a)	(b)	(c)
	FIXED CHARGES	\$	\$
	(546) Interest on funded debt:		
24	(a) Fixed interest not in default		
25	(b) Interest in default		
26	(547) Interest on unfunded debt		
27	(548) Amortization of discount on funded debt		
28	Total fixed charges (lines 24-27)		
29	Income after fixed charges (lines 23, 28)	432 925	
	OTHER DEDUCTIONS		
	(546) Interest on funded debt:		
30	(c) Contingent interest		
	UNUSUAL OR INFREQUENT ITEMS		
31	(555) Unusual or infrequent items (debit) credit		
32	Income (loss) for continuing operations (before income taxes)	432 925	
	PROVISIONS FOR INCOME TAXES		
	(556) Income taxes on ordinary income:		
33	Federal income taxes	21 038	
34	State income taxes	3 502	
35	Other income taxes		
36	(557) Provision for deferred income taxes		
37	Income from continuing operations	408 385	
	DISCONTINUED OPERATIONS		
	(560) Income or loss from operations of discontinued segments (less applicable income taxes of		
38	\$ _____)		
	(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of		
39	\$ _____)		
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
40	(570) Extraordinary items (Net)		
41	(590) Income taxes on extraordinary items		
42	(591) Provision for deferred taxes - Extraordinary items		
43	Total extraordinary items (lines 40-42)		
	(592) Cumulative effect of changes in accounting principles (less applicable income taxes of		
44	\$ _____)		
45	Net income	408 385	

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 \$ N/A

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

Flow-through _____ Deferral N/A

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

(3) If deferral method was elected, indicate amount of investment tax credit utilized as reduction of tax liability for current year _____ \$ _____

Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes _____ \$ _____

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

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

Total decrease in current year's tax accrual resulting from use of investment tax credits _____ \$ _____

Show the amount of investment tax credit carryover at year end _____ \$ _____

210. RESULTS OF OPERATIONS--Continued

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	
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NOTES AND REMARKS

300. 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, plus the balances in the accounts at the beginning and at the close of the year.

Line No.	Item (a)	(b)	(c)	(d)	(e)
	Credits	\$	\$	\$	\$
1	Balances at beginning of year {				
	Accrued depreciation-Road				
2	Accrued depreciation-Miscellaneous physical property				
	Road property (specify):				
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20					
	Miscellaneous physical property (specify):				
21					
22					
23					
24					
25	TOTAL CREDITS				
	Debits				
	Road property (specify):				
26					
27					
28					
29					
30					
31					
32					
33					
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35					
36					
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38					
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43					
	Miscellaneous physical property (specify):				
44					
45					
46					
47					
48					
49	TOTAL DEBITS				
50	Balances at close of year {				
	Accrued depreciation-Road				
51	Accrued depreciation-Miscellaneous physical property				

300. 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
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300A. 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)
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NOTES AND REMARKS

330. Road and Equipment Property, line 2:

Land in the amount of \$365,562 was purchased during 1979. The acquisition consists of a 204 acre tract of land in Johnston County, Clayton Township, North Carolina.

330. 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. 7, "Land for transportation purposes," state in a footnote the cost, location, area, and other details which will identify the property.

