

ANNUAL REPORT

TO THE

STOCKHOLDERS

OF

The Rio Grande Southern R. R. Co.

FOR

The Fiscal Year Ended June 30,

1911

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DENVER, COLO.  
THE SMITH-BROOKS PRINTING CO.

## BOARD OF DIRECTORS.

GEORGE J. GOULD	165 Broadway	NEW YORK.
EDWARD T. JEFFERY	165 Broadway	NEW YORK.
EDWIN GOULD	165 Broadway	NEW YORK.
HOWARD GOULD	165 Broadway	NEW YORK.
JESSE WHITE	165 Broadway	NEW YORK.
ARTHUR COPPELL	52 William St.	NEW YORK.
CLARENCE BUCKINGHAM	The Rookery	CHICAGO, ILL.

## OFFICERS.

EDWARD T. JEFFERY	President	NEW YORK.
CHARLES H. SCHLACKS	Vice-President	SAN FRANCISCO, CAL.
HORACE W. CLARKE	Vice President and Gen'l Manager	DENVER, COLO.
JOHN B. ANDREWS	Secretary	DENVER, COLO.
JOSEPH W. GILLULY	Treasurer	DENVER, COLO.
JESSE WHITE	Assistant Treasurer	NEW YORK.
JOEL F. VAILE	General Counsel	DENVER, COLO.
EDWARD R. MURPHY	General Auditor	DENVER, COLO.
FRED. C. KRAUSER	Auditor	DENVER, COLO.
ANDREW S. HUGHES	General Traffic Manager	DENVER, COLO.
SHADRACH K. HOOPER	Assistant to Gen'l Traffic Manager	DENVER, COLO.
FRED WILD, JR.	General Freight Agent	DENVER, COLO.
FRANK A. WADLEIGH	General Passenger Agent	DENVER, COLO.
WILLIAM D. LEE	General Superintendent	RIDGWAY, COLO.
C. D. WOLFINGER	Superintendent	DENVER, COLO.
JOHN W. O'CONNOR	Chief Surgeon	DENVER, COLO.

GENERAL OFFICES	Equitable Building, 17th and Stout Sts.	DENVER, COLO.
NEW YORK OFFICE	165 Broadway	NEW YORK.

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*To the Stockholders of*

*The Rio Grande Southern Railroad Company:*

The Income of your Company during the fiscal year ended June 30, 1911, including \$9,760.11 interest, etc., received, was \$569,493.54, an increase of \$10,463.94, as compared with the previous year.

The Gross Revenue from operation was \$559,733.43, being an increase of \$13,213.65. The Operation Expenses were \$360,554.50, a decrease of \$25,235.55. The Net Revenue was \$199,178.93, an increase of \$38,449.20. The percentage of increase in Gross Revenue was 2.42 per cent., and the increase in Net Revenue was 23.92 per cent. The Operation Expenses were 64.43 per cent. of the Gross Revenue, as against 70.60 per cent. during the previous year.

The Working Assets show a total of \$310,173.58, against \$314,116.23 for the previous year, a decrease of \$3,942.65, with Working Liabilities aggregating \$250,262.56, as against \$233,386.19. On June 30, 1911, the Working Assets exceeded the Working Liabilities \$59,911.02, a decrease of \$20,819.02 compared with June 30, 1910.

After providing for taxes, interest on the funded debt, and all other charges against income, there was a deficit for the year of \$22,187.68.

Further details will be found in the report of the General Auditor printed herewith.

By order of the Board of Directors.

E. T. JEFFERY,  
*President.*

New York, August 16, 1911.

REPORT OF THE GENERAL AUDITOR.

THE RIO GRANDE SOUTHERN RAILROAD COMPANY.

DENVER, COLO., August 10, 1911.

MR. E. T. JEFFERY,  
*President.*

DEAR SIR:—I beg to transmit herewith the annual report of the operations of the Company for the fiscal year ended June 30, 1911.

Yours respectfully,

E. R. MURPHY,  
*General Auditor.*

### COMPARATIVE BALANCE SHEET.

JUNE 30, 1911, JUNE 30, 1910.

