

1921

THE PHILADELPHIA, BALTIMORE AND
WASHINGTON RAILROAD COMPANY.

SIXTH ANNUAL REPORT

FOR THE YEAR 1921

OFFICE OF THE SECRETARY,
BROAD STREET STATION,
PHILADELPHIA, PA.

THE PHILADELPHIA, BALTIMORE AND WASHINGTON RAILROAD COMPANY.

DIRECTORS

SAMUEL REA,
W. C. SPROUL,
CHRISTIAN C. FEBIGER,
S. C. ROWLAND,
JOHN WALTER SMITH,
BLANCHARD RANDALL,
JNO. P. GREEN,
W. W. ATTERBURY,

GEORGE D. DIXON,
HENRY TATNALL,
A. J. COUNTY,
GEORGE GRAY,
M. C. KENNEDY,
GEO. S. CAPELLE,
FRANCIS E. WATERS,
CHAS. E. INGERSOLL,

JOHN M. DENNIS.

OFFICERS

President	SAMUEL REA.
Vice-Presidents.....	{ HENRY TATNALL. A. J. COUNTY.
Secretary	LEWIS NEILSON.
Treasurer.....	JAS. F. FAHNESTOCK.
Comptroller.....	E. A. STOCKTON.
Chief Engineer.....	A. C. SHAND.
Real Estate Agent.....	J. P. GAUFF.
General Counsel.....	FRANCIS I. GOWEN.

1921.

SIXTH ANNUAL REPORT.

THE PHILADELPHIA, BALTIMORE AND WASHINGTON
RAILROAD COMPANY

GENERAL OFFICE, PHILADELPHIA, PA., April 24th, 1922.

To the Stockholders of The Philadelphia, Baltimore and Washington Railroad Company:

The Board of Directors herewith submit their report for the year 1921, with such data relating to your Company as will give a clear understanding of its financial condition.

MILEAGE.

	DECEMBER 31ST, 1921.	COMPARISON WITH 1920. INCREASE OR DECREASE.
Main Line—Philadelphia, Pa., to Baltimore, Md.....	88.66	
Main Line—Baltimore, Md., to South end of Potomac River Bridge.....	42.60	
Octoraro Branch—Philadelphia, Pa., to Octoraro, Md., and branches.....	93.00	
Columbia and Port Deposit Branch—Perryville, Md., to Columbia, Pa.....	42.92	
Popes Creek Branch—Bowie, Md., to Popes Creek, Md.....	48.76	
Sundry Branches.....	99.03	I. 0.06
Total mileage owned.....	414.97	I. 0.06

The following Income Statement shows the financial results to the Company during the year 1921:

INCOME STATEMENT
OF THE PHILADELPHIA, BALTIMORE AND WASHINGTON RAILROAD COMPANY.
FOR THE YEAR ENDED DECEMBER 31ST, 1921, COMPARED WITH THE YEAR 1920.

	1921.	INCREASE.	DECREASE.
MILEAGE.....	414.97	0.06	
INCOME:			
Rental received from lease of road.....	\$3,689,752.53	\$396,589.67	
OTHER INCOME:			
Release of premiums on funded debt.....	1,384.63		
GROSS INCOME.....	\$3,691,137.16	\$396,589.67	
DEDUCTIONS FROM GROSS INCOME:			
Interest on funded debt.....	\$1,892,187.13	\$293,514.95	
Interest on unfunded debt.....	6,830.25	1,485.00	
Maintenance of investment organization.....	518.15		\$408.78
TOTAL DEDUCTIONS FROM GROSS INCOME.....	1,899,535.53	\$294,591.17	
NET INCOME.....	\$1,791,601.63	\$101,998.50	
DISPOSITION OF NET INCOME:			
Dividend of 3 per cent. paid June 30, 1921.....	\$895,108.50		
Dividend of 3 per cent. paid December 31, 1921.....	895,108.50		
	1,790,217.00	\$101,998.50	
Balance transferred to credit of Profit and Loss.....	\$1,384.63		

PROFIT AND LOSS STATEMENT.

Amount to credit of Profit and Loss, December 31st, 1920.....	\$13,741,396.47
Credit balance of income for the year.....	1,384.63
Credit balances in Operating Reserves accounts transferred to Profit and Loss	504,603.84
	\$14,247,384.94
LESS:	
Sundry net debits for the year.....	19,326.36
Amount to credit of Profit and Loss, December 31st, 1921.....	\$14,228,058.58

