

513600

STRASBURG

R. R. CO

1978

513600

R-3

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

annual report

INTERSTATE
COMMERCE COMMISSION
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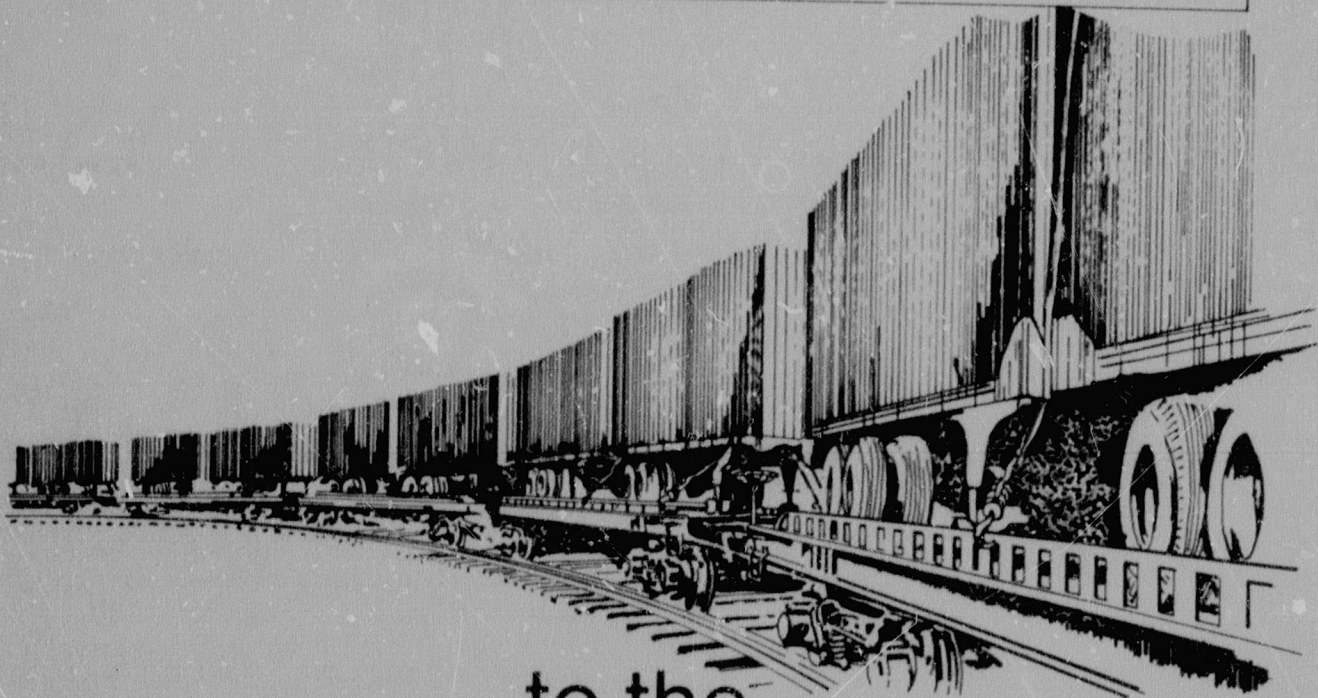
JUL 2 1979

ADMINISTRATIVE SERVICES
MAIL UNIT

RC001360 STRASBURR 3 0 3 513600
STRASBURG R.R. CO
P O BOX 96
STRASBURG PA 17579

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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(Unaudited)
 Strasburg Rail Road Company
STATEMENT of FINANCIAL CONDITION
December 31, 1971

A S S E T S

CURRENT ASSETS

Cash on Hand and in Banks	4,907.83	
Investments - Certificates of Deposit and Bond	240,500.00	
Prepaid Insurance and Expenses	48,457.50	293,865.33