#### ASSETS.

	June 30, 1911.	June 30, 1910.	Increase.	Decrease.
PROPERTY INVESTMENT. Road and Equipment.....	\$9,096,341 40	\$9,090,723 12	\$ 5,618 28	
WORKING ASSETS. Cash on Hand and in Transit.....	\$ 144,459 48	\$ 151,062 31		\$ 6,602 83
Securities in Treasury: R. G. So. R. R. Co. 1st Mtg. 4% Gold Bonds.....	90,927 78	90,927 78		
D. & R. G. R. R. Co. 1st Con. 4% Bonds.....	25,531 25	25,531 25		240 15
Traffic and Car Service Balances due from other companies.....	274 03	514 18		1,000 19
Net Balances due from Agents and Conductors.....	3,202 92	4,203 11	\$ 1,394 49	
Miscellaneous Accounts Receivable.....	11,108 28	9,713 79	2,494 91	
Materials and Supplies.....	33,799 61	31,304 70	11 12	
Other Working Assets.....	870 23	859 11		
Total Working Assets.....	\$ 310,173 58	\$ 314,116 23		\$ 3,942 65
DEFERRED DEBIT ITEMS. Unadjusted Claims.....	\$ 1,192 91	\$ 702 98	\$ 489 93	
Expenditures in repairing damage by floods occasioned by breaking of Trout Lake Dams of The Telluride Power Co.....	133,749 24	130,866 44	2,882 80	
Total Deferred Debit Items.....	\$ 134,942 15	\$ 131,569 42	\$ 3,372 73	
Grand Total.....	\$9,541,457 13	\$9,536,408 77	\$ 5,048 36	

ANNUAL REPORT

### COMPARATIVE BALANCE SHEET.

JUNE 30, 1911, JUNE 30, 1910.

#### LIABILITIES.

	June 30, 1911.	June 30, 1910.	Increase.	Decrease.
STOCK. Capital Stock.....	\$4,510,000 00	\$4,510,000 00		
MORTGAGE, BONDED AND SECURED DEBT. First Mortgage 4% Gold Bonds.....	\$4,510,000 00	\$4,510,000 00		
WORKING LIABILITIES. Traffic and Car Service Balances due to Other Companies.....	\$ 86,455 37	\$ 61,581 13	\$ 24,874 24	
Audited Vouchers and Wages Unpaid.....	70,528 41	77,170 52		\$ 6,642 11
Miscellaneous Accounts Payable.....	247 05	224 05	23 00	
Matured Interest Unpaid: Coupons due and unpaid.....	1911 \$ 220 00	1910 \$ 200 00		
Coupons due July 1st.....	90,200 00	90,200 00	20 00	
Other Working Liabilities.....	2,611 73	4,010 49		1,398 76
Total Working Liabilities.....	\$ 250,262 56	\$ 233,386 19	\$ 16,876 37	
ACCRUED LIABILITIES NOT DUE. Taxes Accrued.....	\$ 16,950 98	\$ 17,176 38		\$ 225 40
DEFERRED CREDIT ITEMS.....	\$ 21,622 96	\$ 11,037 89	\$ 10,585 07	
APPROPRIATED SURPLUS. Additions to Property since June 30, 1907, Through Income.....	\$ 100,029 48	\$ 97,887 63	\$ 2,141 85	
Reserves from Income or Surplus, Betterment Fund.....	1,460 51	3,602 36		\$ 2,141 85
Total Appropriated Surplus.....	\$ 101,489 99	\$ 101,489 99		
PROFIT AND LOSS at June 30th.....	\$ 131,130 64	\$ 153,318 32		\$ 22,187 68
Grand Total.....	\$9,541,457 13	\$9,536,408 77	\$ 5,048 36	

THE RIO GRANDE SOUTHERN RAILROAD CO.

## SUMMARY OF FINANCIAL OPERATIONS.

FOR THE FISCAL YEAR ENDED JUNE 30, 1911.

## DECREASE OF ASSETS.

Cash on Hand and in Transit.....	\$ 6,602 83	
Traffic and Car Service Balances Due from Other Companies.....	240 15	
Net Agents' and Conductors' Balances.....	1,000 19	\$ 7,843 17

## INCREASE OF LIABILITIES.

Traffic and Car Service Balances Due to Other Companies.....	\$24,874 24	
Miscellaneous Accounts Payable.....	23 00	
Matured Interest Unpaid.....	20 00	
Deferred Credit Items.....	10,585 07	
Additions to Property since June 30, 1907, Through Income.....	2,141 85	37,644 16
Grand Total to be accounted for.....		<u>\$45,487 33</u>

## INCREASE OF ASSETS.

Cost of Road and Equipment.....	\$ 5,618 28	
Miscellaneous Accounts Receivable.....	1,394 49	
Materials and Supplies.....	2,494 91	
Other Working Assets.....	11 12	
Deferred Debit Items.....	3,372 73	\$12,891 53

## DECREASE OF LIABILITIES.

Audited Vouchers and Wages Unpaid.....	\$ 6,642 11	
Other Working Liabilities.....	1,398 76	
Taxes Accrued.....	225 40	
Betterment Fund.....	2,141 85	10,408 12
		\$23,299 65
Decrease in Profit and Loss.....		22,187 68
Grand Total accounted for.....		<u>\$45,487 33</u>

## OPERATING REVENUES, EXPENSES AND TAXES.

FOR FISCAL YEAR ENDED JUNE 30, 1911.

