

537120

• WESTERN RAILROAD COMPANY •

1978

537120

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R-3

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

annual report

INTERSTATE
COMMERCE COMMISSION
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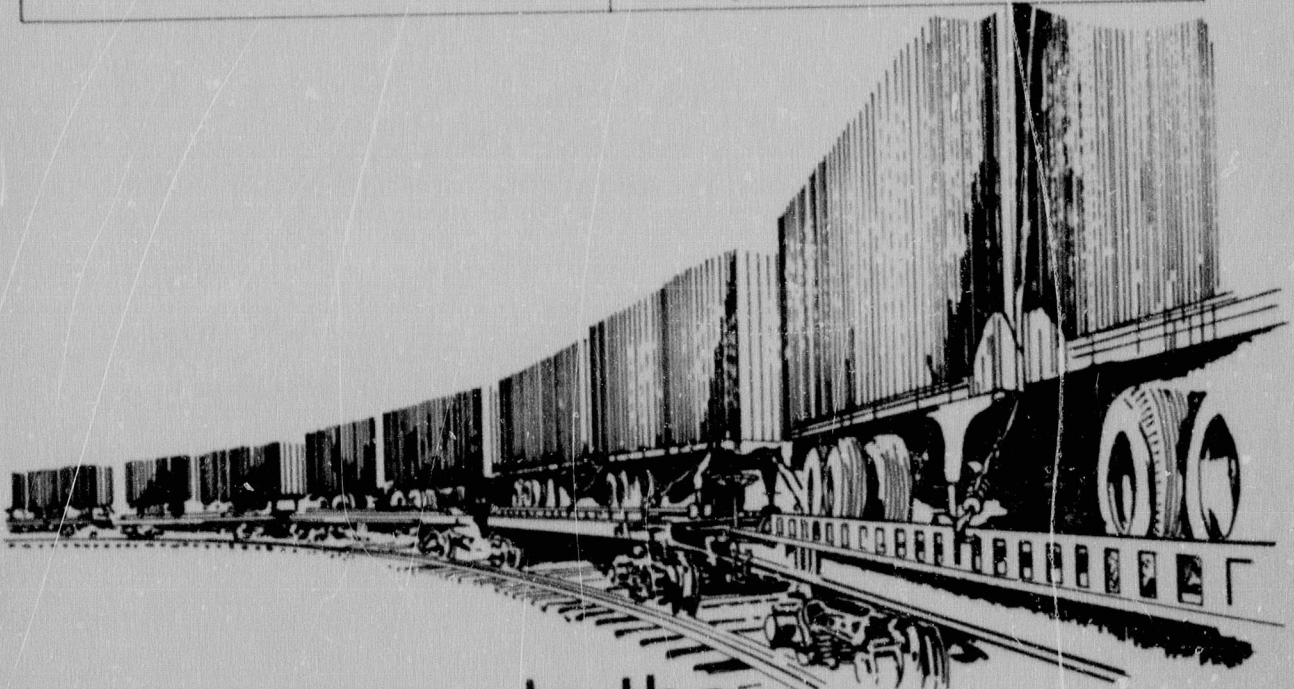
JUL 3 - 1979

ADMINISTRATIVE SERVICES
MAIL UNIT

RC002704 WESTERNRAIL 3 0 3 537120
WESTERN RAILROAD COMPANY
P. O. BOX 811
NEW BRAUNFELS TX 78130

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 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
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None Omitted

191. IDENTITY OF RESPONDENT

1. Give the exact name* by which the respondent was known in law at the close of the year Western 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? Annual Report for 12/31/77 is on file under respondent's name-
Western Rail Road 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
No change in name of respondent during the year.
4. Give the location (including street and number) of the main business office of the respondent at the close of the year
Wald Rd., P. O. Box 811, New Braunfels, TX 78130
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	Wm. R. Parker, Jr., P.O. Box 107, 5303 Navigation-Houston, TX 77001
2	Vice president	W. D. Bankston, P.O. Box 107, 5303 Navigation-Houston, TX 77001
3	Secretary	D. R. Parker, P.O. Box 107, 5303 Navigation-Houston, TX 77001
4	Treasurer	D. R. Parker, P.O. Box 107, 5303 Navigation-Houston, TX 77001
5	Controller or auditor	J. M. Mills, P.O. Box 107, 5303 Navigation-Houston, TX 77001
6	Attorney or general counsel	Bracewell & Patterson, 711 Louisiana, Houston, TX 77002
7	General manager	W. D. Bankston, P.O. Box 107, 5303 Navigation-Houston, TX 77001
8	General superintendent	Kenneth Poenitzsch, P.O. Box 811, New Braunfels, TX 78130
9	General freight agent	Katherine O. Stewart, P.O. Box 811, New Braunfels, TX 78130
10	General passenger agent	None
11	General land agent	None
12	Chief engineer	None
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	William R. Parker, Jr.	5303 Navigation, Houston, TX 77001	April 18, 1980
15	B. K. Parker, Jr.	5303 Navigation, Houston, TX 77001	April 18, 1980
16	D. R. Parker	5303 Navigation, Houston, TX 77001	April 18, 1980
17	W. D. Bankston	5303 Navigation, Houston, TX 77001	April 18, 1980
18	K. H. Parker, Jr.	5303 Navigation, Houston, TX 77001	April 18, 1980
19			
20			
21			
22			
23			