PROPERTY and EQUIPMENT

	Cost	Depreciation to Date	Net Book Value	
Locomotives	83,884.28	56,153.90	27,730.38	
Freight & Passenger Cars	170,113.89	85,362.78	84,751.11	
Work & Miscellaneous Equipment	56,864.45	45,962.16	10,902.29	
Crossing Signals & Guards	56,432.23	16,285.29	40,146.94	
Buildings	174,107.60	60,684.44	113,423.16	
Right-of-Way	115,800.69	1,922.19	113,878.50	
Parking Lot	28,986.71	23,643.75	5,342.96	
Miscellaneous Physical Property	33,008.66	13,778.45	19,230.21	
	<u>719,198.51</u>	<u>303,792.96</u>	415,405.55	
Land			53,437.58	468,843.13
<u>TOTAL ASSETS</u>				<u>762,708.46</u>

LIABILITIES and STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable and Payroll Taxes		
Accrued and Withheld	28,714.87	
Accrued Corporate Taxes	5,195.38	
Deferred Corporate Taxes	10,576.27	
<u>TOTAL LIABILITIES</u>		48,486.52

STOCKHOLDERS' EQUITY

Capital Stock (5,000 shares par value \$1.00 issued and outstanding, including 46 shares held in Treasury)	5,000.00	
Premiums and Paid-in-Surplus on Capital	116,424.62	
Retained Earnings	597,507.46	
	718,932.08	
Less: Treasury Stock at Cost (46 shares)	(4,710.14)	714,221.94
<u>TOTAL LIABILITIES and STOCKHOLDERS' EQUITY</u>		<u>762,708.46</u>

<u>BOOK VALUE per OUTSTANDING SHARE</u>	<u>144.17</u>
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The attached notes are an integral part of these statements.

(Unaudited)
Strasburg Rail Road Company
COMPARATIVE STATEMENT of OPERATIONS and RETAINED EARNINGS

	For the Year Ended	
	December 31, 1978	December 31, 1977
<u>RAILWAY OPERATING REVENUES</u>		
Passenger	741,606.06	655,982.76
Freight	1,737.10	484.44
Concession Commissions	32,492.49	34,035.10
<u>Total Revenue</u>	<u>775,835.65</u>	<u>690,502.30</u>
<u>RAILWAY OPERATING EXPENSES</u>	<u>592,404.65</u>	<u>524,493.46</u>
<u>Net Revenue from Railroad Operations</u>	<u>183,431.00</u>	<u>166,008.84</u>
<u>Operating Ratio</u>	<u>76.36%</u>	<u>75.96%</u>
<u>RAILROAD RETIREMENT TAXES</u>	31,447.19	29,793.81
<u>OTHER CORPORATE TAXES except INCOME</u>	<u>55,767.58</u>	<u>51,567.95</u>
	<u>87,214.77</u>	<u>81,361.76</u>
<u>Net Railroad Operating Income</u>	96,216.23	84,647.08
<u>OTHER INCOME</u> - Interest, Contracts and Miscellaneous - Net	18,750.29	11,227.81
<u>Gross Income</u>	114,966.52	95,874.89
<u>INTEREST on DEBT</u>	-0-	927.13
<u>Net Income before Income Taxes</u>	114,966.52	94,947.76
<u>PROVISION for FEDERAL and STATE INCOME TAXES</u>	<u>42,948.14</u>	<u>34,874.58</u>
<u>NET INCOME for YEAR</u>	<u>72,018.38</u>	<u>60,073.18</u>
<u>RETAINED EARNINGS</u> - Balance beginning of year	535,401.08	484,007.90
	607,419.46	544,081.08
<u>LESS: Dividends Paid</u>	<u>9,912.00</u>	<u>8,680.00</u>
<u>RETAINED EARNINGS</u> - Balance end of year	<u>597,507.46</u>	<u>535,401.08</u>
<u>EARNINGS per SHARE</u>	<u>15.67</u>	<u>12.12</u>

The attached notes are an integral part of these statements.

