

ANNUAL REPORT

TO THE

STOCKHOLDERS

OF

The Rio Grande Southern R. R. Co.

FOR

The Fiscal Year Ended June 30,

1909

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

BOARD OF DIRECTORS.

GEORGE J. GOULD	195 Broadway	NEW YORK.
EDWARD T. JEFFERY	195 Broadway	NEW YORK.
EDWIN GOULD	195 Broadway	NEW YORK.
HOWARD GOULD	195 Broadway	NEW YORK.
JESSE WHITE	195 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	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.
FRED WILD, JR.	General Freight Agent	DENVER, COLO.
SHADRACH K. HOOPER	General Passenger and Ticket Agent	DENVER, COLO.
C. D. WOLFINGER	Superintendent	RIDGWAY, COLO.
JOHN W. O'CONNOR	Chief Surgeon	DENVER, COLO.

GENERAL OFFICES	Equitable Building, 17th and Stout Sts.	DENVER, COLO.
NEW YORK OFFICE	195 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, 1909, including \$11,794.75 interest received, was \$587,946.39, a decrease of \$43,770.85, as compared with the previous year.

The Gross Revenue from operation was \$576,151.64, being a decrease of \$29,601.63. The Operation Expenses were \$379,972.51, an increase of \$5,486.27. The Net Revenue was \$196,179.13, a decrease of \$35,087.90. The percentage of decrease in Gross Revenue was 4.89 per cent., and the decrease in Net Revenue was 15.17 per cent. The Operation Expenses were 65.95 per cent. of the Gross Revenue, as against 61.82 per cent. during the previous year.

The current assets show a total of \$454,976.25, against \$455,576.42 for the previous year, a decrease of \$600.17, with current liabilities aggregating \$253,212.17, as against \$230,792.94. On June 30, 1909, the current assets exceeded the current liabilities \$201,764.08, a decrease of \$23,019.40 from June 30, 1908, when the current assets exceeded the current liabilities \$224,783.48.

After providing for taxes, interest on the funded debt, and all other charges against income, there was a deficit for the year of \$23,029.17.

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, 1909.

REPORT OF THE GENERAL AUDITOR.

THE RIO GRANDE SOUTHERN RAILROAD COMPANY.

DENVER, COLO., August 10, 1909.

MR. E. T. JEFFERY,
President.

DEAR SIR:—I beg to transmit herewith the usual report of the operations of the Company for the fiscal year ended June 30, 1909.

Yours respectfully,

E. R. MURPHY,
General Auditor.

CONDENSED COMPARATIVE BALANCE SHEET.
JUNE 30, 1909 AND JUNE 30, 1908.
ASSETS.

	June 30, 1909.	June 30, 1908.	Increase.	Decrease.
Cost of Road and Equipment	\$9,035,269 59	\$9,035,269 59		
CURRENT ASSETS.				
Materials and Supplies	\$ 45,868 25	\$ 55,992 57	\$ 7,663 73	\$ 10,124 32
Cash	261,089 62	253,425 89	2,467 12	
Individuals and Companies	11,931 19	9,464 07		895 78
U. S. Government	972 30	1,868 08		
Agents and Conductors	18,655 86	18,366 78	289 08	
R. G. So. R. R. Co. First Mortgage, 4 per cent. Bonds in Treasury	90,927 78	90,927 78		
D. & R. G. R. R. Co. First Consolidated Mortgage, 4 per cent. Bonds in Treasury	25,531 25	25,531 25		\$ 600 17
Total Current Assets	\$ 454,976 25	\$ 455,576 42		\$ 600 17
Total Assets	\$9,490,245 84	\$9,490,846 01		

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CONDENSED COMPARATIVE BALANCE SHEET.
JUNE 30, 1909 AND JUNE 30, 1908.
LIABILITIES.

	June 30, 1909.	June 30, 1908.	Increase.	Decrease.
Capital Stock	\$4,510,000 00	\$4,510,000 00		
First Mortgage 4 per cent. Bonds	\$4,510,000 00	\$4,510,000 00		
CURRENT LIABILITIES.				
Vouchers	\$ 16,801 09	\$ 12,465 33	\$ 4,335 76	
Pay Rolls	29,901 39	24,459 73	5,441 66	
Traffic Balances	28,430 42	11,873 32	16,557 10	
First Mortgage Bond Coupons, due and unpaid, including July 1st Coupons	90,680 00	90,800 00		\$ 120 00
May Day Gold Mining Co.	4,676 69	5,344 96		668 27
Accrued Taxes	14,036 92	14,121 66		84 74
Betterment Fund	3,602 36	3,602 36		
Equipment Renewal Fund		57,002 33		57,002 33
Hospital Fund	9,898 59	9,190 42	708 17	
Equipment Replacement Fund	55,184 71	1,932 83	53,251 88	
Total Current Liabilities	\$ 253,212 17	\$ 230,792 94	\$22,419 23	
Total Liabilities	\$9,273,212 17	\$9,250,792 94	\$22,419 23	
Balance to Credit of Profit and Loss	\$ 217,033 67	\$ 240,053 07		\$23,019 40
Total	\$9,490,245 84	\$9,490,846 01		\$ 600 17

THE RIO GRANDE SOUTHERN RAILROAD CO.

