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ANNUAL REPORT

TO THE

STOCKHOLDERS

OF

The Rio Grande Southern R. R. Co.

FOR

Ex. Dup.

The Fiscal Year Ended June 30

1901

DENVER, COLO.
THE SMITH-BROOKS PRINTING CO
1901

BOARD OF DIRECTORS.

1900-1901.

GEORGE J. GOULD	NEW YORK CITY, N. Y.
RICHARD T. WILSON	NEW YORK CITY, N. Y.
ARTHUR COPPELL	NEW YORK CITY, N. Y.
CLARENCE BUCKINGHAM	CHICAGO, ILL.
OTTO MEARS	WASHINGTON, D. C.
SAMUEL N. WOOD	DENVER, COLO.
EDWARD T. JEFFERY	DENVER, COLO.

OFFICERS.

1900-1901.

EDWARD T. JEFFERY	President	DENVER, COLO.
GEORGE J. GOULD	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.
GEORGE A. MARSHALL	Auditor	DENVER, COLO.
A. S. MELDRUM	Acting Superintendent	RIDGWAY, COLO.

GENERAL OFFICES	Equitable Building, 17th and Stout Sts	DENVER, COLO.
NEW YORK OFFICE	195 Broadway	NEW YORK CITY, N. Y.

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To the Stockholders of the Rio Grande Southern Railroad Company:

The income of the Company from all sources for the fiscal year ended June 30, 1901, including \$6,696.40 interest on balances, etc., was \$546,225.88, an increase of \$17,021.31, compared with the previous year. The gross receipts from the operation of the Railroad were \$539,529.48, being an increase of \$14,392.68. The working expenses were \$286,780.77, an increase of \$5,118.42, making the net earnings from traffic \$252,748.71, or \$9,274.26 in excess of the previous year. The increase in gross revenue was 2.71 per cent. and the increase in net revenue was 3.81 per cent. The operating expenses were 53.15 per cent. of the gross receipts, as against 53.64 per cent. during the previous year.

The current assets show a total of \$345,220.04, against \$286,854.84, an increase of \$58,365.20, with current liabilities aggregating \$220,305.83, as against \$208,667.04 for the previous

year. On June 30, 1901, the current assets exceeded the current liabilities \$124,914.21, an increase of \$46,726.41 over June 30, 1900, when the current assets over current liabilities amounted to \$78,187.80.

The net earnings from traffic and the interest on balances, and securities in the Treasury afforded a surplus of \$45,952.39, after providing for interest on funded debt, taxes, insurance and all other charges against income.

For the fiscal year covered by this report the receipts from freight traffic were \$404,180.24, as against \$395,071.71, an increase of \$9,108.53. Passenger receipts for the year were \$94,347.19, as against \$87,902.82 for the preceding year, showing an increase of \$6,444.37.

The increase in operating expenses of \$5,118.42 was caused principally by the larger volume of business moved and increased track forces, and expenditures necessary in clearing snow drifts and slides. During the year 69,537 cross ties were placed in track. A station house and auxiliary buildings were constructed at Dolores, and a small paint shop at Ridgway.

On the first of May the employees, numbering some 500, of the Smuggler Union Mining Company, the most important shipper on the line of the Rio Grande Southern Road, discontinued work, consequent on a disagreement with the management. During the months of May and June these properties, situated near Telluride, were idle, construction work on new buildings only being carried on. The result was that ore shipments from the Telluride mining district were very much curtailed, as were also shipments of coal and merchandise to Telluride, which of course materially decreased the revenues of the Railroad Company for the last two months of the fiscal year. An agreement was reached

between the Company and its employees on July 7th and work was resumed in a moderate way, but not with a full complement of men. The probabilities are that the ensuing fiscal year will see a restoration of former activity in these important properties.

For detailed information you are referred to the Statement of Earnings and Expenses, Income Account, General Profit and Loss Account, Balance Sheet and Statement of Current Assets and Liabilities, prepared by the Auditor and herewith submitted for your information.

E. T. JEFFERY,
President.

Denver, Colorado,
August 10, 1901.

REPORT OF THE AUDITOR.

THE RIO GRANDE SOUTHERN RAILROAD COMPANY.

DENVER, COLO., July 31, 1901.

MR. E. T. JEFFERY,
President.

DEAR SIR:—I beg to transmit herewith my report of the operations of the Company for the fiscal year ended June 30, 1901, and its Financial Condition at that date, consisting of Comparative Statement of Earnings and Expenses, Income Account, General Profit and Loss Account, Balance Sheet, and Statement of Current Assets and Liabilities.

Yours respectfully,

GEO. A. MARSHALL,
Auditor.

