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STOCKYARDS SERVICE CO. 1978

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R-3

Class III Railroads
Approved by GAO
B-180230 (R0583)
Expires 12-31-81

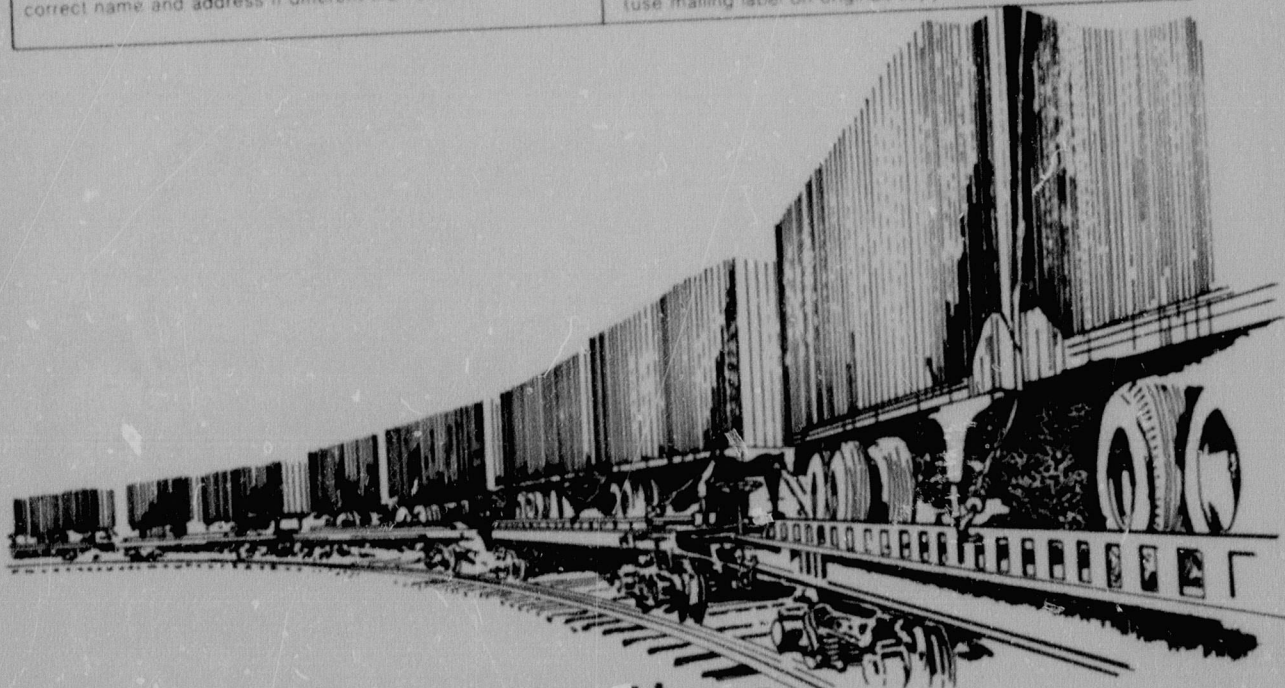
annual report

INTERSTATE
COMMERCE COMMISSION
RECEIVED
JUN 7 1979
ADMINISTRATIVE SERVICES
MAIL UNIT

RC005245 STOCKYASERV 3 0 3 832450
STOCKYARDS SERVICE CO.
LIVESTOCK EXCHANGE B
ST. JOSEPH MO 64488
64504

correct name and address if different than shown

full name and address of reporting carrier
(use mailing label on original, copy in full on duplicate)



to the
Interstate Commerce Commission
for the year ended December 31, 1978

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A. SCHEDULES OMITTED BY RESPONDENT

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

Page	Schedule No.	Title
6	200	Comparative Statement of Financial Position
7	210	Results of Operation
11	330	Road and Equipment Property
13	705	Important Changes During Year
14	710	Inventory of Equipment
16	720	Tracks