Line No.	Account (a)	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 _____	\$	\$	\$	\$	\$	\$
2	(2) Land for transportation purposes _____		365 562				
3	(3) Grading _____						
4	(5) Tunnels and subways _____						
5	(6) Bridges, trestles, and culverts _____						
6	(7) Elevated structures _____						
7	(8) Ties _____						
8	(9) Rails _____						
9	(10) Other track material _____						
10	(11) Ballast _____						
11	(12) Track laying and surfacing _____						
12	(13) Fences, snow sheds, and signs _____						
13	(16) Station and office buildings _____						
14	(17) Roadway buildings _____						
15	(18) Water stations _____						
16	(19) Fuel stations _____						
17	(20) Shops and engine houses _____						
18	(22) Storage warehouses _____						
19	(23) Wharves and docks _____						
20	(24) Coal and ore wharves _____						
21	(25) TOFC/OFC terminals _____						
22	(26) Communication systems _____						
23	(27) Signals and interlocks _____						
24	(29) Power plants _____						
25	(31) Power transmission systems _____						
26	(35) Miscellaneous structures _____						
27	(37) Roadway machines _____						
28	(38) Roadway small tools _____						
29	(39) Public improvements—Construction _____						
30	(44) Shop machinery _____						
31	(45) Power plant machinery _____						
32	Other (Specify & explain) _____						
33	Total expenditures for road _____		365,562				
34	(52) Locomotives _____						
35	(53) Freight train cars _____						
36	(54) Passenger train cars _____						
37	(55) Highway revenue equipment _____						
38	(56) Floating equipment _____						
39	(57) Work equipment _____						
40	(58) Miscellaneous equipment _____						
41	Total expenditure for equipment _____						
42	(56) Interest during construction _____						
43	(77) Other expenditures—General _____						
44	Total general expenditures _____		365,562				
45	Total _____		365,562				
46	(80) Other elements of investment _____						
47	(90) Construction work in progress _____						
48	Grand total ¹ _____	None	365 562				

¹ 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.

330. 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 terms 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.

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	Line No.
(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
\$	\$	\$	\$	\$	\$	\$	\$	1
								2
								3
								4
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335. 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), (d) and (e) 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 in 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 (f)
				Additions and betterments (d)	Other debits (e)	Total debits (f)	Property retired (g)	Other credits (h)	Total credits (i)	
1		(52) Locomotives	\$	\$	\$	\$	\$	\$	\$	\$
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								
9		(52) Locomotives								
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								
17		(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								
25		(52) Locomotives								
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								
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								

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

342. ACCRUED DEPRECIATION—ROAD AND EQUIPMENT

Give the particulars called for hereunder of the credits and debits made to account 342, "Accrued Depreciation—Road and Equipment Property" during the year which relate to equipment by each lessor company included in this report. A debit balance in column (c) and (d) for any primary account should be provided by the abbreviation "Dr."

Line No.	Name of Lessor company (b)	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 (d)
				Charges to objects (c)	Other credits (d)	Total credits (d)	Charges to account (a)	Other debits (b)	Total debits (d)	
1		(52) Locomotives	\$	\$		\$	\$		\$	\$
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								
9		(52) Locomotives								
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								
17		(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								
25		(52) Locomotives								
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								
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	

NOTES AND REMARKS

Schedule 4.0.—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							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

500. 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 \$50,000 or more during the year as compensation for services 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	Name of person	Title	Salary per annum as of close of year	Other compensation during the year	Remarks
	(a)	(b)	(c)	(d)	(e)	(f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

600. 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 payrolls 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 counts.

3. This schedule does not include old-age retirement, and unemployment insurance taxes. See schedule 450 for such taxes.

Line No.	Name of lessor company	AVERAGE NUMBER OF EMPLOYEES IN SERVICE			TOTAL COMPENSATION DURING YEAR		
		Executives, general officers, and staff assistants	Other employees	Total employees	Executives, general officers, and staff assistants	Other employees	Total compensation
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	N. C. Railroad Company	5		5	\$ 5 000	\$	\$ 5 000
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							

VERIFICATION

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

OATH

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

State of North Carolina

County of Chatham

Wade Smith

(Insert here name of the affiant)

makes oath and says that he is

Assistant

Secretary-Treasurer

(Insert here the official title of the affiant)

Of North Carolina Railroad Company

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

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

January 1

19 79

, to and including

December 31

19 79

Wade M. Smith
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 25th day of March, 1980

My commission expires October 26, 1981

Use an
L.S.
impression seal

Nancy J. Jones
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of North Carolina

County of Wake

John M. Alexander

(Insert here name of the affiant)

makes oath and says that he is

President

(Insert here the official title of the affiant)

Of North Carolina Railroad Company

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

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

January 1

19 79

, to and including

December 31

19 79

J. M. Alex
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 25th day of March, 1980

My commission expires My Commission Expires September 28, 1982

Use an
L.S.
impression seal

Norm B. Menden
(Signature of officer authorized to administer oaths)

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