(Unaudited)

Strasburg Rail Road Company

COMPARATIVE STATEMENT of CHANGES in FINANCIAL POSITION

	For the Year Ended		
	December 31, 1978	December 31, 1977	
<u>SOURCE of FUNDS</u>			
From Operations:			
Net Income for Year	72,018.38	60,073.18	
Add: Depreciation and Other Expenses not requiring Current Funds	32,362.13	33,176.22	
<u>Total Source of Funds</u>	<u>104,380.51</u>	<u>93,249.40</u>	
<u>APPLICATION of FUNDS</u>			
Capital Expenditures	37,296.35	32,816.01	
Dividends Paid	9,912.00	8,680.00	
Purchase of Treasury Stock	263.26	121.26	
<u>Total Application of Funds</u>	<u>47,471.61</u>	<u>41,617.27</u>	
<u>INCREASE in WORKING CAPITAL</u>	<u>56,908.90</u>	<u>51,632.13</u>	
<u>CHANGES in WORKING CAPITAL</u>			
	December 31, 1978	December 31, 1977	Increase or Decrease
<u>Current Assets</u>			
Cash	4,907.83	58,165.56	53,257.73-
Investments - at Cost	240,500.00	125,500.00	115,000.00+
Accounts Receivable	-0-	2,872.14	2,872.14-
Prepaid Insurance, Taxes and Expenses	48,457.50	41,879.59	6,577.91+
<u>Total Current Assets</u>	<u>293,865.33</u>	<u>228,417.29</u>	<u>65,448.04+</u>
<u>Current Liabilities</u>			
Accounts Payable and Payroll Taxes			
Accrued and Withheld	28,714.87	24,055.32	4,659.55+
Accrued Corporate Taxes	9,195.38	-0-	9,195.38+
Deferred State and Federal Taxes	10,576.27	15,892.06	5,315.79-
<u>Total Current Liabilities</u>	<u>48,486.52</u>	<u>39,947.38</u>	<u>8,539.14+</u>
<u>Net Working Capital</u>	<u>245,378.81</u>	<u>188,469.91</u>	
<u>INCREASE in WORKING CAPITAL</u>			<u>56,908.90</u>

The attached notes are an integral part of these statements.

STRASBURG RAIL ROAD COMPANY
ANNUAL REPORT to STOCKHOLDERS

For the year ended December 31, 1978

Accountants' Statement

The accompanying statement of financial condition of the STRASBURG RAIL ROAD COMPANY as of December 31, 1978 and the related statements of operations and retained earnings and changes in financial position for the year then ended were not audited by us and we are not independent with respect to the Company. Accordingly, we do not express an opinion on the enclosed statement.

TROUT, EBERSOLE & GROFF
Certified Public Accountants

February 8, 1979

(Unaudited)

NOTES to FINANCIAL STATEMENTS

Significant Accounting Policies

A) The Company keeps its books and prepares its financial statements, except year end annual statements, on a cash basis. The statement of financial condition, the statement of operations and retained earnings and the statement of changes in financial position for this report, however, have been prepared on an accrual basis of accounting for purpose of clarity.

B) Fixed Assets - For financial reporting purposes and for income tax deduction purposes, depreciation is provided on a straight-line basis over the estimated useful life of the buildings and parking lots (principally 10 to 25 years), grading and fill (principally 50 years), crossing signals and guards (principally 20 years), locomotives and cars (principally 5 to 14 years) and a 4 to 10 year life on all other depreciable assets.

C) The Company records income and expense on contract work for others on the completed contract method of accounting. No receipts are included in income and no expenditures are charged to expense until the contract is complete. The same method of accounting for contracts was used on these statements.

D) Tax Credits - Investment tax credits are accounted for on the "flow-through" method which recognizes the benefit in the year in which the assets which gave rise to the credit are placed in service. The tax liability is net of a \$4,791.37 credit for the current year.

During the current year, the Corporation was eligible for a Jobs Tax Credit amounting to \$426.14. In computing taxable income, the credit is subtracted from gross wages. The credit is then used as a dollar for dollar reduction of federal tax liability.

E) Earnings per Share - Earnings per share for the year was computed by dividing the net income by the weighted average number of shares outstanding for the year.