101. IDENTITY OF RESPONDENT

1. Give the exact name* by which the respondent was known in law at the close of the year _____
Stockyards Service Company

2. State whether or not the respondent made an annual report to the Interstate Commerce Commission for the preceding year, or for any part thereof. If so, in what name was such report made? Stockyards Service Company

3. If any change was made in the name of the respondent during the year, state all such changes and the dates on which they were made
None

4. Give the location (including street and number) of the main business office of the respondent at the close of the year Livestock Exchange Bldg., Illinois Avenue, Stockyards Station, St. Joseph, Missouri 64504

5. Give the titles, names, and office addresses of all general officers of the respondent at the close of the year. If there are receivers who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices.

Line No.	Title of general officer (a)	Name and office address of person holding office at close of year (b)
1	President	G. A. Long, c/o Stockyards Service Co., Stockyards Station, St. Joseph, Mo.
2	Vice president	J. F. Reynolds, " " " " " "
3	Secretary	C. F. Ashler, " " " " " "
4	Treasurer	C. F. Ashler, " " " " " "
5	Controller or auditor	
6	Attorney or general counsel	
7	General manager	
8	General superintendent	
9	General freight agent	
10	General passenger agent	
11	General land agent	
12	Chief engineer	
13		

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

Line No.	Name of director (a)	Office address (b)	Term expires (c)
14	G. A. Long	St. Joseph, Missouri	March 12, 1979
15	J. F. Reynolds	" "	" " "
16	C. F. Ashler	" "	" " "
17	G. D. Moore	" "	" " "
18	Maxine Walden	" "	" " "
19			
20			
21			
22			
23			

7. Give the date of incorporation of the respondent May 11, 1942. State the character of motive power used Not applicable

9. Class of switching and terminal company Class 3

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

Missouri (Manufacturing and business Corporation)

11. State whether or not any corporation or association or group of corporations had, at the close of the year, the right to name the major part of the board of directors, managers, or trustees of the respondent; and if so, give the names of all such corporations and state whether such right was derived through (a) title to capital stock or other securities issued or assumed by the respondent, (b) claims for advances of funds made for the construction of the road and equipment of the respondent, or (c) express agreement or some other source (a) Saint Joseph Stock Yards Division of United Stockyards Corporation, Illinois Ave., Stockyards Station, St. Joseph, Mo

(a) Patent Corporation, right was derived through title to capital stock. This company was organized for the purpose of operating the loading and unloading facilities with the transportation of livestock by rail, owned by the parent company, under a ruling by the I.C.C.

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

197. STOCKHOLDERS

Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements give, as supplemental information in schedule No. 70S, the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year.

Line No.	Name of security holder	Address of security holder	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED				
			Number of votes to which security holder was entitled	Stocks			Other securities with voting power
				Common	Preferred		
					Second	First	
1	G. A. Long	St. Joseph, Missouri	10	10			
2	J. F. Reynolds	" " "	10	10			
3	C. F. Ashler	" " "	10	10			
4	G. D. Moore	" " "	10	10			
5	Maxine Walden	" " "	10	10			
6							
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Footnotes and Remarks

Saint Joseph Stock Yards, Division of United Stockyards Corporation, Stockyards Station, St. Joseph, Missouri. Parent Corporation, through purchase. Own 100% of the outstanding capital stock issued to the above for the purpose of Director Qualification.