SUMMARY OF FINANCIAL OPERATIONS.

FOR FISCAL YEAR ENDED JUNE 30, 1909.

DECREASE OF ASSETS.			
Materials and Supplies.....	\$ 10,124 32		
U. S. Government.....	895 78	\$ 11,020 10	
INCREASE OF LIABILITIES.			
Vouchers.....	\$ 4,335 76		
Pay Rolls.....	5,441 66		
Traffic Balances.....	16,557 10		
Hospital Fund.....	708 17		
Equipment Replacement Fund.....	53,251 88		
Grand Total to be Accounted for.....		\$ 80,294 57	
INCREASE OF ASSETS.			
Cash.....	\$ 7,663 73		
Individuals and Companies.....	2,467 12		
Agents and Conductors.....	289 08	\$ 10,419 93	
DECREASE OF LIABILITIES.			
First Mortgage Bond Coupons Unpaid.....	\$ 120 00		
May Day Gold Mining Co.....	668 27		
Accrued Taxes.....	84 74		
Equipment Renewal Fund.....	57,002 33	\$ 57,875 34	
Decrease in Profit and Loss.....		\$ 68,295 27	
Grand Total Accounted for.....		\$ 23,019 40	
		\$ 91,314 67	

OPERATING REVENUE, EXPENSES AND TAXES.

FOR FISCAL YEAR ENDED JUNE 30, 1909.

Compared with Year Ended June 30, 1908.

OPERATING REVENUE	1908-09.	1907-08.	Increase.	Decrease.
TRANSPORTATION REVENUE				
Freight.....	\$426,392 46	\$443,773 39		\$17,380 93
Passenger.....	111,128 56	123,944 94		12,816 38
Excess Baggage.....	2,818 42	2,756 27	\$ 62 15	
Parlor and Chair Car.....	1,541 15	1,304 95	236 20	
Mail.....	11,386 63	11,566 78		180 15
Express.....	16,596 31	16,510 41	85 90	
Other Passenger Train.....	183 17		183 17	
Switching.....	46 00	12 00	34 00	
Special Service Train.....	460 00	310 88	149 12	
Total.....	\$570,552 70	\$600,179 62		\$29,626 92
OTHER OPERATING REVENUE.				
Storage Freight.....	\$ 367 32	\$ 228 05	\$ 139 27	
Storage Baggage.....	202 40	246 05		\$ 43 65
Car Service (Demurrage).....	354 00	183 00	171 00	
Telegraph Service.....	229 19	262 72		33 53
Miscellaneous.....	192 03	133 33	58 70	
Joint Facilities—Cr.....	4,254 00	4,520 50		266 50
Total.....	\$ 5,598 94	\$ 5,573 65	\$ 25 29	
Total Operating Revenue.....	\$576,151 64	\$605,753 27		\$29,601 63
OPERATING EXPENSES				
Maintenance of Way and Structures.....	\$125,204 86	\$134,920 14		\$ 9,715 28
Maintenance of Equipment.....	42,017 63	39,929 97	\$ 2,087 66	
Traffic Expenses.....	1,489 61	1,435 65	53 96	
Transportation Expenses.....	191,812 77	179,037 84	12,774 93	
General Expenses.....	19,447 64	19,162 64	285 00	
Total Operating Expenses.....	\$379,972 51	\$374,486 24	\$ 5,486 27	
Percentage of Operation.....	65 95	61.82		
Net Operating Revenue.....	\$196,179 13	\$231,267 03		\$35,087 90
Less Taxes.....	28,073 86	28,296 50		222 64
Operating Income.....	\$168,105 27	\$202,970 53		\$34,865 26

NOTE.—For the purpose of comparison, the statement for last year has been revised to conform to this year's classification.

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INCOME ACCOUNT.
FOR THE FISCAL YEARS ENDED JUNE 30, 1909 AND 1908.