(Unaudited)
 Strasburg Rail Road Company
STATEMENT of FINANCIAL CONDITION
December 31, 1978

CURRENT ASSETS

Cash on Hand and in Banks	4,907.83	
Investments - Certificates of Deposit and Bond	240,500.00	
Prepaid Insurance and Expenses	<u>48,457.50</u>	293,865.33

PROPERTY and EQUIPMENT

	Cost	Depreciation to Date	Net Book Value	
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Right-of-Way	115,800.69	1,922.19	113,878.50	
Parking Lot	28,986.71	23,643.75	5,342.96	
Miscellaneous Physical Property	33,008.66	13,778.45	19,230.21	
	<u>719,198.51</u>	<u>303,792.96</u>	415,405.55	
Land			<u>53,437.58</u>	468,843.13
<u>TOTAL ASSETS</u>				<u>762,708.46</u>

LIABILITIES and STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable and Payroll Taxes		
Accrued and Withheld	28,714.87	
Accrued Corporate Taxes	9,195.38	
Deferred Corporate Taxes	<u>10,576.27</u>	
<u>TOTAL LIABILITIES</u>		48,486.52

STOCKHOLDERS' EQUITY

Capital Stock (5,000 shares par value \$1.00 issued and outstanding, including 46 shares held in Treasury)	5,000.00	
Premiums and Paid-in-Surplus on Capital	116,424.62	
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	<u>718,932.08</u>	
Less: Treasury Stock at Cost (46 shares)	<u>(4,710.14)</u>	714,221.94
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BOOK VALUE per OUTSTANDING SHARE

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The attached notes are an integral part of these statements.

(Unaudited)
 Strasburg Rail Road Company
COMPARATIVE STATEMENT of OPERATIONS and RETAINED EARNINGS

	<u>For the Year Ended</u>	
	<u>December 31,</u> <u>1978</u>	<u>December 31,</u> <u>1977</u>
<u>RAILWAY OPERATING REVENUES</u>		
Passenger	741,606.06	655,982.76
Freight	1,737.10	484.44
Concession Commissions	32,492.49	34,035.10
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<u>RAILWAY OPERATING EXPENSES</u>		
<u>Net Revenue from Railroad Operations</u>	<u>592,404.65</u>	<u>524,493.46</u>
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96,216.23		84,647.08
<u>OTHER INCOME - Interest, Contracts and</u>		
<u>Miscellaneous - Net</u>	<u>18,750.29</u>	<u>11,227.81</u>
<u>Gross Income</u>	<u>114,966.52</u>	<u>95,874.89</u>
<u>INTEREST on DEBT</u>	-0-	927.13
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<u>NET INCOME for YEAR</u>	<u>72,018.38</u>	<u>60,073.18</u>
<u>RETAINED EARNINGS - Balance beginning of year</u>	<u>535,401.08</u>	<u>484,007.90</u>
<u>LESS: Dividends Paid</u>	<u>607,419.46</u>	<u>544,081.08</u>
	<u>9,912.00</u>	<u>8,680.00</u>
<u>RETAINED EARNINGS - Balance end of year</u>	<u>597,507.46</u>	<u>535,401.08</u>
<u>EARNINGS per SHARE</u>	<u>15.67</u>	<u>12.12</u>

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(Unaudited)

Strasburg Rail Road Company
COMPARATIVE STATEMENT of CHANGES in FINANCIAL POSITION

SOURCE of FUNDS	For the Year Ended		
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From Operations:			
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CHANGES in WORKING CAPITAL			
	December 31, 1978	December 31, 1977	Increase or Decrease
<u>Current Assets</u>			
Cash	4,907.83	58,165.56	53,257.73-
Investments - at Cost	240,500.00	125,500.00	115,000.00+
Accounts Receivable	-0-	2,872.14	2,872.14-
Prepaid Insurance, Taxes and Expenses	48,457.50	41,879.59	6,577.91+
<u>Total Current Assets</u>	<u>293,865.33</u>	<u>228,417.29</u>	<u>65,448.04+</u>
<u>Current Liabilities</u>			
Accounts Payable and Payroll Taxes			
Accrued and Withheld	28,714.87	24,055.32	4,659.55+
Accrued Corporate Taxes	9,195.38	-0-	9,195.38+
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<u>Total Current Liabilities</u>	<u>48,486.52</u>	<u>39,947.38</u>	<u>8,539.14+</u>
<u>Net Working Capital</u>	<u>245,378.81</u>	<u>188,469.91</u>	
<u>INCREASE in WORKING CAPITAL</u>			<u>56,908.90</u>

The attached notes are an integral part of these statements.

A. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at it's 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

N O N E

101. IDENTITY OF RESPONDENT

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

Strasburg Rail Road 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? Yes - Same as Above

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
not applicable

4. Give the location (including street and number) of the main business office of the respondent at the close of the year

P. O. Box 96 Strasburg, PA. 17579

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	William M. Moedinger, Box 96, Strasburg, PA. 17579
2	Vice president	E. Ralph Hostetter, Box 96, Strasburg, PA. 17579
3	Secretary	Marian W. Moedinger, Box 96, Strasburg, PA. 17579
4	Treasurer	Warren F. Benner, Box 96, Strasburg, PA. 17579
5	Controller or auditor	Trout, Ebersole & Groff, 1457 Manheim Pike, Lancaster, PA.
6	Attorney or general counsel	Jan L. Deelman, Box 49, Reading, PA. 19603
7	XXXXXXXXXX V.P. - C.M.O.	J. Huber Leath, Box 96, Strasburg, PA. 17579
8	General superintendent	
9	General freight agent	
10	General passenger agent	
11	General land agent	
12	Chief engineer	Winston Gottschalk, Box 96, Strasburg, PA. 17579
13	V.P. - ADM.	Ellis R. Bachman, Box 96, Strasburg, PA. 17579

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	William M. Moedinger	Box 96, Strasburg, PA.	March 3, 1979
15	E. Ralph Hostetter	Box 96, Strasburg, PA.	March 3, 1979
16	J. Huber Leath	Box 96, Strasburg, PA.	March 3, 1979
17	Helen H. Long	Box 96, Strasburg, PA.	March 3, 1979
18	Warren F. Benner	Box 96, Strasburg, PA.	March 3, 1979
19	Clara Brenner	R.D. 2 Ephrata, PA.	March 3, 1979
20	Ralph W. Eby, Jr.	33 N. Duke, Lancaster, PA.	March 3, 1979
21	James W. Harrison	Box 96, Strasburg, PA.	March 3, 1979
22	John H. Hartman, Jr.	R.D. 1, Strasburg, PA.	March 3, 1979
23	Norman E. Seibert	R.D. 1, Ickesburg, PA.	March 3, 1979

7. Give the date of incorporation of the respondent 2/15/1851 & State the character of motive power used Steam & Diesel

9. Class of switching and terminal company Class III Switching

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

Pennsylvania

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 NONE

12. Give hereunder a history of the respondent from its inception to date, showing all consolidations, mergers, reorganizations, etc., and if a consolidated or merging corporation give like particulars for all constituent and subconstituent corporations. Describe also the course of construction of the road of the respondent, and its financing

*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.

107. 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), held 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	First	
					Second		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Benner, Warren F.	Rising Sun, MD.	200	200			
2	Brenner, Clara M.	Ephrata, PA.	210	210			
3	Buckwalter, Irel D.	Lititz, PA.	114	114			
4	Buckwalter, Rhoda S. (Est)	Lancaster, PA.	216	216			
5	Caldwell, C. L.	Hanover, PA.	120	120			
6	Daffin, Irl A.	Lancaster, PA.	440	440			
7	Deelman, Jan L.	Reading, PA.	109	109			
8	Eby, Ralph W., Jr.	Lancaster, PA.	100	100			
9	Ellis, Elizabeth M.	Lancaster, PA.	100	100			
10	Gottschalk, Winston	Lancaster, PA.	110	110			
11	Harrison, James W.	Strasburg, PA.	114	114			
12	Hartman, John H., Jr.	Strasburg, PA.	330	330			
13	Hartzell, Mary A.B.	Lititz, PA.	100	100			
14	Klein, E. Ann	Lancaster, PA.	229	229			
15	Leath, J. Huber	Lancaster, PA.	110	110			
16	Long, Helen H.	Lancaster, PA.	620	620			
17	McCoy, Merton W.	Leola, PA.	114	114			
18	Miller, Harriet R.	Strasburg, PA.	110	110			
19	Moedinger, Marian W.	Lancaster, PA.	126	126			
20	Moedinger, William M.	Lancaster, PA.	114	114			
21	Seibert, Norman E.	Ickesburg, PA.	110	110			
22	Slonneger, Sydney M.	Lancaster, PA.	100	100			
23	Steinman, J.H. (Trust Fund)	Lancaster, PA.	100	100			
24	Armstrong, Stewart C.	Mechanicsburg, PA.	14	14			
25	Byers, John L.	Strasburg, PA.	14	14			
26	Hildenbrand, Ronald A.	Strasburg, PA.	14	14			
27	Hood, William E., Jr.	Bethel Park, PA.	14	14			
28	Hostetter, E. Ralph	North East, MD.	14	14			
29	Hostetter, Edith U.	North East, MD.	14	14			
30	Light, ASaph S.	Lancaster, PA.	14	14			