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.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	CURRENT ASSETS	\$	\$
1	Cash	10,836	6,667
2	Temporary Cash Investments		
3	Special Deposits		
4	Accounts Receivable		
5	Less: Allowance for Uncollectible Accounts		
6	Accumulated Deferred Income Tax Charges		
7	Other Current Assets		
8	Total Current Assets	10,836	6,667
	OTHER ASSETS		
9	Special Funds		
10	Other Investments and Advances - (Less Allowances and adjustments \$)		
11	Other Assets (Less Depreciation and Amortization \$)		
12	Other Deferred Debits		
13	Total Other Assets		
	ROAD AND EQUIPMENT		
14	Road and Equipment Property and Improvements on Leased Property		
15	Less: Accumulated Depreciation and Amortization		
16	Net Road and Equipment		
17	Total Assets		
	CURRENT LIABILITIES		
18	Loans and Notes Payable		
19	Accounts Payable		
20	Interest and Dividends Payable		
21	Federal Income Taxes Accrued		
22	Other Taxes Accrued		
23	Other Current Liabilities		
24	Equipment Obligations and Other long-term Debt Due Within One Year		
25	Total Current Liabilities		
	NON CURRENT LIABILITIES		
26	Funded Debt Unmatured		
27	Equipment Obligations		
28	Capitalized Lease Obligations		
29	Accumulated Deferred Income Tax Credits		
30	Other Long-term Liabilities and Deferred Credits		
31	Total Non current Liabilities		
	SHAREHOLDERS' EQUITY		
	Capital Stock:	5,000	5,000
32	Common Stock		
33	Preferred Stock		
34	Discount on Capital Stock		
35	Additional Capital		

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY—Continued

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Begin- ning of Year (c)
	SHAREHOLDERS' EQUITY—Continued	\$	\$
	Retained Earnings:		
36	Appropriated		
37	Unappropriated		
38	Net unrealized Loss on Noncurrent Marketable Equity Securities		
39	Less: Treasury Stock		
40	Net Shareholders' Equity		
41	Total Liabilities and Shareholders' Equity	10,836	6,667

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

The notes listed below are provided for the purpose of disclosing supplementary information concerning matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none"; and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles, except as shown in other schedules. This includes explanatory statements explaining (1) service interruption insurance policies and indicate the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premiums respondent may be obligated to pay in the event such losses are sustained by other railroads; (2) particulars concerning obligations for stock purchase options granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts \$

2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made \$

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year:

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund \$

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

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

(ii) If funding is by trust agreement list trustee(s)

Date of trust agreement or latest amendment

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

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

(e) (i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify Yes No

If yes, give number of the shares for each class of stock or other security:

(ii) Are voting rights attached to any securities held by the pension plan? Specify Yes No If yes, who determines how stock is voted?

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

NONE

210. RESULTS OF OPERATIONS**INSTRUCTIONS**

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.
2. List dividends from investments accounted for under the cost method on the appropriate line, under subsection "Other Income." List dividends accounted for under the equity method on the appropriate line under the "Income from Affiliated Companies" subsection of this schedule.
3. All contra entries hereunder should be indicated in parenthesis.

210. RESULTS OF OPERATIONS

Line No.	Item (a)	Amount for Current Year (b)
	ORDINARY ITEMS	\$
	OPERATING INCOME	
	Railway Operating Income	
1	Freight	
2	Passenger	
3	Other	
4	Total Railway Operating Revenues	10,127
5	Railway Operating Expenses	5,807
6	Net Revenue from Railway Operations	4,320
	OTHER INCOME	
7	Dividend income	
8	Interest income	
9	Other income; Other	
	Income from affiliated companies:	
10	Dividends	
11	Equity in undistributed earnings (losses)	
12	Total other income (Lines 7-11)	
13	Total income (Lines 6, 12)	
	OTHER DEDUCTIONS	
14	Miscellaneous deductions from income	
15	Fixed charges	
	UNUSUAL OR INFREQUENT ITEMS	
16	Unusual or infrequent items (debit) credit	
17	Income (loss) from continuing operations (before income taxes) (Line 13 less Lines 14-16)	
	PROVISIONS FOR INCOME TAXES	
	Income taxes on ordinary income:	
18	Federal income taxes	1,980
19	State income taxes	112
20	Other income taxes Payroll	275
21	Provisions for deferring income taxes	
22	Income before extraordinary items (Line 17 less Lines 18-22)	
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
23	Extraordinary items (net)	
24	Income taxes on extraordinary items	
25	Provisions for deferred taxes - Extraordinary items	
26	Total extraordinary items (Lines 23-25)	
27	Cumulative effect of changes in accounting principles	
28	(Less applicable income taxes of \$)	
29	Net income	1,953