INCOME STATEMENT AND GENERAL BALANCE SHEET

The annual rental, under the terms of the lease of the railroad and property, was duly received, and the disposition thereof is indicated in the Income Statement. The increase in the "Rental received from lease of road" was due to the issuance of General Mortgage 6 per cent. Bonds and capital stock, as explained in the 1920 annual report, which increased the disbursements for "Interest on Funded Debt" and "Dividends." The Funded Debt was reduced by the retirement of \$500,000. 4 per cent. Serial Gold Bonds, which matured January 1st, 1921. The increase in "Miscellaneous Accounts Payable" is due to advances by The Pennsylvania Railroad Company for Road and Equipment expenditures during the year, and for redemption of the Serial Gold Bonds above referred to. "Miscellaneous Accounts Payable" would, however, have shown a greater increase except for the repayment to the Delaware Railroad Company of the amounts contributed by that Company in previous years toward the cost of portion of Edge Moor Yard and facilities used for the traffic of that Company, in accordance with the arrangement made with that Company in 1906, said arrangement having been terminated in 1921 at the request of the Delaware Railroad Company. This makes your Company the sole owner of Edge Moor Yard. "Miscellaneous Accounts Payable" and "Operating Reserves" were reduced by the transfer to the credit of Profit and Loss, of certain operating reserves that had been created prior to 1918 for branch roads operated by your Company and for the road of your Company.

ROAD AND EQUIPMENT

The expenditures for Road and Equipment during the year were principally on account of additional enginehouse facilities at Wilmington, Del.; two new turntables in the coach and engine yard at Washington, D. C.; additional tracks from south end of bridge over Gunpowder River to north end of Bay View Yard, Md., and the excess over original cost of heavier rails and track material used at various points. The net increase in the Investment in Road and Equipment amounted to \$798,893.57, as follows:—

Road.....	\$531,244.66
Equipment (Cr.).....	84,240.24
General Expenditures (Interest during construction of Additions and Betterments during Federal Control).....	351,889.15
Total increase.....	\$798,893.57

ORGANIZATION CHANGES

The Board record, with a deep sense of personal and official loss, the death, on September 7th, 1921, of John B. Ramsay, of Baltimore, who had ably and faithfully served your Company as a Director for nearly 19 years. He brought to the consideration of its affairs a long and notable banking and business experience, that made his advice of the greatest value.

John M. Dennis, of Baltimore, was elected a Director of your Company to fill the vacancy.

By Order of the Board,

SAMUEL REA,

President.

GENERAL BALANCE SHEET

OF THE PHILADELPHIA, BALTIMORE AND WASHINGTON RAILROAD COMPANY.

DECEMBER 31st, 1921.

ASSETS.

			COMPARISON WITH DECEMBER 31st, 1920.	
			INCREASE.	DECREASE.
INVESTMENTS:				
Investment in Road and Equipment:				
Road.....	\$91,084,496.56		\$531,244.66	
Equipment.....	14,001,083.37			\$84,240.24
General Expenditures.....	375,678.35		351,889.15	
		\$105,461,258.28	\$798,893.57	
Improvements on Leased Railway Property:				
Leased Lines Road.....		772,537.01		
Miscellaneous physical property..		172,459.72		\$16,558.64
Investments in affiliated companies:				
Stocks.....	\$5,942,363.64			
Bonds.....	554,020.42		250.00	
Notes.....	203,001.00			
Advances.....	170,561.57			15,224.40
		6,869,946.63		
Other investments:				
Stocks.....	\$1,001.00			
Bonds.....	7,385.28			2,000.00
		8,386.28		
CURRENT ASSETS:				
Cash.....	\$2,047,251.34			206,056.74
Special deposits.....	7,120.00		660.00	
Miscellaneous accounts receivable.....	1.00			
Rents receivable.....	390,215.23			27.80
		2,444,587.57		
UNADJUSTED DEBITS:				
Other unadjusted debits		9,545.47		7,520.39
Securities issued or assumed, held in Treasury \$241,000.00				
Total.....		\$115,738,720.96	\$552,415.60	

GENERAL BALANCE SHEET
OF THE PHILADELPHIA, BALTIMORE AND WASHINGTON RAILROAD COMPANY.

DECEMBER 31st, 1921.

LIABILITIES.

			COMPARISON WITH DECEMBER 31st, 1920.	
			INCREASE.	DECREASE.
STOCK:				
Capital Stock.....	\$29,837,000.00			
Stock liability for conversion of outstanding securities of constituent companies.....	1,925.00	\$29,838,925.00		
MORTGAGE, BONDED, AND SECURED DEBT OF THE P. B. & W. R. R. Co.:				
First Mortgage, 4% bonds due November 1st, 1943....	\$16,070,000.00			
General Mortgage 6% Bonds Series A due April 1, 1960	15,000,000.00			
4% Serial gold bonds due January 1st, 1920-1924.	1,500,000.00			\$500,000.00
Debenture bonds of Philadelphia, Wilmington and Balti- more R. R. Co.:				
4% due November 1st, 1922.....	1,000,000.00			
4% due January 1st, 1926.....	\$930,000.00			
Less held in treasury.....	3,000.00			
	927,000.00			
4% due October 1st, 1932.....	1,000,000.00	35,497,000.00		
Chester Creek R. R. Co. 1st Mortgage				
6% Bonds due January 1, 1933.....	\$185,000.00			
Less held in treasury.....	185,000.00			
Columbia and Port Deposit Railway Co. 1st Mortgage				
4% Bonds due August 1st, 1940.....	\$1,500,000.00			
Less held in treasury.....	53,000.00			
		1,447,000.00		
The Philadelphia and Baltimore Central R. R. Co. 1st Mortgage 4% Bonds due November 1st, 1951.....		2,200,000.00		
Mortgages and ground rents payable.....		325,145.67		
CURRENT LIABILITIES:				
Miscellaneous accounts payable.....	\$5,251,293.36		\$886,744.70	
Interest matured unpaid.....	65,290.00			9,340.00
Funded debt matured unpaid.....	170,150.00			
Unmatured interest accrued	390,011.73			.03
		5,876,745.09		
UNADJUSTED CREDITS:				
Premium on funded debt.....	\$30,231.20			1,384.63
Operating reserves.....				255,446.00
Accrued depreciation-equipment.....	2,989,190.90			55,559.04
Other unadjusted credits.....				2,690.32
		3,019,422.10		
CORPORATE SURPLUS:				
Additions to property through income and surplus.....		23,306,424.52	3,428.81	
Profit and Loss—Balance.....		14,228,058.58	486,662.11	
Total.....		\$115,738,720.96	\$552,415.60	