7. Give the date of incorporation of the respondent 3/22/74 8. State the character of motive power used Diesel-Electric
9. Class of switching and terminal company Class III
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
Organized Under the Laws of the State of Texas; Line not in Bankruptcy.

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 See Disclosures on Page 10

*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. 705, 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 secu- rities with voting power	
				Common	Preferred			
					Second	First		
								(c)
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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	1,271,045	1,052,826
2	Temporary Cash Investments	681,159	450,000
3	Special Deposits	-0-	-0-
4	Accounts Receivable	765,566	675,121
5	Less: Allowance for Uncollectible Accounts	(25,000)	(25,000)
6	Accumulated Deferred Income Tax Charges	-0-	-0-
7	Other Current Assets	79,325	41,425
8	Total Current Assets	2,772,095	2,194,372
	OTHER ASSETS		
9	Special Funds	-0-	-0-
10	Other Investments and Advances - (Less Allowances and adjustments \$ -0-)	2,476,761	2,812,422
11	Other Assets (Less Depreciation and Amortization \$26,892)	40,204	51,395
12	Other Deferred Debits	137,200	108,200
13	Total Other Assets	2,654,165	2,972,017
	ROAD AND EQUIPMENT		
14	Road and Equipment Property and Improvements on Leased Property	5,865,711	5,402,831
15	Less: Accumulated Depreciation and Amortization	(767,430)	(526,497)
16	Net Road and Equipment	5,098,281	4,876,334
17	Total Assets	10,524,541	10,042,723
	CURRENT LIABILITIES		
18	Loans and Notes Payable	-0-	-0-
19	Accounts Payable	1,144,243	1,082,030
20	Interest and Dividends Payable	55,934	44,900
21	Federal Income Taxes Accrued	361,172	341,751
22	Other Taxes Accrued	-0-	-0-
23	Other Current Liabilities	104,406	93,596
24	Equipment Obligations and Other long-term Debt Due Within One Year	1,014,887	976,592
25	Total Current Liabilities	2,680,642	2,538,869
	NON CURRENT LIABILITIES		
26	Funded Debt Unmatured	1,223,000	1,963,000
27	Equipment Obligations	-0-	-0-
28	Capitalized Lease Obligations	4,251,708	3,976,515
29	Accumulated Deferred Income Tax Credits	-0-	-0-
30	Other Long-term Liabilities and Deferred Credits	94,951	93,183
31	Total Non current Liabilities	5,569,659	6,032,698
	SHAREHOLDERS' EQUITY		
	Capital Stock:		
32	Common Stock	50,000	50,000
33	Preferred Stock	-0-	-0-
34	Discount on Capital Stock	-0-	-0-
35	Additional Capital	-0-	-0-