Footnotes and Remarks

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	4,908	58,166
2	Temporary Cash Investments	240,500	125,500
3	Certificates of Deposit & Tourist Bond		
4	Special Deposits		1,809
5	Accounts Receivable		
6	Less: Allowance for Uncollectible Accounts		
7	Accumulated Deferred Income Tax Charges		
8	Other Current Assets		
8	Total Current Assets	245,408	185,475
	OTHER ASSETS		
9	Special Funds		
10	Other Investments and Advances - (Less Allowances and adjustments \$)		
11	Other Assets (Less Depreciation and Amortization \$13,778, Misc. Physical Prop.	20,231	21,870
12	Other Deferred Debits		
13	Total Other Assets	20,231	21,870
	ROAD AND EQUIPMENT		
14	Road and Equipment Property and Improvements on Leased Property	738,627	706,990
15	Less: Accumulated Depreciation and Amortization	290,015	265,011
16	Net Road and Equipment	448,612	441,979
17	Total Assets	714,251	649,324
	CURRENT LIABILITIES		
18	Loans and Notes Payable		
19	Accounts Payable		
20	Interest and Dividends Payable		
21	Federal Income Taxes Accrued		
22	Other Taxes Accrued	195	3,578
23	Other Current Liabilities		
24	Equipment Obligations and Other long-term Debt Due Within One Year		
25	Total Current Liabilities	195	3,578
	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:		
32	Common Stock	5,000	5,000
33	Preferred Stock		
34	Discount on Capital Stock		
35	Additional Capital	116,425	116,425

260. 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 (Dividends Paid \$9,912.00)	597,341	528,768
38	Net unrealized Loss on Noncurrent Marketable Equity Securities	4,710	4,447
39	Less: Treasury Stock	714,056	645,746
40	Net Shareholders' Equity	714,251	649,324
41	Total Liabilities and Shareholders' Equity		

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 premium respondent may be obligated to pay in the event such losses are sustained by other railroads; (2) particulars concerning obligations for stock purchase options granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

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

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

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year: No Pension Fund

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund \$ NONE

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

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

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

Date of trust agreement or latest amendment N/A

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

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement NONE

(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 X

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 X 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 X

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	1,737
2	Passenger	741,606
3	Other Concessions, commissions, etc.	32,493
4	Total Railway Operating Revenues	775,835
5	Railway Operating Expenses	680,378
6	*Net Revenue from Railway Operations	95,458
	OTHER INCOME	
7	Dividend income	
8	Interest income	
9	Other income: Other Non Operating Property - Rent, Misc.	10,421
	Income from affiliated companies:	8,545
10	Dividends	
11	Equity in undistributed earnings (losses)	
12	Total other income (Lines 7-11)	18,966
13	Total income (Lines 6, 12)	114,424
	OTHER DEDUCTIONS	
14	Miscellaneous deductions from income	1,887
15	Fixed charges	38
	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)	112,499
	PROVISIONS FOR INCOME TAXES	
	Income taxes on ordinary income:	
18	Federal income taxes (Actually Paid - Cash Basis)	23,259
19	State income taxes (Actually Paid - Cash Basis)	10,755
20	Other income taxes	
21	Provisions for deferring income taxes	
22	Income before extraordinary items (Line 17 less Lines 18-22)	78,485
	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)	NONE
27	Cumulative effect of changes in accounting principles	
28	(Less applicable income taxes of \$)	
29	Net income	78,485

