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# ANNUAL REPORT

EXCHANGE DUPLICATES

TO THE

## STOCKHOLDERS

OF

# The Rio Grande Southern R. R. Co.

FOR

The Fiscal Year Ended June 30

## 1902

DENVER, COLO.  
THE SMITH-BROOKS PRINTING CO.  
1902

HE 2791  
RE 992

BOARD OF DIRECTORS.

1901-1902.

GEORGE J. GOULD.....	NEW YORK CITY, N. Y.
HOWARD GOULD.....	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.....	NEW YORK CITY, N. Y.

OFFICERS.

1901-1902.

EDWARD T. JEFFERY.....	President.....	NEW YORK CITY, N. Y.
RUSSELL HARDING.....	Vice-President.....	ST. LOUIS, MO.
JOSEPH W. GILLULY.....	Treasurer.....	DENVER, COLO.
JOHN B. ANDREWS.....	Secretary.....	DENVER, COLO.
STEPHEN LITTLE.....	Assistant Secretary.....	NEW YORK CITY, N. Y.
WOLCOTT, VAILE & WATERMAN.....	General Counsel.....	DENVER, COLO.
E. R. MURPHY.....	Auditor.....	DENVER, COLO.
J. M. HERBERT.....	Manager.....	DENVER, COLO.
W. D. LEE.....	Superintendent.....	RIDGWAY, COLO.

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

*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, 1902, including \$7,706.52 interest on balances, etc., was \$583,381.79, an increase of \$37,155.91, compared with the previous year.

The gross receipts from the operation of the Railroad were \$575,675.27, being an increase of \$36,145.79. The working expenses were \$313,134.71, an increase of \$26,353.94, making the net earnings from traffic \$262,540.56, or \$9,791.85 in excess of the previous year. The increase in gross revenue was 6.70 per cent. and the increase in net revenue 3.87 per cent. The opera-

ting expenses were 54.39 per cent. of the gross receipts, as against 53.15 per cent. during the previous year.

The current assets show a total of \$439,137.70, against \$345,220.04, an increase of \$93,917.66, with current liabilities aggregating \$261,647.03, as against \$220,305.83 for the previous year. On June 30, 1902, the current assets exceeded the current liabilities \$177,490.67, an increase of \$52,576.46 over June 30, 1901, when the current assets over current liabilities amounted to \$124,914.21.

The net earnings from traffic and the interest on balances and securities in the Treasury afforded a surplus of \$52,292.03, after providing for interest on the funded debt, estimated taxes, insurance, and all other charges against income.

For the fiscal year covered by this report the receipts from freight traffic were \$430,645.61, as against \$404,180.24, an increase of \$26,455.37. Passenger receipts for the year were \$104,447.96, as against \$94,347.19 for the preceding year, showing an increase of \$10,100.77.

The increase in operating expenses, \$26,353.94, was caused by a larger volume of business being handled, an important change in alignment of road for the purpose of doing away with a large bridge eight miles south of Ridgway, and heavier repairs to equipment and to roadway and tracks generally. During the year 76,732 ties were placed in the track.

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, 1902.

## REPORT OF THE AUDITOR.

THE RIO GRANDE SOUTHERN RAILROAD COMPANY.

DENVER, COLO., July 31, 1902.

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, 1902, 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,

E. R. MURPHY,  
*Auditor.*

## STATEMENT OF EARNINGS AND EXPENSES

FOR THE FISCAL YEAR ENDED JUNE 30, 1902.

Compared with the Year Ended June 30, 1901.

EARNINGS.	1901-02	1900-01	INCREASE.	DECREASE
Freight .....	\$430,645 61	\$404,180 24	\$ 26,465 37	
Passenger .....	104,447 96	94,347 19	10,100 77	
Express, Mails, Rents and Miscellaneous .....	40,581 70	41,002 05		\$ 420 35
<b>Total Earnings</b> .....	<b>\$575,675 27</b>	<b>\$539,529 48</b>	<b>\$ 36,145 79</b>	
EXPENSES.	1901-02	1900-01	INCREASE.	DECREASE
Maintenance of Way .....	\$ 99,085 36	\$ 82,973 36	\$ 16,112 00	
Maintenance of Structures .....	12,915 54	12,474 43	441 11	
Maintenance of Equipment .....	36,441 99	31,261 79	5,180 20	
Conducting Transportation .....	147,625 24	141,036 93	6,588 31	
General Expenses .....	17,066 58	19,034 26		\$ 1,967 68
<b>Total Expenses</b> .....	<b>\$313,134 71</b>	<b>\$286,780 77</b>	<b>\$ 26,353 94</b>	
Percentage of Operation ...	54.39	53.15		
<b>Net Earnings</b> .....	<b>\$262,540 56</b>	<b>\$252,748 71</b>	<b>\$ 9,791 85</b>	

