

JUL 13 1916



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# ANNUAL REPORT

TO THE

STOCKHOLDERS

OF

## THE RIO GRANDE SOUTHERN R. R. Co.

FOR

The Fiscal Year Ended June 30, 1896.

1895/96 - 1901/02

1904/05 -

1911/12

col

Gen

*Exec Sup.*

DENVER, COLO.  
NEWS PRINTING COMPANY.  
1896.



## BOARD OF DIRECTORS.

1895-1896.

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GEORGE COPPELL . . . . . NEW YORK CITY, N. Y.  
RICHARD T. WILSON . . . . . NEW YORK CITY, N. Y.  
ARTHUR COPPELL . . . . . NEW YORK CITY, N. Y.  
CLARENCE BUCKINGHAM . . . . . CHICAGO, ILLS.  
OTTO MEARS . . . . . DENVER, COLO.  
SAMUEL N. WOOD . . . . . DENVER, COLO.  
EDWARD T. JEFFERY . . . . . DENVER, COLO.

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## OFFICERS.

1895-1896.

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EDWARD T. JEFFERY . . . . . President . . . . . DENVER, COLO.  
GEORGE COPPELL . . . . . Vice President . . . . . NEW YORK CITY, N. Y.  
JOSEPH W. GILLULY . . . . . Treasurer . . . . . DENVER, COLO.  
JOHN B. ANDREWS . . . . . Secretary . . . . . DENVER, COLO.  
JOSEPH S. DALE . . . . . Assistant Secretary . . . . . NEW YORK CITY, N. Y.  
WOLCOTT & VAILE . . . . . General Counsel . . . . . DENVER, COLO.  
COOPER ANDERSON . . . . . Auditor . . . . . DENVER, COLO.  
CHAS. H. SCHLACKS . . . . . Assistant General Manager . . . . . DENVER, COLO.  
WILLIAM D. LEE . . . . . General Superintendent . . . . . RIDGWAY, COLO.

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GENERAL OFFICES . . . . . Equitable Building, 17th and Stout Sts . . . . . DENVER, COLO.  
NEW YORK OFFICE . . . . . 24 Exchange Place . . . . . NEW YORK CITY, N. Y.

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*To the Stockholders of the Rio Grande Southern Railroad  
Company:*

Pursuant to the arrangement made by the Receiver of your property, under authority of the Court, with the Denver & Rio Grande Railroad Company, for the settlement of the floating indebtedness of your Company, the details of which were submitted to and approved by you, the Receiver was enabled to return the property to the control of the Stockholders on December 1, 1895, and by order of the Court the Receiver was discharged on January 15, 1896. Since December first your Company has conducted the operations.

To the end that you may have accurate knowledge of Earnings, Expenses, Interest Charges, and other matters for the fiscal year ended June 30, 1896, the following is respectfully submitted:

Attention is first called to the fact that the business for the year is not divided as between the Receiver while he controlled

the property and your Company, which managed it subsequently. It is believed that the information sought to be conveyed can be placed more intelligently before you without such division, although the books and accounts and the reports of the Receiver to the Court contain full exhibits of the results under the Receivership and the books of the Company show the operations subsequent thereto.

The income of the Company from all sources during the fiscal year ending June 30, 1896, including \$1,375.81 received from Interest, was \$490,609.82, an increase of \$87,747.82 compared with the previous year. The gross earnings from the operation of the railroad were \$489,234.01, being an increase of \$86,435.90. The Working Expenses were \$255,007.66, an increase of \$53,205.24, making the Net Earnings from traffic \$234,226.35, being \$33,230.66 more than for the previous year. The increase in Gross Earnings is 21.46%; in Expenses 26.36% and in Net Earnings 16.53%. The net income from traffic and interest received afforded a surplus of \$66,705.97, after providing for Interest on Funded Debt, Taxes, Insurance and all other charges against Income. For detailed information you are referred to the Statement of Earnings and Expenses, Income Account and Balance Sheet, prepared by the Auditor and submitted herewith for your information.

During the last fiscal year the following improvements were made: 422 tons of 45-pound steel rail were purchased and laid, replacing some of the 30-pound rail in the main line between Hesperus and Durango, and about four miles of this portion of the track were ballasted with gravel. During the year 38,104 ties were used, and 28,143 additional were received and paid for and will be placed in the track before autumn. A new and commodious depot at Mancos was erected, and quite a number of minor

improvements were made in t along the line. The cost of excess weight of rail, was ch

The Company has 162 Durango to Ridgway, 18 sidings, making a total of gauge.

DENVER, COLORADO, )  
August 12, 1896. )

which managed it subse-  
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an increase of \$87,747.82  
The gross earnings from the  
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than for the previous year.  
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ring the year 38,104 ties  
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nn. A new and commod-  
quite a number of minor

improvements were made in the various buildings and structures  
along the line. The cost of all these improvements, including  
excess weight of rail, was charged to Operation Account.