E. A. STOCKTON,
Comptroller.

J. F. FAHNESTOCK,
Treasurer.

STOCKS AND BONDS.

OWNED BY THE PHILADELPHIA, BALTIMORE AND WASHINGTON RAILROAD COMPANY,
DECEMBER 31ST, 1921.

	NUMBER OF SHARES.	PAR VALUE PER SHARE.	TOTAL PAR VALUE.
STOCKS.			
Baltimore, Chesapeake and Atlantic Ry. Co. Preferred.....	9,099	\$50.00	\$454,950.00
Baltimore, Chesapeake and Atlantic Ry. Co. Common.....	5,000	50.00	250,000.00
Delaware, Maryland and Virginia R. R. Co.....	13,181 $\frac{1}{8}$	25.00	329,533.33
Delaware R. R. Co.....	108,184	25.00	2,704,600.00
Delaware Water Co.....	2,402	100.00	240,200.00
Industrial Improvement Co. of Wilmington, Del.....	10	10.00	100.00
Rosslyn Connecting R. R. Co.....	2,000	50.00	100,000.00
Union R. R. Co. of Baltimore.....	8,750	100.00	875,000.00
Washington Terminal Co.....	21,260	100.00	2,126,000.00
Miscellaneous.....	330 Scrip	50.00	16,518.00
Total stocks.....			\$7,096,901.33
BONDS.			
Allegheny Valley Ry. Co., general mortgage, 4 per cent. coupon.....			\$132,000.00
Cambria and Clearfield Ry. Co., general mortgage, 4 per cent. coupon.....			192,000.00
Chartiers Ry. Co., first mortgage, 3 $\frac{1}{2}$ per cent. coupon.....			28,000.00
Chester Creek R. R. Co. first mortgage, 6 per cent. registered.....			185,000.00
Columbia and Port Deposit Ry. Co., first mortgage, 4 per cent. coupon.....			53,000.00
Connecting Ry. Co., first mortgage, 4 per cent. coupon.....			9,000.00
Delaware, Maryland and Virginia R. R. Co. mortgage 4 per cent. gold.....			658,979.51
Grand Rapids and Indiana R. R. Co., first mortgage, 3 $\frac{1}{2}$ per cent. coupon.....			25,000.00
Junction and Breakwater R. R. Co. second mortgage 4 per cent. coupon.....			250,000.00
Maryland, Delaware and Virginia Ry. Co. 4 per cent. certificates of indebtedness.....			30,400.00
Pennsylvania Co., 3 $\frac{1}{2}$ per cent. guaranteed trust certificates, registered, series "A".....			213,000.00
Pennsylvania Co., 3 $\frac{1}{2}$ per cent. guaranteed trust certificates, coupon, series "B".....			5,000.00
Pennsylvania Co., 3 $\frac{1}{2}$ per cent. guaranteed trust certificates, coupon, series "C".....			3,000.00
Pennsylvania Co., 3 $\frac{1}{2}$ per cent. guaranteed trust certificates, coupon, series "D".....			8,000.00
Philadelphia, Wilmington and Baltimore R. R. Co., 4 per cent. registered debenture.....			3,000.00
Pittsburgh, Cincinnati, Chicago and St. Louis Ry. Co., consolidated mortgage, 3 $\frac{1}{2}$ per cent. coupon, series "E".....			3,000.00
United New Jersey R. R. and Canal Co., general mortgage, 4 per cent. coupon.....			8,000.00
Washington Terminal Co. 4 per cent. certificates of indebtedness.....			203,000.00
Worcester R. R. Co. first mortgage, 4 per cent. gold coupon.....			400,000.00
Total bonds.....			\$2,409,379.51
Total securities.....			\$9,506,280.84

J. F. FAHNESTOCK,
Treasurer.

Examined and found correct:

E. A. STOCKTON,
Comptroller.