Compared with Year Ended June 30, 1910.

OPERATING REVENUES.	1910-11.	1909-10.	Increase.	Decrease.
TRANSPORTATION REVENUES.				
Freight.....	\$399,817 31	\$406,977 53		\$ 7,160 22
Passenger.....	119,777 04	104,558 23	\$15,218 81	
Excess Baggage.....	3,016 87	2,530 77	486 10	
Parlor and Chair Car.....	1,745 75	1,057 50	688 25	
Mail.....	13,020 99	10,789 02	2,231 97	
Express.....	16,901 14	15,494 85	1,406 29	
Other Passenger Train.....	170 20	98 29	71 91	
Switching.....	75 00	62 50	12 50	
Special Service Train.....	292 50	87 00	205 50	
Total.....	\$554,816 80	\$541,655 69	\$13,161 11	
OTHER OPERATING REVENUES.				
Storage Freight.....	\$ 398 29	\$ 289 23	\$ 109 06	
Storage Baggage.....	190 90	189 95	95	
Car Service (Demurrage).....	321 00	63 25	257 75	
Telegraph Service.....	242 73	199 97	42 76	
Miscellaneous.....	264 71	378 19		\$ 113 48
Joint Facilities—Cr.....	3,499 00	3 743 50		244 50
Total.....	\$ 4,916 63	\$ 4,864 09	\$ 52 54	
Total Operating Revenues.....	\$559,733 43	\$546,519 78	\$13,213 65	
OPERATING EXPENSES.				
Maintenance of Way and Structures.....	\$118,798 63	\$113,078 50	\$5,720 13	
Maintenance of Equipment.....	43,222 42	58,941 01		\$15,718 59
Traffic Expenses.....	2,107 97	1,661 26	446 71	
Transportation Expenses.....	176,696 41	192,264 79		15,568 38
General Expenses.....	19,729 07	19,844 49		115 42
Total Operating Expenses.....	\$360,554 50	\$385,790 05		\$25,235 55
Percentage of Operation.....	64 43	70 60		
Net Operating Revenue.....	\$199,178 93	\$160,729 73	\$38,449 20	
Less Taxes.....	33,901 98	34,352 79		\$ 450 81
Operating Income.....	\$165,276 95	\$126,376 94	\$38,900 01	

INCOME ACCOUNT.

FOR THE FISCAL YEARS ENDED JUNE 30, 1911 AND 1910.

	1910-11.		1909-10.	
Operating Revenues .....	\$559,733 43		\$546,519 78	
Operating Expenses.....	360,554 50		385,790 05	
Net Operating Revenue..	\$199,178 93		\$160,729 73	
Less Taxes.....	33,901 98		34,352 79	
Operating Income.....		\$165,276 95		\$126,376 94
Add: Other Income				
Interest on Securities				
Owned.....	\$ 5,040 00		\$ 5,040 00	
Interest and Discount.....	2,480 06		4,691 63	
Rental of Road, Yards,				
Terminals, etc.....	1,233 25		1,309 75	
Hire of Equipment.....	831 80		1,343 44	
Miscellaneous.....	125 00	9,760 11	125 00	12,509 82
Total Income.....		\$175,037 06		\$138,886 76
Deductions from Income				
Interest on Funded Debt	\$180,400 00		\$180,400 00	
Rental of Road, Yards,				
Terminals, etc.....	6,858 64		7,106 69	
Hire of Equipment.....	9,966 10	197,224 74	15,372 03	202,878 72
Deficit for the Year.....		\$ 22,187 68		\$ 63,991 96

GENERAL PROFIT AND LOSS ACCOUNT.

AT JUNE 30, 1911.

	Dr.	Cr.
By Balance, June 30th, 1910.....		\$ 153,318 32
To Deficit for the Year ended June 30, 1911, as per Income Account above.....	\$ 22,187 68	
To Balance.....	131,130 64	
	<u>\$153,318 32</u>	<u>\$ 153,318 32</u>
By Balance at Credit of Profit and Loss June 30th, 1911.....		\$ 131,130 64

PROPERTY INVESTMENT AT JUNE 30, 1911.