	1908-09.	1907-08.
Operating Revenue.....	\$576,151 64	\$605,753 27
Operating Expenses.....	379,972 51	374,486 24
Net Operating Revenue.....	\$196,179 13	\$231,267 03
Less: Taxes.....	28,073 86	28,296 50
Operating Income.....	\$168,105 27	\$202,970 53
Add: Other Income.....	5,040 00	5,040 00
Interest on Securities Owned.....	6,754 75	11,794 75
Interest and Discount.....		\$179,900 02
Total Income.....	\$180,400 00	\$180,400 00
Deductions from Income.....		4,895 22
Interest on Funded Debt.....	5,324 07	12,602 92
Rental of Road, Yards, Terminals, Etc.....	17,205 12	
Hire of Equipment.....		\$ 25,029 17
Surplus for the year.....		\$ 197,898 14
Deficit for the year.....		\$ 31,036 36

Note: For the purpose of comparison, the statement for last year has been revised to conform to this year's classification.

GENERAL PROFIT AND LOSS ACCOUNT.
AT JUNE 30, 1909.

	Dr.	Cr.
By Balance, June 30, 1908.....		\$240,053 07
By Old Pay Checks.....		9 77
To Deficit for the year ended June 30, 1909, as per Income Account above.....	\$ 23,029 17	
To Balance.....	217,033 67	
By Balance at Credit of Profit and Loss, June 30, 1909, as per Balance Sheet.....	\$240,062 84	
	\$217,033 67	

CURRENT ASSETS AND LIABILITIES, JUNE 30, 1909.

ASSETS		LIABILITIES.	
Materials and Supplies.....	\$ 45,868 25	Vouchers.....	\$16,801 09
Cash.....	261,089 62	Pay Rolls.....	29,901 39
Agents' and Conductors' Balances due and in transit.....	18,655 86	Traffic Balances.....	
SECURITIES IN THE TREASURY:		Coupon No. 27.....	\$ 20 00
R. G. S. R. R. Co. 1st Mortgage 4 per cent. Bonds.....	\$90,927 78	Coupon No. 34.....	160 00
D. & R. G. R. R. Co. 1st Consolidated Mortgage 4 per cent. Bonds.....	25,531 25	Coupon No. 35.....	100 00
ACCOUNTS COLLECTIBLE:		Coupon No. 36.....	100 00
U. S. Government.....	\$ 972 30	Coupon No. 37.....	100 00
Individuals and Companies.....	11,931 19	Coupon No. 38.....	90,200 00
		May Day Gold Mining Co.	4,676 69
		Accrued Taxes.....	14,036 92
		Hospital Fund.....	9,898 59
		Betterment Fund.....	3,602 36
		Equipment Replacement Fund.....	55,184 71
		Total Current Liabilities.....	\$253,212 17
		Balance Current Assets in Excess of Current Liabilities.....	201,764 08
Total Current Assets.....	\$454,976 25		\$454,976 25

FREIGHT BUSINESS BY MONTHS.

MONTH.	1908-09.		1907-8.	
	Tons.	Revenue.	Tons.	Revenue.
July.....	15,096	\$ 36,033 63	24,000	\$ 44,525 21
August.....	14,701	36,273 65	19,941	37,406 75
September.....	16,899	37,364 34	20,301	40,020 40
October.....	22,140	47,027 97	22,740	44,406 76
November.....	19,513	41,415 07	22,928	45,410 80
December.....	19,259	39,934 19	20,443	37,359 87
January.....	16,556	30,861 30	17,151	32,060 95
February.....	11,032	24,328 85	14,805	29,156 50
March.....	17,496	43,064 15	15,949	33,057 16
April.....	12,880	30,969 96	14,160	30,243 95
May.....	13,161	29,700 59	15,426	33,058 17
June.....	11,937	29,418 76	14,904	37,066 87
Total.....	190,670	\$426,392 46	222,748	\$443,773 39

PASSENGER BUSINESS BY MONTHS.

MONTH.	1908-09.		1907-08.	
	Passengers.	Revenue.	Passengers.	Revenue.
July.....	6,707	\$11,772 58	5,953	\$ 11,377 09
August.....	6,299	11,563 47	5,990	12,067 77
September.....	5,840	11,065 57	5,443	11,374 20
October.....	5,007	9,949 09	5,916	12,533 73
November.....	4,416	9,166 82	5,000	10,972 17
December.....	4,339	9,536 26	5,264	10,475 42
January.....	3,155	6,119 63	4,006	8,184 47
February.....	2,655	6,008 90	3,566	7,623 59
March.....	3,809	7,681 77	4,360	8,804 66
April.....	4,051	8,899 40	4,559	9,146 26
May.....	4,444	9,512 31	5,124	10,725 54
June.....	4,588	9,852 76	5,382	10,660 04
Total.....	55,310	\$111,128 56	60,563	\$123,944 94

CLASSIFIED FREIGHT TONNAGE AND REVENUE.

