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ANNUAL REPORT

TO THE

STOCKHOLDERS

OF

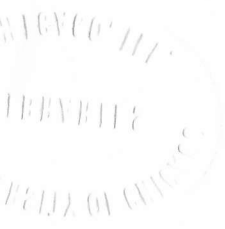
THE RIO GRANDE SOUTHERN R. R. CO.

FOR

The Fiscal Year Ended June 30, 1897.

Gene King

DENVER, COLO.
NEWS PRINTING COMPANY.
1897.



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BOARD OF DIRECTORS.

1896-1897.

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.

OFFICERS.

1896-1897.

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.
CHARLES H. SCHLACKS Assistant General Manager DENVER, COLO.
WILLIAM D. LEE General Superintendent RIDGWAY, COLO.

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

To the Stockholders of the Rio Grande Southern Railroad Company:

The income of the Company from all sources during the fiscal year ended June 30, 1897, including \$2,989.14 received from interest, was \$404,227.73, a decrease of \$86,382.09 compared with the previous year. The gross earnings from the operation of the railroad were \$401,238.59, being a decrease of \$87,995.42. The working expenses were \$229,789.17, a decrease of \$25,218.49, making the net earnings from traffic \$171,449.42, being \$62,776.93 less than for the previous year. The decrease in gross earnings is 17.99%; in expenses 9.89%, and in net earnings, 26.80%. The net income from traffic and interest received afforded a surplus of \$3,470.71, 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, Balance Sheet and Statement of Current Assets and Liabilities, prepared by the Auditor, and submitted herewith for your information.

During the year 54,369 cross ties were used, being 16,265 more than in previous year, and 53,839 additional ties were received and paid for, and will be placed in the track before next winter.

The outlook for a continued increase in business was promising at the close of the fiscal year ended June 30, 1896, but the gradual decline in the market price of silver bullion since then has apparently discouraged a number of the mine owners from prosecuting development work in their properties and lessened the production of ore. This condition of course reflected very seriously upon our earnings during the year just closed by reducing the output of the mines in Southwestern Colorado, and, as a consequence, the materials and supplies for the mines and miners. The effect of the decline in the price of silver seems to have been felt more thus far in that portion of the State traversed by the Rio Grande Southern than in any other.

E. T. JEFFERY,
President.

DENVER, COLORADO, }
August 10, 1897. }

REPORT OF THE AUDITOR.

THE RIO GRANDE SOUTHERN RAILROAD CO.

DENVER, COLORADO, August 3, 1897.

MR. E. T. JEFFERY,
President.

DEAR SIR:—I beg to present herewith my report of the Operations of the Company for the fiscal year ended June 30, 1897, and its Financial Condition at that date, consisting of Comparative Statement of Earnings and Expenses, Income Account, Balance Sheet and Statement of Current Assets and Liabilities.

Yours respectfully,

COOPER ANDERSON,
Auditor.

STATEMENT OF EARNINGS AND EXPENSES,

FOR THE FISCAL YEAR ENDED JUNE 30, 1897,

Compared with the Year Ended June 30, 1896.

EARNINGS.	1896-97.	1895-96.	INCREASE.	DECREASE.
Freight	\$292,383 21	\$377,331 79		\$84,948 58
Passenger	74,053 76	74,283 42		229 66
Express, Mails, Miscellaneous and Rents	34,801 62	37,618 80		2,817 18
Total Earnings	\$401,238 59	\$489,234 01		\$87,995 42
EXPENSES.	1896-97.	1895-96.	INCREASE.	DECREASE.
Maintenance of Way	\$ 73,525 84	\$ 83,225 55		\$ 9,699 71
Maintenance of Structures	6,738 69	10,738 48		3,999 79
Maintenance of Equipment	18,483 23	23,510 44		5,027 21
Conducting Transportation	110,612 04	117,469 81		6,857 77
General Expenses	20,429 37	20,063 38	\$365 99	
Total Expenses	\$229,789 17	\$255,007 66		\$25,218 49
Percentage of Operation	57.27	52.12		
Net Earnings	\$171,449 42	\$234,226 35		\$62,776 93

INCOME ACCOUNT,

FOR THE FISCAL YEAR ENDED JUNE 30, 1897.

Gross Earnings from Operation	\$401,238 59
Working Expenses	229,789 17
Percentage of Operation	57.27%
Net Earnings	\$171,449 42
Interest Received	2,989 14
Total Net Income	\$174,438 56
<i>Less</i>	
Taxes	\$ 33,980 26
Interest on Funded Debt	135,300 00
Insurance	1,687 59
Remaining Surplus carried to Credit of Profit and Loss	\$ 3,470 71

BALANCE SHEET, JUNE 30, 1897.

ASSETS.		LIABILITIES.		
To Original Cost of Road and Equipment		\$9,020,000 00	By Capital Stock	\$4,510,000 00
" D. & R. G. R. R. Co., Contingent under contract dated February 27, 1895	\$63,966 10		" 1st Mortgage Gold Bonds	4,510,000 00
" Collateral Securities, at cost, under contract with D. & R. G. R. R. Co., dated February 27, 1895, being 159 R. G. So. R. R. Co. 1st Mortgage Bonds at 80%	127,200 00		" Bills Payable under Contract with D. & R. G. R. R. Co., dated February 27, 1895, (see contra)	191,166 10
(See contra)		191,166 10	" Vouchers	13,084 24
" Material and Supplies		51,708 21	" Pay Rolls	15,256 44
" Agents and Conductors		10,872 31	" Foreign Roads	6,538 23
" Bills Receivable		50,000 00	" Equipment Renewal Fund	12,723 27
" Individuals and Companies		4,395 98	" Hospital Fund	2,810 89
" U. S. Government		2,508 51	" Sundries	200 00
" R. G. So. R. R. Co. 1st Mortgage Bonds in Treasury, at cost		650 00	" Accrued Taxes	35,971 86
" Cash		121,397 95	" Accrued Interest on 1st Mort. Gold Bonds	67,650 00
		\$9,452,699 06	" Bond Coupons (No. 13)	30 00
			TOTAL LIABILITIES	\$9,365,431 03
			By Balance to Credit of Profit and Loss	87,268 03
				\$9,452,699 06

ANNUAL REPORT

CURRENT ASSETS AND LIABILITIES, JUNE 30, 1897.

ASSETS.		LIABILITIES.		
Material and Supplies		\$51,708 21	Vouchers	\$13,084 24
Cash		121,397 95	Pay Rolls	15,256 44
Agents and Conductors, balances due and in transit		10,872 31	Traffic Balances	\$28,340 68
Bills Receivable		50,000 00	Accrued Int. on 1st Mort. Bonds	6,538 23
R. G. So. R. R. Co. 1st Mortgage Bonds in Treasury, at cost		650 00	Coupon No. 13, 1st Mort. Bonds	67,650 00
ACCOUNTS COLLECTIBLE:			Accrued Taxes	30 00
U. S. Government	\$2,508 51		Accrued Taxes	35,971 86
Individuals and Companies	4,395 98	6,904 49	Equipment Renewal Fund	12,723 27
			Hospital Fund	2,810 89
			Sundries	200 00
			Total Current Liabilities	\$154,264 93
			Balance, Current Assets in excess of Current Liabilities	87,268 03
		\$241,532 96		\$241,532 96

THE GRANDE SOUTHERN RAILROAD CO.