210. RESULTS OF OPERATIONS—Continued

Line No.	Item (a)	Amount for Current Year (b)
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		
30	Net revenues from railway operations	95,458
31	Income taxes on ordinary income	34,014
32	Provisions for deferred income taxes	
33	Income from Lease of Road and Equipment	
34	Rent for leased Roads and Equipment	
35	Net Railway Operating Income	61,444
	Ton-miles, Revenue Freight (in thousands)	19,000



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	52,437			52,437	-0-
3	(2 1/2) Other right-of-way expenditures	2,500			2,500	-0-
4	(3) Grading	11,536			11,536	1,922
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	101,765			101,765	-0-
11	(11) Ballast					
12	(12) Track laying and surfacing	46,219	10,214		56,433	16,286
13	(13) Fences, snowsheds, and signs	37,893			37,893	20,717
14	(16) Station and office buildings	30,322			30,322	24,979
15	(17) Roadway buildings	16,376			16,376	1,580
16	(18) Water stations					
17	(19) Fuel stations	58,838			58,838	30,387
18	(20) Shops and enginehouses					
19	(21) Grain elevators					
20	(22) Storage warehouses					
21	(23) Wharves and docks					
22	(24) Coal and ore wharves					
23	(25) TOFC/COFC terminals					
24	(26) Communication systems					
25	(27) Signals and interlockers					
26	(29) Power plants					
27	(31) Power-transmission systems	59,664			59,664	6,665
28	(35) Miscellaneous structures					
29	(37) Roadway machines					
30	(38) Roadway small tools					
31	(39) Public improvements - Construction					
32	(43) Other expenditures - Road	22,739			22,739	19,376
33	(44) Shop machinery					
34	(45) Power-plant machinery					
35	Other (specify and explain)	440,289	10,214		450,503	121,912
36	Total Expenditures for Road	77,274	12,329	5,719	83,884	56,154
37	(52) Locomotives	8,783			8,783	1,977
38	(53) Freight-train cars	135,311	26,020		161,331	83,386
39	(54) Passenger-train cars					
40	(55) Highway revenue equipment					
41	(56) Floating equipment	14,606			14,606	14,271
42	(57) Work equipment	14,445	5,075		19,520	12,315
43	(58) Miscellaneous equipment	250,419	43,424	5,719	288,124	168,103
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	690,708	53,638	5,719	738,627	290,015
50 (80)	Other elements of investments W.I.P. Car	16,282		16,282		
51 (90)	Construction work in progress					
52	Grand Total	706,990	53,638	22,001	738,627	290,015

NOTE - The work in process car was not retired during the year, rather completed and transferred to passenger train cars, Line 39.

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.* **NOT APPLICABLE**
2. All other important physical changes, including herein all new tracks built.* **NONE**
3. All leaseholds acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions. **NONE**
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. **NONE**
5. All consolidations, mergers, and reorganizations effected, giving particulars. **NONE**
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). **NONE**
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. **NONE**
8. All other important financial changes. **NONE**
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. **NONE**
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. **NOT APPLICABLE**

*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.

710. INVENTORY OF EQUIPMENT

INSTRUCTIONS

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units of equipment purchased, built in company shops, or otherwise acquired.
3. Units leased to others for a period of one year or more are reportable in column (i); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (e); units rented from others for a period less than one year should not be included in column (f). Units installed during the year and subsequently leased to others for a year or more should be shown as added in column (c), as retired in column (d), and included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operating at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "Diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive, and whether power may at times be supplied from external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "Electric" unit includes all units which receive electric power from an overhead contact wire or third rail, and use the power to drive one or more electric motors that propel the vehicle. An "Other self-powered unit" includes all units other than diesel or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives but which draw their power from the "mother" unit, e.g., boosters, slugs, etc.
7. Column (h) should show aggregate capacity for all units reported in column (g), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes); or tractive effort of steam locomotive units; for freight-train cars report the nominal capacity (in tons of 2,000 lbs.) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily; for passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.

