

Raritan River Rail Road Company



1968

ANNUAL REPORT

RARITAN RIVER RAIL ROAD COMPANY

DIRECTORS

J. E. Farrell	Newark, N. J.
R. Frederickson	Newark, N. J.
W. R. Gerstnecker	Philadelphia, Pa.
J. A. Mulcahy	New York, N. Y.
A. M. Schofield	Philadelphia, Pa.
R. B. Wachenfeld	Newark, N. J.

EXECUTIVE COMMITTEE

R. Frederickson
W. R. Gerstnecker
R. B. Wachenfeld

OFFICERS

R. B. Wachenfeld	President	Newark, N. J.
A. M. Schofield	Vice President	Philadelphia, Pa.
R. G. Kipp	Vice Pres. & Gen. Mgr.	South Amboy, N. J.
S. S. Szarejko	Secretary & Treasurer	South Amboy, N. J.
R. E. Watson	General Counsel	New Brunswick, N. J.

REGISTERED OFFICE

170 John Street South Amboy, N. J.

To the Stockholders:

The Board of Directors submits herewith the eighty-first annual report of the Company, showing results of operation and various statistical data for the year 1968, together with comparative income statement for the year and balance sheet as of December 31, 1968, compared with December 31, 1967.

By Order of the Board of Directors

R. B. Wachenfeld

President

RARITAN RIVER RAIL ROAD COMPANY

INCOME STATEMENT

I OPERATING INCOME

	<u>1968</u>	<u>1967</u>	<u>Inc. or Dec.</u> <u>Amount</u>	<u>%</u>
<u>OPERATING REVENUES</u>				
Freight	\$ 1,066,239	\$ 972,724	I- 93,515	9.6
Switching	12,087	10,787	I- 1,300	12.1
Demurrage	52,455	30,308	I- 22,147	73.1
Rents-Buildings and Other Property	820	780	I- 40	5.1
Miscellaneous	3,525	4,371	D- 846	19.3
Total Operating Revenues	<u>1,135,126</u>	<u>1,018,970</u>	<u>I- 116,156</u>	<u>11.4</u>
<u>OPERATING EXPENSES</u>				
Maintenance of W&S	124,740	108,176	I- 16,564	15.3
Maintenance of Equipment	109,786	84,425	I- 25,361	30.0
Traffic	16,565	14,481	I- 2,084	14.4
Transportation	435,374	422,942	I- 12,432	2.9
General	43,138	37,895	I- 5,243	13.8
Total Operating Expenses	<u>729,603</u>	<u>667,919</u>	<u>I- 61,684</u>	<u>9.2</u>
Net revenue from railway operations	405,523	351,051	I- 54,472	15.5
Railway tax accruals	72,916	83,548	D- 10,632	12.7
Railway Operating Income	<u>332,607</u>	<u>267,503</u>	<u>I- 65,104</u>	<u>24.3</u>
<u>RENTS PAYABLE</u>				
Hire of equipment	220,794	193,816	I- 26,978	13.9
Net Railway Operating Income	<u>111,813</u>	<u>73,687</u>	<u>I- 38,126</u>	<u>51.7</u>

II OTHER INCOME

Miscellaneous rent income	13,516	13,337	I- 179	1.3
Income from non-operating property	102	102	- -	-
Interest income	25,727	16,018	I- 9,709	60.6
Miscellaneous income	4,783	6,892	D- 2,109	30.6
Total Other Income	<u>44,128</u>	<u>36,349</u>	<u>I- 7,779</u>	<u>21.4</u>
Total Income	<u>155,941</u>	<u>110,036</u>	<u>I- 45,905</u>	<u>41.7</u>

III MISCELLANEOUS DEDUCTIONS FROM INCOME

Miscellaneous tax accruals	914	771	I- 143	18.5
Miscellaneous income charges	1	-	I- 1	100.0
Total Miscellaneous Deductions	<u>915</u>	<u>771</u>	<u>I- 144</u>	<u>18.7</u>
Net Income	155,026	109,265	I- 45,761	41.9

Note I - Depreciation charges included in Operating Expense

Road property	8,416	8,364	I- 52	0.6
Equipment property	32,885	33,667	D- 782	2.3
Total Depreciation Charges	41,301	42,031	D- 730	1.7