The Company has 162 miles of main line, extending from  
Durango to Ridgway, 18 miles of branches and 19 miles of  
sidings, making a total of 199 miles of track, all three-foot  
gauge.

E. T. JEFFERY,  
*President.*

DENVER, COLORADO, }  
August 12, 1896. }

REPORT OF THE AUDITOR.

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THE RIO GRANDE SOUTHERN RAILROAD CO.

DENVER, COLORADO, August 12, 1896.

MR. E. T. JEFFERY,

*President.*

DEAR SIR:—I beg to transmit herewith Statement of Earnings and Expenses for the fiscal year ended June 30, 1896, compared with the previous year, Statement of Income Account for the fiscal year ended June 30, 1896, and Balance Sheet at June 30, 1896.

Yours respectfully,

COOPER ANDERSON,

*Auditor.*

## STATEMENT OF EARNINGS AND EXPENSES,

FOR THE FISCAL YEAR ENDED JUNE 30, 1896,

Compared with Year Ended June 30, 1895.

EARNINGS.	1895-96.	1894-95.	INCREASE.	DECREASE.
Freight . . . . .	\$377,331 79	\$310,000 35	\$67,331 44	
Passenger . . . . .	74,283 42	52,483 13	21,800 29	
Express, Mails, Miscella- neous and Rents . . . . .	37,618 80	40,314 63		\$2,695 83
Total Earnings . . . . .	\$489,234 01	\$402,798 11	\$86,435 90	
EXPENSES.	1895-96.	1894-95.	INCREASE.	DECREASE.
Maintenance of Way . . .	\$ 83,225 55	\$ 56,481 87	\$26,743 68	
Maintenance of Structures	10,738 48	8,964 92	1,773 56	
Maintenance of Equipment	23,510 44	17,703 07	5,807 37	
Conducting Transportation	117,469 81	98,332 70	19,137 11	
General Expenses . . . . .	20,063 38	20,319 86		\$256 48
Total Expenses . . . . .	\$255,007 66	\$201,802 42	\$53,205 24	
Percentage of Operation . .	52.12	50.10		
Net Earnings . . . . .	\$234,226 35	\$200,995 69	\$33,230 66	

## INCOME ACCOUNT,

FOR THE FISCAL YEAR ENDED JUNE 30, 1896.

Gross Earnings from Operation . . . . .	\$489,234 01
Working Expenses . . . . .	255,007 66
Percentage of Operation . . . . .	52.12%
Net Earnings from Operation . . . . .	\$234,226 35
Interest Received . . . . .	1,375 81
Total Net Income . . . . .	\$235,602 16
<i>Less</i>	
Taxes . . . . .	\$ 31,594 13
Interest on Funded Debt . . . . .	135,300 00
Insurance . . . . .	2,002 06
Remaining Surplus carried to credit of Profit and Loss . .	\$ 66,705 97

BALANCE SHEET, JUNE 30, 1896

ASSETS.		LIABILITIES.	
To Original Cost of Road and Equipment . . . . .		\$9,020,000 00	
" D. & R. G. R. R. Co. Contingent under contract dated February 27, 1895 . . . . .	\$129,532 18		
" Collateral Securities, at cost, under contract with D. & R. G. R. R. Co., dated February 27, 1895, being 316 R. G. So. R. R. Co. 1st Mortgage Bonds at 80% . . . . .	252,800 00		
(See contra) . . . . .		382,332 18	
" Material and Supplies . . . . .		52,736 53	
" Agents and Conductors . . . . .		13,984 71	
" Bills Receivable . . . . .		50,000 00	
" Individuals and Companies . . . . .		4,212 97	
" U. S. Government . . . . .		2,512 89	
" R. G. So. 1st Mortgage Bonds in Treasury, at cost . . . . .		650 00	
" Sundries . . . . .		992 01	
" Cash . . . . .		97,875 46	
		<u>\$9,625,296 75</u>	
			By Capital Stock . . . . . \$4,510,000 00
			" 1st Mortgage Gold Bonds* . . . . . 4,510,000 00
			" Bills Payable under Contract with D. & R. G. R. R. Co., dated February 27, 1895, (see contra) . . . . . 382,332 18
			" Vouchers . . . . . 13,185 48
			" Pay-Rolls . . . . . 17,268 80
			" Foreign Roads . . . . . 3,276 09
			" Equipment Renewal Fund . . . . . 3,468 84
			" Hospital Fund . . . . . 2,693 91
			" Accrued Taxes . . . . . 31,594 13
			" Accrued Interest on 1st Mort. Gold Bonds . . . . . 67,650 00
			" Bond Coupons (No. 11) . . . . . 30 00
			<b>TOTAL LIABILITIES . . . . . \$9,541,499 43</b>
			<b>By Balance to Credit of Profit and Loss . . . . . 83,797 32</b>
			<u><b>\$9,625,296 75</b></u>

ANNUAL REPORT

\* The bonds bear interest at 3 per cent. per annum until January 1, 1898, and 4 per cent. thereafter.