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

Line No.	Item	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)		
	LOCOMOTIVE UNITS							(h.p.)	
1	Diesel-Freight A units								
2	Diesel-Freight B units								
3	Diesel-Passenger A units								
4	Diesel-Passenger B units								
5	Diesel-Multiple purpose A units								
6	Diesel-Multiple purpose B units	2	0	0	2	0	2	520	0
7	Diesel-Switching A units								
8	Diesel-Switching B units	2	0	0	2	0	2	XXXXXX	0
9	Total (lines 1-8)								
10	Electric-Locomotives	4	0	0	3	1	4	128,217 lb	0
11	Other self-powered units Steam	6	0	0	5	1	6	Tractive Effort	0
12	Total (lines 9, 10 and 11)								
13	Auxiliary units	6	0	0	5	1	6	XXXXXX	0
14	Total Locomotive Units (lines 12 and 13)								

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									
15	Plain Box Cars - 40' (B100-129)	4	0	0	4	0	4	Tons 145	0
16	Plain Box Cars - 50' (B200-229; B300-329)								
17	Equipped Box Cars (All Code A)								
18	Plain Gondola Cars (G092-392; G401-492)	1	0	0	1	0	1	40	0
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)								
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)	2	0	0	2	0	2	80	0
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; L 161-L 764)								
32	Total (lines 15-31)	7	0	0	7	0	7	265	0
33	Caboose (All N)	2	0	0	2	0	2	XXXXXX	0
34	Total (lines 32-33)	9	0	0	9	0	9	XXXXXX	0

720. TRACKS

- (1) Show, by State, total mileage of tracks owned and operated by respondent 4.5 Pennsylvania
- (2) Show, by State, mileage of tracks owned but not operated by respondent: First main track, 0
 second and additional main tracks, 0 ; industrial tracks, 0
 yard track and sidings, 0 ; total, all tracks, 0 (t)
- (3) Road is completed from (Line Haul Railways only)* Strasburg, PA to Leaman Place, PA Total distance, 4.5 miles.
- (4) Road located at (Switching and Terminal Companies only)* Between two above named towns
- (5) Gage of track 4 ft. 8 1/2 in.
- (6) Weight of rail 90 lb. per yard.
- (7) Kind and number per mile of crossties Oak and assorted hardwood 2,464 per mile
- (8) State number of miles electrified: First main track, 0 ; second and additional main tracks, 0
 passing tracks, cross-overs, and turn-outs, 0 ; way switching tracks, 0 yard switching tracks, 0
- (9) Ties applied in replacement during year: Number of crossties, 500 ; average cost per tie, \$ 12.00 ; number of feet (B.M.) of switch and bridge ties, 0 ; average cost per M feet (B.M.), \$ 0
- (10) Rail applied in replacement during year: Tons (2,000 pounds), 0 ; Weight per year, 0 ; average cost per ton, \$ 0

*Insert names of places.

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

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 Pennsylvania
County of Lancaster ss:
Warren F. Benner makes oath and says that he is Treasurer
(Insert here the name of the affiant) (Insert here the official title of the affiant)
of Strasburg Rail Road 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 19 78, to and including December 31 19 78

Warren F. Benner
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
county above named, this 28th day of June 19 79
My commission expires May 3, 1983

Elsie Mae Penie
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of Pennsylvania
County of Lancaster ss:
William M. Moedinger makes oath and says that he is President
(Insert here the name of the affiant) (Insert here the official title of the affiant)
of Strasburg Rail Road 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 19 78, to and including December 31 19 78

William M. Moedinger
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
county above named, this 28th day of June 19 79
My commission expires May 3, 1983

Elsie Mae Penie
(Signature of officer authorized to administer oaths)