210. RESULTS OF OPERATIONS—Continued

Line No.	Item (a)	Amount for Current Year (b)
	RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)	
		10,127
		2,367
30	Net revenues from railway operations	
31	Income taxes on ordinary income	
32	Provisions for deferred income taxes	
33	Income from Lease of Road and Equipment	5,807
34	Rent for leased Roads and Equipment	1,953
35	Net Railway Operating Income	
	Ton-miles, Revenue Freight (in thousands)	



330. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in Road and Equipment property, and Improvements on leased property.
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. Both the debit and credit involved in each transfer, adjustment, or clearance between road and equipment accounts, should be included in columns (c) and (d), as may be appropriate, depending on the nature of the item. Adjustments in excess of \$100,000 should be explained.
3. 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 10.

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
1 (1)	Engineering					
2 (2)	Land for transportation purposes					
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, snowsheds, and signs					
14 (16)	Station and office buildings					
15 (17)	Roadway buildings					
16 (18)	Water stations					
17 (19)	Fuel stations					
18 (20)	Shops and enginehouses					
19 (21)	Grain elevators		NONE			
20 (22)	Storage warehouses					
21 (23)	Wharves and docks					
22 (24)	Coal and ore wharves					
23 (25)	DOFC/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					
31 (39)	Public improvements - Construction					
32 (42)	Other expenditures - Road					
33 (44)	Shop machinery					
34 (45)	Power-plant machinery					
35	Other (specify and explain)					
36	Total Expenditures for Road					
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 Expenditures for Equipment					

330. ROAD AND EQUIPMENT PROPERTY--Continued

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
45 (71)	Organization expenses					
46 (76)	Interest during construction					
47 (77)	Other expenditures - General					
48	Total General Expenditures					
49	Total					
50 (80)	Other elements of investments					
51 (90)	Construction work in progress					
52	Grand Total					

705. IMPORTANT CHANGES DURING THE YEAR

Hereunder state the following matters, numbering the statements in accordance with the inquiries, and if no changes of the character below indicated occurred during the year, state that fact. Changes in mileage should be stated to the nearest hundredth of a mile. 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.

1. All portions of road put in operation or abandoned, giving (a) termini, (b) length of road, and (c) dates of beginning operations or of abandonment.*
2. All other important physical changes, including herein *all new tracks built*.*
3. All leaseholds acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
4. All agreements for trackage rights acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
5. All consolidations, mergers, and reorganizations effected, giving particulars.
6. All stocks issued, giving (a) purposes for which issued, (b) names of stocks, and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; give similar information concerning all stocks retired (if any).
7. All funded debt issued, giving (a) purposes for which issued, (b) names of securities and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; also give particulars concerning any funded debt paid or otherwise retired, stating (a) date acquired, (b) date retired or canceled, (c) par value of amount retired.
8. All other important financial changes.
9. All changes in and all additions to franchise rights, describing fully (a) the actual consideration given therefor, and stating (b) the parties from whom acquired; if no consideration was given, state that fact.
10. In case the respondent has not yet begun operation, and no construction has been carried on during the year, state fully the reasons therefor.
11. All additional matters of fact (not elsewhere provided for) which the respondent may desire to include in its report.

NONE

*If returns under items 1 and 2 include any first main track owned by respondent representing new construction or permanent abandonment give the following particulars:

Miles of road constructed

Miles of road abandoned

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

705. IMPORTANT CHANGES DURING THE YEAR

Hereunder state the following matters, numbering the statements in accordance with the inquiries, and if no changes of the character below indicated occurred during the year, state that fact. Changes in mileage should be stated to the nearest hundredth of a mile. 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.