107. STOCKHOLDERS

Name of Security Holder	Address of Security Holder	No. of Votes to which Holder was Entitled	Common			Preferred Second First			Other Securities w/Voting Power	
			(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1. B. K. Parker, Jr.	5390 Holly Springs Houston, Texas 77056	874.110	874.110	None	None	None				
2. Allan W. Parker, Sr.	7703 Skyline Drive Houston, Texas 77079	690.210	690.210							
3. William R. Parker, Jr.	27 Willowron, Hou. 77024	660.810	660.810							
4. Mrs. Betty C. Vogel	5555 Del Monte, #T-21 Houston, Texas 77056	552.460	552.460							
5. Estate of Billy W. Cribbs, Deceased	P. O. Box 52708 Lafayette, La. 70505	547.960	547.960							
6. Estate of C. T. Parker, Deceased	166 Glynn Way, Houston, Texas 77056	518.310	518.310							
7. Mrs. Edna M. Busse	28 Bayou Shadows Houston, Texas 77024	512.370	512.370							
8. Dan R. Parker	#5 Tiel Way, Hou. 77019	477.120	477.120							
9. Mrs. Gertrude H. French	4435 Sarons, Hou. 77096	451.980	451.980							
10. Mrs. Lola D. Parker	604 Little John, Hou. 77076	425.500	425.500							
11. Bank of the Southwest, N.A., Hou., Trustee U/A w/Jack Donald Parker, Jr.	Trust Division P. O. Box 2629 Houston, Texas 77001	409.120	409.120							
12. Mrs. Mary E. Foster	1906 Rampart, League City, Texas 77573	363.380	363.380							
13. Mrs. Johanna M. Parker	2203 Fulham Court, Houston, Texas 77063	295.780	295.780							
14. Mrs. Florence Parker Tramel	7662 Vista Verde Houston, Texas 77087	235.290	235.290							
15. Bank of the Southwest, N.A., Hou., Trustee U/W George W. Parker, Dec'd.	Trust Division P. O. Box 2629 Houston, Texas 77001	187.280	187.280							
16. Mrs. Donna Raye Darr	P. O. Box 5197 Kingwood, Texas 77339	184.100	184.100							
17. Fentress Bracewell, Tr. for Allan Wayne Parker, Sr. Trust, Est. 12/28/76	2900 South Tower Pennzoil Place Houston, Texas 77002	182.800	182.800							
18. Dennis Blayne Tramel	2108 Roland Rue Pearland, Texas 77581	145.590	145.590							
19. R. H. Parker, Jr.	10615 Tarleton, Hou. 77024	129.910	129.910							
20. Miss Joyce E. Parker	P. O. Box 1082, Bay City, Texas 77414	128.820	128.820							

Name of Security Holder (a)	Address of Security Holder (b)	No. of Votes to which Holder was Entitled (c)	Other Securities w/Voting Power (g)		
			Common (d)	Preferred Second First (e) (f)	None
21. Briscoe K. Parker, Jr., Trustee for Allan Wayne Parker, Jr. Trust, Est. Dec. 28, 1976	5390 Holly Springs Houston, Texas 77076	121.870	121.870	None	None
22. Mrs. Lillian Parker Underwood	P. O. Box 1082 Bay City, Texas 77414	111.270	111.270		
23. Mrs. Edna M. Busse and Husband, Norman O. Busse	28 Bayou Shadows Houston, Texas 77024	94.570	94.570		
24. Mrs. Billy W. Cribbs and Husband, Cletus B. Cribbs	P. O. Box 52708 Lafayette, La. 70505	89.450	89.450		
25. Mrs. Virginia Parker Garrett	5390 Holly Springs Houston, Texas 77056	83.970	83.970		
26. B. K. Parker, III	5390 Holly Springs Houston, Texas 77056	82.870	82.870		
27. Briscoe Kelley Parker, III, Trustee Under Trust Agreement Dated 12/28/76 (John F. Parker)	5390 Holly Springs Houston, Texas 77056	60.020	60.020		
28. Mrs. Lola L. Lehman	1101 Peck Road Houston, Texas 77055	59.350	59.350		
29. George Lucian Parker	11902 Summerdale Houston, Texas 77077	59.350	59.350		
30. Mrs. Patricia Diane Truxillo and Husband, Sandy J. Truxillo	3619 Freshmeadows Houston, Texas 77063	56.300	56.300		

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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:	-0-	-0-
36	Appropriated	2,274,240	1,421,156
37	Unappropriated	-0-	-0-
38	Net unrealized Loss on Noncurrent Marketable Equity Securities	-0-	-0-
39	Less: Treasury Stock	2,274,240	1,471,156
40	Net Shareholders' Equity	10,524,541	10,042,723
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 \$ -0-

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 \$ -0-

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. Contributions to the fund are deducted by the respondent in the period in which the payments apply. There are no current or past service pension costs.

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

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

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

(ii) If funding is by trust agreement list trustee(s) W. R. Parker, Jr., B. K. Parker, Jr., D. R. Parker, C. L. Yaws

Date of trust agreement or latest amendment 10/1/77 (Date of adoption of plan)

If respondent is affiliated in any way with the trustee(s), explain affiliation 3 of 4 Trustees are officers

and/or Directors of the respondent.

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

(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 N/A

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

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 ☒

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.