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COMMODITIES.	1908-09.				1907-08.			
	Tons.	Per Cent.	Revenue.	Per Cent.	Tons.	Per Cent.	Revenue.	Per Cent.
PRODUCTS OF AGRICULTURE.								
Grain.....Carloads	1,319	0.69	\$ 6,503 79	1.53	1,732	0.78	\$ 6,843 50	1.54
Flour....."	1,097	0.58	5,241 13	1.23	805	0.36	4,074 15	0.92
Other Mill Products....."	263	0.14	1,357 75	0.32	219	0.10	1,213 75	0.27
Hay....."	2,391	1.25	6,278 40	1.47	1,791	0.80	4,369 92	0.98
Sugar Beets....."								
Fruits....."								
Vegetables....."								
Total.....	6,176	3.24	\$ 23,536 29	5.52	5,414	2.43	\$ 19,812 52	4.46
PRODUCTS OF ANIMALS.								
Live Stock.....Carloads	6,930	3.63	\$ 11,157 06	2.62	5,117	2.30	\$ 7,062 04	1.59
Dressed Meats....."	124	0.07	1,001 83	0.24	117	0.05	993 31	0.22
Other Packing House Products....."	114	0.06	1,083 90	0.25	513	0.23	4,435 07	1.00
Wool.....Carloads and Less	59	0.03	720 33	0.17	57	0.03	638 62	0.15
Hides and Leather.....Carloads and Less	7,227	3.79	\$ 13,963 12	3.28	5,804	2.61	\$ 13,129 04	2.96
Total.....								
PRODUCTS OF MINES.								
Anthracite Coal.....Carloads	480	0.25	\$ 1,452 03	0.34	217	0.10	\$ 650 25	0.15
Bituminous Coal....."	94,481	49.55	92,363 29	21.66	115,764	51.97	101,785 59	22.94
Coke....."	199	0.11	746 86	0.17	931	0.42	1,099 97	0.25
Precious Ore....."	36,844	19.32	134,251 68	31.49	39,174	17.59	133,143 43	30.00
Manganese Ore....."	44	0.02	100 01	0.02				
Bullion....."	4,177	2.19	14,109 62	3.31	4,675	2.10	15,774 47	3.55
Stone, Sand and Clay....."	179	0.10	320 56	0.08	102	0.04	313 99	0.07
Salt....."	361	0.19	1,592 91	0.37	549	0.24	2,505 98	0.56
Asphaltum....."								
Total.....	136,765	71.73	\$244,936 96	57.44	161,412	72.46	\$255,273 68	57.52

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CLASSIFIED FREIGHT TONNAGE AND REVENUE.—CONTINUED.

COMMODITIES.	1908-9.				1907-8.			
	Tons.	Per Cent.	Revenue.	Per Cent.	Tons.	Per Cent.	Revenue.	Per Cent.
PRODUCTS OF FOREST.								
Timber.....Carloads	20,428	10.71	\$ 34,896 36	8.18	26,765	12.02	\$ 41,480 64	9.35
MANUFACTURES.								
Canned Goods.....Carloads	225	0.12	\$ 1,775 65	0.42	386	0.17	\$ 2,973 54	0.67
Sugar, Glucose and Molasses....."	197	0.10	1,665 40	0.39	174	0.08	1,464 99	0.33
Petroleum and Other Oils....."	76	0.04	635 83	0.15	87	0.04	753 22	0.17
Iron, Pig and Bloom....."								
Rails....."	79	0.04	604 56	0.14	234	0.10	1,106 13	0.25
Castings and Machinery....."	996	0.52	6,731 77	1.58	872	0.39	6,908 37	1.56
Bar and Sheet Metal....."	207	0.11	1,656 00	0.39	176	0.08	1,438 82	0.32
Agricultural Implements....."	138	0.07	719 95	0.17	104	0.05	531 01	0.12
Wagons, Carriages, Tools, etc."	123	0.07	759 77	0.18	95	0.04	622 96	0.14
Cement, Brick and Lime....."	2,380	1.25	5,436 30	1.27	4,497	2.02	5,383 85	1.21
Wines, Liquors and Beer....."	564	0.30	4,743 03	1.11	614	0.28	5,018 75	1.13
Household Goods and Furniture....."	98	0.05	698 58	0.16	62	0.03	426 03	0.10
Military Supplies....."								
Powder....."	437	0.23	7,033 29	1.65	560	0.25	8,474 09	1.91
Total.....	5,520	2.90	\$ 32,460 13	7.61	7,861	3.53	\$ 35,101 76	7.91
Miscellaneous.....Carloads	7,776	4.08	\$ 10,859 99	2.55	8,499	3.81	\$ 9,938 70	2.24
General Merchandise, L. C. L.....	6,778	3.55	\$ 65,739 61	15.42	6,993	3.14	\$ 69,037 05	15.56
Grand Total.....	190,670	100.	\$426,392 46	100.	222,748	100.	\$443,773 39	100.

THE RIO GRANDE SOUTHERN RAILROAD CO.

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