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4. All agreements for trackage rights acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
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8. All other important financial changes.
9. All changes in and all additions to franchise rights, describing fully (a) the actual consideration given therefor, and stating (b) the parties from whom acquired; if no consideration was given, state that fact.
10. In case the respondent has not yet begun operation, and no construction has been carried on during the year, state fully the reasons therefor.
11. All additional matters of fact (not elsewhere provided for) which the respondent may desire to include in its report.

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Miles of road constructed

Miles of road abandoned

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[illegible]

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS—Cont.

Line No.	Item (a)	Units in service of respondent at beginning of year (b)	Number added during year (c)	Number retired during year (d)	Number at close of year			Aggregate capacity of units reported in col. (g) (see ins. 7) (h)	Number leased to others at close of year (i)
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e + f) (g)		
	FREIGHT TRAINCARS							Tons	
15	Plain Box Cars - 40' (B100-129)								
16	Plain Box Cars - 50' (B200-229; B300-329)								
17	Equipped Box Cars (All Code A)								
18	Plain Gondola Cars (G092-392; G401-492)								
19	Equipped Gondola Cars (All Codes C and E)								
20	Covered Hopper Cars (L 151-154; 251-254; 351-354; 451-454; 551-554; 651-654; 751-754)								
21	Open Top Hopper Cars - General Service (All Code H)								
22	Open Top Hopper Cars - Special Service (All Codes J and K)								
23	Refrigerator Cars - Non Mechanical (R 100, 101, 102, 103, 105, 106, 107, 108, 109, 113, 114, 115, 116, R 200, 201, 202, 203, 205, 206, 207, 208, 209, 213, 214, 215, 216)				NONE				
24	Refrigerator Cars - Mechanical (R 104, 110, 112, 117, 118, R 204, 210, 211, 212, 217, 218)								
25	Flat Cars - TOFC/COFC (F 071-078 F 871-978)								
26	Flat Cars - Multi-level (All Code V)								
27	Flat Cars - General Service (F 101-109; F 201-209)								
28	Flat Cars - Other (F 11-189; 211-289; 301-389; 401-540)								
29	Tank Cars - Under 22,000 Gallons (T-0, T-1, T-2, T-3, T-4, T-5)								
30	Tank Cars - 22,000 Gallons and over (T-6, T-7, T-8, T-9)								
31	All Other Freight Cars (F 191-199; 291-299; 391-399; L 006-048; L 070; L 080 L 090 - All "L" with second numeric 6; 1, 161-L 764)								
32	Total (lines 15-31)							XXXXXX	
33	Caboose (All N)							XXXXXX	
34	Total (lines 32-33)								

720. TRACKS

- (1) Show, by State, total mileage of tracks owned and operated by respondent _____
- (2) Show, by State, mileage of tracks owned but not operated by respondent: First main track, _____
 second and additional main tracks, _____, industrial tracks, _____
 yard track and sidings, _____; total, all tracks, _____ (t)
- (3) Road is completed from (Line Haul Railways only)* _____ to _____ Total distance, _____
 miles.
- (4) Road located at (Switching and Terminal Companies only)* _____
- (5) Gage of track _____ ft. _____ in.
- (6) Weight of rail _____ lb. per yard.
- (7) Kind and number per mile of crossties _____
- (8) State number of miles electrified: First main track, _____; second and additional main tracks, _____
 passing tracks, cross-overs, and turn-outs, _____; way switching tracks, _____ yard switching
 tracks, _____
- (9) Ties applied in replacement during year: Number of crossties, _____; average cost per tie, \$ _____; number of feet
 (B.M.) of switch and bridge ties, _____ average cost per M feet (B.M.), \$ _____
- (10) Rail applied in replacement during year: Tons (2,000 pounds), _____; Weight per year, _____; average
 cost per ton, \$ _____

*Insert names of places.

(t) Mileage should be stated to the nearest whole mile.

NONE

STOCKYARDS SERVICE COMPANY

LIVESTOCK EXCHANGE BUILDING
SOUTH ST. JOSEPH, MISSOURI

March 12, 1979

TO THE SHAREHOLDERS OF
STOCKYARDS SERVICE COMPANY

Gentlemen:

There is submitted herewith the Annual Report of Stockyards Service Company for the fiscal year ended October 31, 1978.