STATEMENT OF EARNINGS AND EXPENSES

FOR THE FISCAL YEAR ENDED JUNE 30, 1901

Compared With the Year Ended June 30, 1900.

EARNINGS.	1900-1901	1899-1900	Increase.	Decrease.
Freight	\$404,180 24	\$395,071 71	\$ 9,108 53	
Passenger	94,347 19	87,902 82	6,444 37	
Express, Mails, Rents and Miscellaneous	41,002 05	42,162 27	-----	\$ 1,160 22
Total Earnings	\$539,529 48	\$525,136 80	\$ 14,392 68	
EXPENSES.	1900-1901	1899-1900	Increase.	Decrease.
Maintenance of Way	\$ 82,973 36	\$ 84,336 09	-----	\$ 1,362 73
Maintenance of Structures	12,474 43	12,673 45	-----	199 02
Maintenance of Equipment	31,261 79	34,273 09	-----	3,011 30
Conducting Transportation	141,036 93	130,855 39	\$ 10,181 54	
General Expenses	19,034 26	19,524 33	-----	490 07
Total Expenses	\$286,780 77	\$281,662 35	\$ 5,118 42	
Percentage of Operation	53.15	53.64		
Net Earnings	\$252,748 71	\$243,474 45	\$ 9,274 26	

INCOME ACCOUNT

FOR THE FISCAL YEAR ENDED JUNE 30, 1901.

Gross Earnings from Operation		\$ 539,529 48
Working Expenses		286,780 77
Percentage of Operation		53.15
Net Earnings		\$ 252,748 71
Interest Received		6,696 40
Total Net income		\$ 259,445 11
<i>Less</i>		
Taxes	\$ 31,626 00	
Interest on Funded Debt	180,400 00	
Insurance	1,466 72	213,492 72
Remaining Surplus carried to Credit of Profit and Loss		\$ 45,952 39

GENERAL PROFIT AND LOSS ACCOUNT.

(Adjustments Therein at June 30, 1901.)

	DR.	CR.
By Balance, Surplus, June 30, 1900		\$ 78,187 80
By Surplus for year ended June 30, 1901, as per Income Account		45,952 39
By Adjustments on June 30, 1901, to the Credit of Profit and Loss direct		774 02
To Balance	\$124,914 21	
	\$124,914 21	\$124,914 21
By Balance at Credit of Profit and Loss, June 30, 1901, as per Balance Sheet		\$124,914 21

BALANCE SHEET, JUNE 30, 1901.

ASSETS.		LIABILITIES.	
Original Cost of Road and Equipment	\$9,020,000 00	By Capital Stock	\$4,510,000 00
Material and Supplies	15,837 55	" 1st Mortgage Gold Bonds	4,510,000 00
Agents and Conductors	22,472 86	" Vouchers	27,807 51
Individuals and Companies	5,818 78	" Pay Rolls	17,785 00
U. S. Government	2,497 43	" Hospital Fund	5,217 45
Securities in the Treasury	90,927 78	" Foreign Roads	16,044 58
Cash	207,665 64	" Equipment Renewal Fund	46,911 29
		" Accrued Taxes	15,900 00
		" Accrued Interest on 1st Mort. Gold Bonds	90,200 00
		" Unpaid Coupons No. 20	200 00
		" Unpaid Coupons No. 21	240 00
		TOTAL LIABILITIES	\$9,240,305 83
		By Balance to Credit of Profit and Loss	124,914 21
	\$9,365,220 04		\$9,365,220 04

CURRENT ASSETS AND LIABILITIES, JUNE 30, 1901.

ASSETS.		LIABILITIES.	
Material and Supplies	\$ 15,837 55	Vouchers	\$ 27,807 51
Cash	207,665 64	Pay Rolls	17,785 00
Agents' and Conductors' balances due and in transit	22,472 86	Traffic Balances	\$ 45,592 51
Securities in the Treasury	90,927 78	Accrued Interest on 1st Mortgage Gold Bonds	16,044 58
ACCOUNTS COLLECTIBLE:		Unpaid Coupons No. 20	90,200 00
U. S. Government	\$ 2,497 43	Unpaid Coupons No. 21	200 00
Individuals and Companies	5,818 78	Unpaid Coupons No. 21	440 00
	8,316 21	Accrued Taxes	15,900 00
		Equipment Renewal Fund	46,911 29
		Hospital Fund	5,217 45
		Total Current Liabilities	\$ 220,305 83
		Balance, Current Assets in Excess of Current Liabilities	124,914 21
Total Current Assets	\$ 345,220 04		\$ 345,220 04