RARITAN RIVER RAIL ROAD COMPANY

GENERAL BALANCE SHEET

	<u>ASSETS</u>		
	<u>December 31,</u> <u>1968</u>	<u>December 31,</u> <u>1967</u>	<u>Increase</u> <u>or Decrease</u>
<u>CURRENT ASSETS</u>			
Cash	\$ 168,766	\$ 213,737	D-\$ 44,971
Temporary cash investments:			
GMAC Promissory Notes	383,814	345,405	I- 38,409
Special Deposits	3,306	3,465	D- 159
Net Balance receivable from agents	127,874	100,119	I- 27,755
Miscellaneous accounts receivable	12,861	17,669	D- 4,808
Interest and dividends receivable	2,488	1,705	I- 783
Working fund advances	57	56	I- 1
Prepayments	14,169	14,565	D- 396
Material and supplies	74,413	45,115	I- 29,298
	<u>787,748</u>	<u>741,836</u>	<u>I- 45,912</u>
 <u>PROPERTIES</u>			
Road and equipment property-Road	1,485,957	1,476,991	I- 8,966
Equipment	661,207	662,229	D- 1,022
General	37,588	37,588	- -
Total	<u>2,184,752</u>	<u>2,176,808</u>	<u>I- 7,944</u>
Improvements on leased property	<u>340</u>	<u>340</u>	<u>- -</u>
Total Transportation Property	2,185,092	2,177,148	I- 7,944
 Accrued Depreciation -			
Road and Equipment Property	<u>718,929</u>	<u>677,627</u>	<u>I- 41,302</u>
Total Transportation Property less recorded Depreciation	1,466,163	1,499,521	D- 33,358
Miscellaneous Physical Property	<u>38,761</u>	<u>41,185</u>	<u>D- 2,424</u>
Total Properties less recorded Depreciation	<u>1,504,924</u>	<u>1,540,706</u>	<u>D- 35,782</u>
 Total	 <u>2,292,672</u>	 <u>2,282,542</u>	 <u>I- 10,130</u>

RARITAN RIVER RAIL ROAD COMPANY

GENERAL BALANCE SHEET

LIABILITIES

	<u>December 31,</u> 1968	<u>December 31,</u> 1967	<u>Increase</u> <u>or Decrease</u>
<u>CURRENT LIABILITIES</u>			
Traffic and car service balance -			
Net Payable	\$ 456,942	\$ 518,098	D-\$ 61,156
Audited accounts and wages payable	23,090	18,352	I- 4,738
Miscellaneous accounts payable	5,473	5,077	I- 396
Accrued accounts payable	234,980	191,445	I- 43,535
Other taxes accrued	<u>5,789</u>	<u>5,023</u>	I- 766
Total current liabilities	726,274	737,995	D- 11,721
<u>OTHER LIABILITIES AND DEFERRED CREDITS</u>			
Other liabilities	69,500	4,500	I- 65,000
Other deferred credits	<u>392</u>	<u>407</u>	D- 15
Total other liabilities and deferred credits	<u>69,892</u>	<u>4,907</u>	I- 64,985
<u>SHAREHOLDERS' EQUITY</u>			
Capital Stock:			
Authorized and issued	1,025,000	1,025,000	--
Held by or for Company	<u>9,200</u>	<u>9,200</u>	--
Total outstanding	1,015,800	1,015,800	--
Retained Income:			
Retained Income - Appropriated	19,427	19,427	--
Unappropriated	<u>461,279</u>	<u>504,413</u>	D- 43,134
Total retained income	<u>480,706</u>	<u>523,840</u>	D- 43,134
Total shareholders' equity	<u>1,496,506</u>	<u>1,539,640</u>	D- 43,134
Total	<u><u>2,292,672</u></u>	<u><u>2,282,542</u></u>	I- 10,130

RARITAN RIVER RAIL ROAD COMPANY

CHANGES IN ROAD AND EQUIPMENT PROPERTY MADE IN 1968

ROAD PROPERTY

Addition

System	Radio Communication System	\$ 1,919	
	E. Brunswick - E. Brunswick Spur - Engineering and Legal	<u>8,184</u>	
	Total Additions		\$ 10,103