The number of cars of livestock handled was 787, compared to 642 for the year 1977, or an increase of 145 cars.

The number of decks of livestock shipped and received determines our earnings and gross revenues, which for 1978 amounted to \$10,270.35 compared to \$8,038.80, made for an increase of \$2,231.55.

Expenses were \$6,063.65 compared to \$6,455.35, or a decrease of \$391.70.

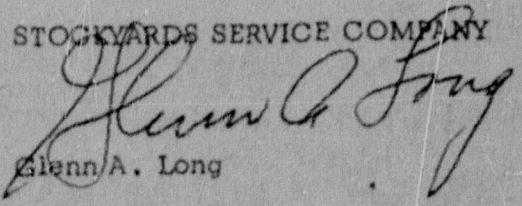
There was a net gain from operations of \$2,124.70 as compared to a loss in 1977 of \$242.46.

You will note there was an increase in net earnings for the year 1978 as a result of not having a strike by Clougherty Packing Company and two years prior Federal income tax adjustment charged to expense in 1977.

It is anticipated the earnings for 1979 will be in the \$2,000.00 range.

By Order of the Board of Directors.

STOCKYARDS SERVICE COMPANY


Glenn A. Long

STOCKYARDS SERVICE COMPANY

LIVESTOCK EXCHANGE BUILDING
SOUTH ST. JOSEPH, MISSOURI

BALANCE SHEET
October 31, 1978

ASSETS:

Current Assets:

Cash	\$9,640.62	
Temporary Cash Investment		
Accounts Receivable	<u>1,448.55</u>	<u>\$11,089.17</u>
Total assets		<u>\$11,089.17</u> =====

LIABILITIES:

Current Liabilities:

Accounts Payable	\$ 3.04	
Accrued Liabilities	<u>2,108.56</u>	<u>\$2,111.60</u>

Capital Stock & Surplus:

Capital Stock	\$5,000.00	
Earned Surplus	<u>3,977.57</u>	<u>\$8,977.57</u>
		<u>\$11,089.17</u> =====

EARNED SURPLUS October, 1978

Balance October 31, 1977	\$ 1,852.87
Net Gain for the Year	<u>2,124.70</u>
	<u>\$ 3,977.57</u>
Cash Dividends	<u>none</u>
Balance October 31, 1978	<u>\$ 3,977.57</u>

STOCKYARDS SERVICE COMPANY

LIVESTOCK EXCHANGE BUILDING
SOUTH ST. JOSEPH, MISSOURI

STATEMENT OF INCOME AND EXPENSES For the years ended October 31, 1978 and 1977

	<u>1978</u>	<u>1977</u>
<u>INCOME FROM OPERATIONS:</u>		
Loading cars	\$10,270.35	\$8,038.80
Unloading cars		
Miscellaneous income		
Total Operating Income	\$10,270.35	\$8,038.80
<u>OPERATING EXPENSES:</u>		
Taxes other than income	\$ 271.24	\$ 369.77
Rent	4,800.00	4,800.00
Station Service	982.41	1,275.58
Miscellaneous	10.00	10.00
	\$ 6,063.65	\$6,455.35
	=====	=====
Net Gain/Loss before provision for income taxes	\$4,206.70	\$1,583.43
<u>PROVISION FOR FEDERAL & STATE INCOME TAXES:</u>		
Federal Income Taxes	\$ 1,970.00	\$1,783.91
State Income Taxes	112.00	42.00
Total Federal & State Income Taxes	\$ 2,082.00	\$1,825.91
	=====	=====
Net Income	\$ 2,124.70	\$ (242.48)

STATISTICS

NUMBER OF CARS:

Loading cars	786	642
Unloading cars	1	none
Total cars	787	642

STOCKYARDS SERVICE COMPANY

LIVESTOCK EXCHANGE BUILDING
SOUTH ST. JOSEPH, MISSOURI

March 12, 1979

TO THE SHAREHOLDERS OF
STOCKYARDS SERVICE COMPANY

Gentlemen:

There is submitted herewith the Annual Report of Stockyards Service Company for the fiscal year ended October 31, 1978.