None

210. RESULTS OF OPERATIONS

Line No.	Item (a)	Amount for Current Year (b)
ORDINARY ITEMS		
OPERATING INCOME		
Railway Operating Income		
1	Freight	2,635,439
2	Passenger	-0-
3	Other	566,114
4	Total Railway Operating Revenues	3,201,553
5	Railway Operating Expenses	1,010,701
6	Net Revenue from Railway Operations	2,190,852
OTHER INCOME		
7	Dividend income	-0-
8	Interest income	388,507
9	Other income, Other	77,520
Income from affiliated companies:		
10	Dividends	
11	Equity in undistributed earnings (losses)	
12	Total other income (Lines 7-11)	466,027
13	Total income (Lines 6, 12)	2,656,879
OTHER DEDUCTIONS		
14	Miscellaneous deductions from income	
15	Fixed charges	723,396
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)	1,933,483
PROVISIONS FOR INCOME TAXES		
Income taxes on ordinary income:		
18	Federal income taxes	919,399
19	State income taxes	-0-
20	Other income taxes	-0-
21	Provisions for deferring income taxes	(29,000)
22	Income before extraordinary items (Line 17 less Lines 18-22)	1,043,084
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 (Line 23-25)	
27	Cumulative effect of changes in accounting principles	
28	(Less applicable income taxes of \$)	
29	Net income	1,043,084

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	2,190,852
31	Income taxes on ordinary income	919,399
32	Provisions for deferred income taxes	(29,000)
33	Income from Lease of Road and Equipment	(566,114)
34	Rent for leased Roads and Equipment	(59,385)
35	Net Railway Operating Income	1,807,182
	Ton-miles, Revenue Freight (in thousands)	5,026

Reference:

Page 2

Item 12 - The PB R.R. was incorporated on March 22, 1974, but was inactive from that date until receipt of the approval of Finance Dockets 27608 and 27609, authorizing W.R.R.C. to begin operation. Because of a conflict in the initials of the name of the railroad, the name was subsequently changed on September 22, 1975 to the Western Rail Road Company.

In accordance with the course of action set forth in the above referenced finance dockets, the construction of the approximately 1.9 miles of main line was begun in late 1975 and completed in December of 1975. Financing for track construction was provided through the sale of 10,000 shares of common stock and debt financing was secured from a bank.

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	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)
	(a)					
1	(1) Engineering	6,467	-0-	-0-	6,467	186
2	(2) Land for transportation purposes	-0-				
3	(2 1/2) Other right-of-way expenditures	-0-				
4	(3) Grading	72,621	-0-	-0-	72,621	-0-
5	(5) Tunnels and subways	-0-				
6	(6) Bridges, trestles, and culverts	69,512	-0-	-0-	69,512	6,951
7	(7) Elevated structures	-0-				
8	(8) Ties	88,550	-0-	-0-	88,550	-0-
9	(9) Rails	206,257	-0-	-0-	206,257	-0-
10	(10) Other track material	99,084	-0-	-0-	99,084	-0-
11	(11) Ballast	27,438	-0-	-0-	27,438	-0-
12	(12) Track laying and surfacing	116,085	-0-	-0-	116,085	-0-
13	(13) Fences, snowsheds, and signs	-0-				
14	(16) Station and office buildings	-0-				
15	(17) Roadway buildings	-0-	13,431	-0-	13,431	727
16	(18) Water stations	-0-				
17	(19) Fuel stations	-0-				
18	(20) Shops and enginehouses	143,638	-0-	-0-	143,638	15,472
19	(21) Grain elevators	-0-				
20	(22) Storage warehouses	-0-				
21	(23) Wharves and docks	-0-				
22	(24) Coal and ore wharves	-0-				
23	(25) TOFC/COFC terminals	-0-				
24	(26) Communication systems	-0-				
25	(27) Signals and interlockers	-0-				
26	(29) Power plants	-0-				
27	(31) Power-transmission systems	-0-				
28	(35) Miscellaneous structures	-0-				
29	(37) Roadway machines	-0-				
30	(38) Roadway small tools	-0-				
31	(39) Public improvements - Construction	-0-				
32	(43) Other expenditures - Road	-0-				
33	(44) Shop machinery	5,134	2,395	(320)	7,209	-0-
34	(45) Power-plant machinery	-0-				
35	Other (specify and explain)	-0-				
36	Total Expenditures for Road	834,786	15,826	(320)	850,292	23,336
37	(52) Locomotives	26,060	-0-	-0-	26,060	7,059
38	(53) Freight-train cars	4,510,951	1,420,205	(963,824)	4,967,332	737,035
39	(54) Passenger-train cars	-0-				
40	(55) Highway revenue equipment	-0-				
41	(56) Floating equipment	-0-				
42	(57) Work equipment	-0-	22,027	-0-	22,027	-0-
43	(58) Miscellaneous equipment	-0-				
44	Total Expenditures for Equipment	4,537,011	1,442,232	(963,824)	5,015,419	744,094