Retirements

	South Amboy - Sale of Land	\$ <u>1,137</u>	
	Total Retirements		<u>1,137</u>
	Net Increase in Road Property		\$ 8,966

EQUIPMENT

Retirement

	Caboose #5	\$ <u>1,022</u>	
	Total Decrease in Equipment Property		\$ 1,022

MISC. PHYSICAL PROPERTY

Retirement

	Milltown - Sale of Land	\$ <u>2,424</u>	
	Total Decrease in Misc. Physical Property		\$ 2,424

- : -

STATEMENT OF RETAINED INCOME - UNAPPROPRIATED

	<u>1968</u>	<u>1967</u>	<u>Increase or Decrease</u>
Balance, January 1	\$ 504,413	\$ 593,308	D-\$ 88,895
Add:			
Net Income for the Year	<u>155,026</u>	<u>109,265</u>	I- <u>45,761</u>
	659,439	702,573	D- 43,134
Deduct:			
Dividends Paid	<u>198,160</u>	<u>198,160</u>	<u> -</u>
Balance:			
December 31	461,279	504,413	D- 43,134

RARITAN RIVER RAIL ROAD COMPANY

CONDENSED STATEMENT OF FREIGHT TRAFFIC - NET TONS

	<u>1968</u>	<u>1967</u>		<u>Inc. or Dec.</u> <u>Tons</u>	<u>%</u>
Ores and Concentrates	270,152	266,346	I-	3,806	1.4
Anthracite Coal	96,636	96,546	I-	90	0.1
Bituminous Coal	56,927	55,959	I-	968	1.7
Clay, Sand and Gravel	3,959	4,904	D-	945	19.3
Bakery Goods	45,643	46,156	D-	513	1.1
Lumber	6,629	6,451	I-	178	2.8
Woodpulp	77,680	72,888	I-	4,792	6.6
Paper Tissue	40,256	29,967	I-	10,289	34.3
Sanitary Pads	11,246	11,577	D-	331	2.9
Gases	27,705	26,934	I-	771	2.9
Titanium Dioxide	57,311	51,336	I-	5,975	11.6
Alcohol	18,699	18,557	I-	142	0.8
Acids, N.O.S.	13,105	14,831	D-	1,726	11.6
Sulphuric Acid	47,952	42,850	I-	5,102	11.9
Synthetic Plastic	24,272	27,464	D-	3,192	11.6
Paint and Lacquer	11,943	12,207	D-	264	2.1
Nitrocellulose	28,218	22,929	I-	5,289	23.1
Gasoline and Oils	5,810	1,875	I-	3,935	209.8
Cement and Lime	10,643	14,636	D-	3,993	27.3
Brick and Tile	10,314	4,466	I-	5,848	130.9
Containers, Empty	6,533	4,454	I-	2,079	46.7
All Other Carloads	<u>74,032</u>	<u>70,969</u>	I-	<u>3,063</u>	<u>4.3</u>
Total Traffic	945,665	904,302	I-	41,363	4.6

RARITAN RIVER RAIL ROAD COMPANY

COMPARATIVE STATEMENT - MISCELLANEOUS ITEMS

	<u>1968</u>	<u>1967</u>	<u>Inc. or Dec.</u>
Net Income per Share	\$ 1.53	\$ 1.08	I-\$ 0.45
Operating Ratio	64.2%	65.5%	D- 1.3%
Revenue per Ton	112.7¢	107.5¢	I- 5.2¢
Per Ton Mile	16.3¢	16.2¢	I- 0.1¢

MILEAGE

MAIN STEM

Main Line	12.63	12.63	--
Branch Lines	<u>4.60</u>	<u>4.60</u>	<u>--</u>
Total Main Stem	17.23	17.23	--

OTHER TRACKS

Second Main Tracks	1.00	1.00	--
Spurs and Sidings	<u>13.30</u>	<u>13.30</u>	<u>--</u>
Total All Tracks	31.53	31.53	--

EQUIPMENT

Locomotives - Diesel Electric	6	6	
Freight Cars	4	4	
Work Equipment Units	3	3	