The number of cars of livestock handled was 787, compared to 642 for the year 1977, or an increase of 145 cars.

The number of decks of livestock shipped and received determines our earnings and gross revenues, which for 1978 amounted to \$10,270.35 compared to \$8,038.80, made for an increase of \$2,231.55.

Expenses were \$6,063.65 compared to \$6,455.35, or a decrease of \$391.70.

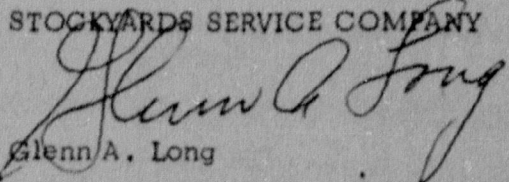
There was a net gain from operations of \$2,124.70 as compared to a loss in 1977 of \$242.46.

You will note there was an increase in net earnings for the year 1978 as a result of not having a strike by Clougherty Packing Company and two years prior Federal income tax adjustment charged to expense in 1977.

It is anticipated the earnings for 1979 will be in the \$2,000.00 range.

By Order of the Board of Directors.

STOCKYARDS SERVICE COMPANY


Glenn A. Long

STOCKYARDS SERVICE COMPANY

LIVESTOCK EXCHANGE BUILDING
SOUTH ST. JOSEPH, MISSOURI

BALANCE SHEET
October 31, 1978

ASSETS:

Current Assets:

Cash	\$9,640.62	
Temporary Cash Investment		
Accounts Receivable	<u>1,448.55</u>	<u>\$11,089.17</u>
Total assets		<u>\$11,089.17</u>

LIABILITIES:

Current Liabilities:

Accounts Payable	\$ 3.04	
Accrued Liabilities	<u>2,108.56</u>	<u>\$2,111.60</u>

Capital Stock & Surplus:

Capital Stock	\$5,000.00	
Earned Surplus	<u>3,977.57</u>	<u>\$8,977.57</u>
		<u>\$11,089.17</u>

EARNED SURPLUS October, 1978

Balance October 31, 1977	\$ 1,852.87
Net Gain for the Year	<u>2,124.70</u>
	<u>\$ 3,977.57</u>
Cash Dividends	<u>none</u>
Balance October 31, 1978	\$ 3,977.57

STOCKYARDS SERVICE COMPANY

LIVESTOCK EXCHANGE BUILDING

SOUTH ST. JOSEPH, MISSOURI

STATEMENT OF INCOME AND EXPENSES For the years ended October 31, 1978 and 1977

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Net Income	\$ 2,124.70	\$ (242.48)

STATISTICS

NUMBER OF CARS:

Loading cars	786	642
Unloading cars	<u>1</u>	<u>none</u>
Total cars	787	642

VERIFICATION

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

OATH

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

State of Missouri
County of Buchanan
Clarence F. Ashler makes oath and says that he is Secretary & Treasurer
(Insert here the name of the affiant) (Insert here the official title of the affiant)
of Stockyards Service Company
(Insert here the exact legal title or name of the respondent)

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

of time from and including January 1 1978, to and including December 31 1979

Clarence F. Ashler
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and ANDREW
county above named, this FIFTH day of JUNE 1979
My commission expires SEPTEMBER 28, 1980

Garnet R. Bieri
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of Missouri
County of Buchanan
Glenn A. Long makes oath and says that he is President
(Insert here the name of the affiant) (Insert here the official title of the affiant)
of Stockyards Service 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 operation of its property during

the period of time from and including January 1 1978, to and including December 31 1979

Glenn A. Long
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
county above named, this 5th day of June 1979
My commission expires My Commission Expires 10/11/1981

Clarence F. Ashler
(Signature of officer authorized to administer oaths)