INCOME ACCOUNT

FOR THE FISCAL YEAR ENDED JUNE 30, 1902.

Gross Earnings from Operation.....	\$ 575,675 27
Working Expenses.....	313,134 71
Percentage of Operation.....	54.39
Net Earnings.....	\$ 262,540 56
Interest Received.....	7,706 52
Total Net Income.....	\$ 270,247 08
<i>Less</i>	
Taxes.....	\$ 35,650 00
Interest on Funded Debt.....	180,400 00
Insurance.....	1,905 05
Remaining Surplus carried to credit of Profit and Loss.....	\$ 52,292 03

GENERAL PROFIT AND LOSS ACCOUNT.

(At June 30, 1902.)

	DR.	CR.
By Balance, Surplus, June 30, 1901.....		\$124,914 21
By Credit to Profit and Loss on January 31, 1902.....		284 43
By Surplus for Year Ended June 30, 1902, as per Income Account.....		52,292 03
<b>To Balance</b> .....	\$177,490 67	
	\$177,490 67	\$177,490 67
By Balance at Credit of Profit and Loss June 30, 1902, as per Balance Sheet.....		\$177,490 67

BALANCE SHEET, JUNE 30, 1902.

ASSETS.		LIABILITIES.	
To Original Cost of Road and Equipment .....	\$ 9,020,000 00	By Capital Stock .....	\$ 4,510,000 00
" Material and Supplies .....	22,736 41	" First Mortgage Gold Bonds .....	4,510,000 00
" Agents and Conductors .....	16,220 22	" Vouchers .....	13,091 70
" Individuals and Companies .....	4,639 30	" Pay Rolls .....	21,690 11
" United States Government .....	2,976 89	" Hospital Fund .....	5,671 07
" Securities in the Treasury .....	116,459 03	" Foreign Roads .....	17,885 12
" Cash .....	276,105 85	" Betterment Fund .....	9,604 20
		" Equipment Renewal Fund .....	51,954 83
		" Accrued Taxes .....	51,550 00
		" Accrued Interest on First Mortgage Gold Bonds .....	90,200 00
			\$ 9,281,647 03
		<b>By Balance to Credit of Profit and Loss .....</b>	<b>177,490 67</b>
			\$ 9,459,137 70
	\$ 9,459,137 70		

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CURRENT ASSETS AND LIABILITIES, JUNE 30, 1902.

ASSETS.		LIABILITIES.	
Material and Supplies .....	\$ 22,736 41	Vouchers .....	\$ 13,091 70
Cash .....	276,105 85	Pay Rolls .....	21,690 11
Agents' and Conductors' Balances due and in transit .....	16,220 22	Traffic Balances .....	\$ 34,781 81
Securities in the Treasury .....	116,459 03		17,885 12
ACCOUNTS COLLECTIBLE:		Accrued Interest on 1st Mortgage Gold Bonds .....	90,200 00
U. S. Government .....	\$ 2,976 89	Accrued Taxes .....	51,550 00
Individuals and Companies .....	4,639 30	Betterment Fund .....	9,604 20
	7,616 19	Equipment Renewal Fund .....	51,954 83
		Hospital Fund .....	5,671 07
		<b>Total Current Liabilities .....</b>	<b>\$ 261,647 03</b>
		<b>Balance, Current Assets in Excess of Current Liabilities .....</b>	<b>177,490 67</b>
<b>Total Current Assets .....</b>	<b>\$ 439,137 70</b>		<b>\$ 439,137 70</b>

THE RIO GRANDE SOUTHERN RAILWAY COMPANY.