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	42,532	-0-	(24,604)	17,928	26,892
46 (76)	Interest during construction	-0-				
47 (77)	Other expenditures - General	-0-				
48	Total General Expenditures	42,532		(24,604)	17,928	26,892
49	Total	5,414,329	1,458,058	(988,748)	5,883,639	794,322
50 (80)	Other elements of investments	-0-	-0-	-0-	-0-	-0-
51 (90)	Construction work in progress	-0-	-0-	-0-	-0-	-0-
52	Grand Total	5,414,329	1,458,058	(988,748)	5,883,639	794,322

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.

Answers:

1. No change in status.
2. No change in status.
3. Leaseholds - 69 Aggregate Rail Cars were leased during period -

<u>DATE</u>	<u>TERM</u>	<u>PARTIES</u>	<u>RENTS</u>	<u>OTHER CONDITIONS</u>
1/12/78	12 Years	Parker Brothers & Co., Inc., Lessor	\$203,329.00	None
4.	No change in status.			
5.	No change in status.			
6.	No change in status.			
7.	No change in status.			
8.	No change in status.			
9.	No change in status.			
10.	N/A			
11.	None			

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

Miles of road constructed

N/A

Miles of road abandoned

N/A

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 (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. (h) (see ins. 7) (h)	Number leased to others at close of year (i)
					Owued 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								
7	Diesel-Switching A units								
8	Diesel-Switching B units								
9	Total (lines 1-8)	-0-	-0-	-0-	-0-	-0-	-0-	xxxxxx	-0-
10	Electric-Locomotives	1	-0-	-0-	1	-0-	1	1,000	-0-
11	Other self-powered units	1	-0-	-0-	1	-0-	1	xxxxxx	-0-
12	Total (lines 9, 10 and 11)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
13	Auxiliary units	1	-0-	-0-	1	-0-	1	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							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)	233	69	53	-0-	249	249	24,900	-0-
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)								
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 162 - L 764)								
32	Total (lines 15-31)	233	69	53	-0-	249	249	24,900	-0-
33	Caboose (All N)	-0-	-0-	-0-	-0-	-0-	-0-	XXXXXX	-0-
34	Total (lines 32-33)	233	69	53	-0-	249	249	XXXXXX	-0-

720. TRACKS

- (1) Show, by State, total mileage of tracks owned and operated by respondent 3 Miles in State of Texas
- (2) Show, by State, mileage of tracks owned but not operated by respondent: First main track, None
 second and additional main tracks, None industrial tracks, None
 yard track and sidings, None total, all tracks, None (i)
- (3) Road is completed from (Line Haul Railways only): Stonetown, TX to Solms, TX Total distance, 2.0 miles.
- (4) Road located at (Switching and Terminal Companies only)* N/A
- (5) Gage of track 4 ft. 8 1/2 in.
- (6) Weight of rail 133 lb. per yard.
- (7) Kind and number per mile of crossties Wood-3520 Ties per mile - On 18 inch centers
- (8) State number of miles electrified: First main track, None; second and additional main tracks, None
 passing tracks, cross-overs, and turn-outs, None; way switching tracks, None yard switching tracks, None
- (9) Ties applied in replacement during year: Number of crossties, -0-; average cost per tie, \$ -0- 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.

(i) 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 Texas
County of Harris
John M. Mills makes oath and says that he is Vice President
(Insert here the name of the affiant) (Insert here the official title of the affiant)
of Western 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 1978, to and including December 31 1978
John M. Mills
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
county above named, this 29th day of June 1979.
My commission expires JUL 31 1979

J. W. Colburn
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of Texas
County of Harris
W. D. Bankston makes oath and says that he is Vice President
(Insert here the name of the affiant) (Insert here the official title of the affiant)
of Western 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 1978, to and including December 31 1978
W. D. Bankston
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
county above named, this 29th day of June 1979.
My commission expires JUL 31 1979

J. W. Colburn
(Signature of officer authorized to administer oaths)