Cost of Road and Equipment to June 30, 1907.....	\$9,020,000 00
Cost of Road and Equipment since June 30, 1907:	
At June 30, 1910.....	\$70,723 12
During Fiscal Year Ended June 30, 1911:	
Addition to Ridgway Roundhouse	\$ 2,141 85
Tracks to Ridgway Roundhouse	687 92
Spur Tracks	426 97
Excess Weight of Rails and Fastenings M. P. 9	955 50
Line Change Bridge 37-B	1,518 05
Less Credit to Rico Enginehouse.....	\$ 5,730 29
Total Cost of Road and Equipment.....	112 01
	5,618 28
	76,341 40
	<u>\$9,096,341 40</u>

## FREIGHT BUSINESS BY MONTHS.

MONTH.	1910-11.		1909-10.	
	Tons.	Revenue.	Tons.	Revenue.
July.....	15,391	\$ 38,502 62	12,310	\$29,797 46
August.....	15,766	38,516 74	14,599	33,308 05
September.....	18,199	41,344 47	9,707	16,069 45
October.....	20,478	43,191 02	15,885	25,638 05
November.....	19,244	38,514 10	20,153	46,358 32
December.....	16,530	34,099 02	17,109	35,874 38
January.....	13,123	28,746 44	17,708	36,655 16
February.....	10,173	23,949 55	17,201	39,666 84
March.....	11,282	26,252 66	13,951	34,019 70
April.....	11,567	27,676 72	16,707	34,718 67
May.....	12,446	29,914 85	14,664	33,782 84
June.....	13,646	29,109 12	15,967	41,088 61
Total.....	177,845	\$399,817 31	185,961	\$406,977 53

## PASSENGER BUSINESS BY MONTHS.

MONTH.	1910-11.		1909-10.	
	Passengers.	Revenue.	Passengers.	Revenue.
July.....	6,589	\$12,661 63	6,268	\$11,941 34
August.....	6,291	11,980 71	6,341	12,364 01
September.....	6,237	12,301 91	3,145	6,761 67
October.....	5,553	11,297 29	2,940	5,406 84
November.....	5,456	10,545 46	3,706	6,388 93
December.....	4,732	9,776 55	3,487	6,342 73
January.....	3,502	7,299 62	3,296	6,110 51
February.....	3,441	6,546 91	3,447	6,914 03
March.....	4,276	8,128 56	4,867	9,153 22
April.....	4,581	9,037 34	5,040	9,744 84
May.....	4,952	9,974 79	5,721	11,738 49
June.....	5,424	10,226 27	5,705	11,691 62
Total.....	61,034	\$119,777 04	53,963	\$104,558 23

CLASSIFIED FREIGHT TONNAGE AND REVENUE.

COMMODITIES.	1910-11.				1909-10.			
	Tons.	Per Cent.	Revenue.	Per Cent.	Tons.	Per Cent.	Revenue.	Per Cent.
PRODUCTS OF AGRICULTURE.								
Grain.....Carloads	1,411	0.79	\$ 6,866 45	1.72	1,139	0.61	\$ 5,319 28	1.30
Flour....."	1,134	0.64	5,300 72	1.33	1,057	0.57	5,031 53	1.24
Other Mill Products....."	349	0.20	1,574 88	0.39	224	0.12	1,080 44	0.27
Hay....."	2,457	1.38	6,063 96	1.52	2,315	1.24	5,941 28	1.46
Sugar Beets....."								
Fruits....."	161	0.09	717 57	0.18	579	0.32	2,002 05	0.49
Vegetables....."	1,186	0.67	3,620 91	0.90	628	0.34	2,414 86	0.59
Total.....	6,698	3.77	\$ 24,144 49	6.04	5,942	3.20	\$ 21,789 44	5.35
PRODUCTS OF ANIMALS.								
Live Stock.....Carloads	8,647	4.86	\$ 12,337 70	3.09	6,719	3.61	\$ 11,431 55	2.81
Dressed Meats....."								
Other Packing House Products....."	115	0.06	874 28	0.22	91	0.05	692 20	0.17
Wool.....Carloads and Less	242	0.14	2,635 50	0.66	60	0.03	488 85	0.12
Hides and Leather....." " "	53	0.03	501 96	0.12	56	0.03	643 71	0.16
Total.....	9,057	5.09	\$ 16,349 44	4.09	6,926	3.72	\$ 13,256 31	3.26
PRODUCTS OF MINES.								
Anthracite Coal.....Carloads	588	0.33	\$ 1,700 98	0.43	350	0.19	\$ 1,046 25	0.26
Bituminous Coal....."	77,225	43.42	71,606 71	17.91	91,070	48.97	84,381 71	20.73
Coke....."	203	0.12	732 35	0.18	121	0.07	454 19	0.11
Precious Ore....."	46,115	25.93	135,777 72	33.96	39,475	21.23	125,689 96	30.88
Manganese Ore....."								
Bullion....."	634	0.36	2,140 85	0.54	3,499	1.88	11,829 11	2.91
Stone, Sand and Clay....."	139	0.08	179 22	0.04	180	0.10	216 72	0.05
Salt....."	821	0.46	3,684 05	0.92	679	0.37	3,145 23	0.77
Asphaltum....."								
Total.....	125,725	70.70	\$215,821 88	53.98	135,374	72.81	\$226,763 17	55.71

CLASSIFIED FREIGHT TONNAGE AND REVENUE.—CONTINUED.

COMMODITIES.	1910-11.				1909-10.			
	Tons.	Per Cent.	Revenue.	Per Cent.	Tons.	Per Cent.	Revenue.	Per Cent.
PRODUCTS OF FOREST.								
Lumber.....Carloads	17,779	10.00	\$ 31,506 47	7.88	19,782	10.64	\$ 35,152 81	8.64
MANUFACTURES.								
Canned Goods.....Carloads	258	0.15	\$ 1,907 23	0.48	302	0.16	\$ 2,290 02	0.56
Sugar, Glucose and Molasses....."	183	0.10	1,272 48	0.32	232	0.12	1,726 51	0.42
Petroleum and Other Oils....."	659	0.37	1,808 09	0.45	706	0.38	1,926 45	0.47
Iron, Pig and Bloom....."								
Rails....."	42	0.02	313 57	0.08	35	0.02	236 90	0.06
Castings and Machinery....."	774	0.44	5,093 40	1.27	1,218	0.65	7,636 63	1.88
Bar and Sheet Metal....."	257	0.14	1,585 59	0.40	284	0.15	2,026 26	0.50
Agricultural Implements....."	177	0.10	917 95	0.23	156	0.08	827 66	0.20
Wagons, Carriages, Tools, etc. ..."	68	0.04	205 74	0.05	87	0.05	407 63	0.11
Cement, Brick and Lime....."	3,501	1.97	6,470 37	1.62	2,289	1.23	6,202 58	1.52
Wines, Liquors and Beer....."	628	0.35	4,653 87	1.16	514	0.28	4,088 29	1.00
Household Goods and Furniture....."	115	0.06	792 78	0.20	84	0.05	634 70	0.16
Military Supplies....."								
Powder....."	443	0.25	6,889 02	1.72	479	0.26	7,173 41	1.76
Total.....	7,105	3.99	\$ 31,910 09	7.98	6,386	3.43	\$ 35,177 04	8.64
Miscellaneous.....Carloads	3,521	1.98	\$ 11,496 73	2.88	4,657	2.50	\$ 11,380 89	2.81
General Merchandise, L. C. L.....	7,960	4.47	\$ 68,588 21	17.15	6,894	3.70	\$ 63,457 87	15.59
Grand Total.....	177,845	100.00	\$399,817 31	100.00	185,961	100.00	\$406,977 53	100.00



## OPERATING REVENUES, EXPENSES AND NET REVENUE

FROM JULY 1, 1899, TO JUNE 30, 1911.

YEAR.	Average Miles Operated.	Operating Revenues.	Operating Expenses.	Net Operating Revenue.
1899-1900.....	180.40	\$525,136 80	\$281,662 35	\$243,474 45
1900-1901.....	180.40	539,529 48	286,780 77	252,748 71
1901-1902.....	180.40	575,675 27	313,134 71	262,540 56
1902-1903.....	180.40	553,554 34	275,397 02	278,157 32
1903-1904.....	180.40	461,566 07	269,555 58	192,010.49
1904-1905.....	180.40	466,386 24	259,452 37	206,933 87
1905-1906.....	180.40	562,908 06	324,631 73	238,276 33
1906-1907.....	180.40	609,603 70	373,465 39	236,138 31
1907-1908.....	179.79	605,753 27	374,486 24	231,267 03
1908-1909.....	179.79	576,151 64	379,972 51	196,179 13
1909-1910.....	179.79	546,519 78	385,790 05	160,729 73
1910-1911.....	179.79	559,733 43	360,554 50	199,178 93

NOTE.—For the purpose of comparison the figures for 1907 were revised to conform to the Classification of 1908, and those of 1908 revised to conform to the Classification of 1909.