



ANNUAL REPORT OF CLASS II AND III RAILROADS
NORTH DAKOTA PUBLIC SERVICE COMMISSION
 SFN 14356 (03-03)

File No.

Business Name Dakota Northern Railroad Inc.	For Year Ended 2006
Business Address PO Box 705 28997 255th Ave SW Crookston MN 56716	Business Telephone Number 218-281-4704

Instructions: Complete this form in duplicate and return the original to the ND Public Service Commission, 600 E Boulevard Ave., Dept. 408, Bismarck ND 58505-0480. Return it no later than the 15th day of the fourth month following the close of the year for which this report is filed.

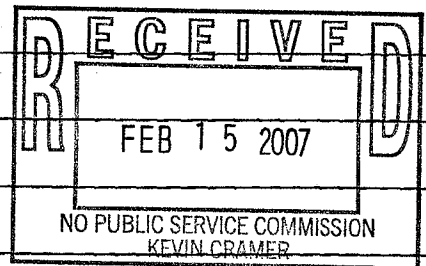
General Information

1. Provide the names and addresses of owners, partners, or top five corporate officers.

Name	Address
Norman C. Bierwerth, President	PO Box 705 28997 255th Ave SW Crookston MN 56716
Frank W. Nesbit, Vice President	PO Box 705 28997 255th Ave SW Crookston MN 56716
George A. LaPray, General Manager	PO Box 705 28997 255th Ave SW Crookston MN 56716

2. Provide the names and addresses of owners, partners, or stockholders with 20% or more ownership of the company.

Name	Address
K B N Inc.	c/o Drees Risky & Vallager Ltd 117 S Broadway Crookston MN 56716



I certify that to the best of my knowledge and believe that this is a true and correct report.

Name George A. LaPray	Signature
Title General Manager	Date 12 February 2007



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Company Statements

3. Condensed Balance Sheet (system)

Asset Side	Balance at End of Year	Liability and Equity Side	Balance at End of Year
Current Assets	248,221.83	Current Liabilities	87,956.72
Other Assets/Deferred Charges		Non-Current Liabilities	10,000.00
Transportation Property – Net		Stockholders' Equity	150,262.11
Total Assets	248,221.83	Total Liabilities and Equity	248,221.83

4. Condensed Operating Statement (system)

	Balance at End of Year
Railway Operating Revenues (from revenue schedule below)	\$1,116,614.56
Less: Railway Operating Expenses (from schedule A – attached)	\$1,068,585.42
Net Income from Railway Operations	\$47,555.14
Less: Net Rentals	0
Railway Income Tax Accruals	0
Net Railway Operating Income	\$47,555.14

Additional Data and Statistics

5. Railway Operating Revenues

	North Dakota Intrastate	System Wide
Freight	\$1,003,525.00	\$1,003,525.00
Switching	0	0
Demurrage	\$101,500.00	\$101,500.00
Incidental	\$11,115.56	\$11,115.56
Total	\$1,116,614.56	\$1,116,614.56

	North Dakota Intrastate	System Wide
6. Miles of road owned and operated at year end	68.1	68.1
7. Miles of road operated under trackage rights	0	0
8. Miles of road discontinued during the year	0	0
9. Expenditures for maintenance of way during the year	\$211,564.51	\$211,564.51

10. Operating Statistics

	System Wide
Gross Ton Miles	1,835,260
Train Miles	8789
Car Miles	Not tracked
Car Days	Not tracked
Road Locomotive Hours	Not tracked
Yard Locomotive Switching Hours	Not tracked
Trailer/Container Days	None

11. Equipment Inventory

	Owned	Leased
Road Locomotive Units	0	2
Yard Locomotive Units	1	0
Freight Cars	0	0
Covered Hopper	0	0
Open Hopper	0	0
Other	0	0
Trailers/Containers	0	0

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Schedule A
Railway System Operating Expenses

Maintenance of Way & Structures	→	→	→	→	→	→	→	→	→	\$211,564.51
Maintenance of Equipment:										
Locomotives	→	→	→	→	→	→	→	→	→	\$74,187.84
Freight Cars	→	→	→	→	→	→	→	→	→	\$9,651.96
Trailers & Containers	→	→	→	→	→	→	→	→	→	0
Other	→	→	→	→	→	→	→	→	→	\$4681.22
Total Maintenance of Equipment	→	→	→	→	→	→	→	→	→	\$88,512.02
Transportation:										
Train & Engine Crews	→	→	→	→	→	→	→	→	→	see note below
Yard Crews	→	→	→	→	→	→	→	→	→	see note below
Locomotive Fuel:										
Train Operations	→	→	→	→	→	→	→	→	→	\$99,678.89
Yard Operations	→	→	→	→	→	→	→	→	→	Not tracked
Total Locomotive Fuel	→	→	→	→	→	→	→	→	→	\$99,678.89
Other Transportation:										
Train Operations	→	→	→	→	→	→	→	→	→	Not tracked
Yard Operations	→	→	→	→	→	→	→	→	→	Not tracked
Total Other Transportation	→	→	→	→	→	→	→	→	→	\$17,025.04
Total Transportation	→	→	→	→	→	→	→	→	→	\$116,703.93
General Administration & Overhead:										
Central Office Personnel	→	→	→	→	→	→	→	→	→	see payroll note below
Property Taxes	→	→	→	→	→	→	→	→	→	unknown
Fringe Benefits	→	→	→	→	→	→	→	→	→	see payroll note below
Other	→	→	→	→	→	→	→	→	→	\$47,334.38
Total Other General Administration & Overhead	→	→	→	→	→	→	→	→	→	\$233,352.08
Total System Expenses	→	→	→	→	→	→	→	→	→	\$1,068,585.42

Note: Payroll expense not tracked by class of employee, total payroll expense for 2006.....\$418,443.88

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Schedule B
System Revenue Freight Handled During the Year

Description	Originating		Terminating		Bridge and Overhead Traffic	
	Carloads	Tons	Carloads	Tons	Carloads	Tons
Wheat (except durum)	858	85,800	0	0	0	0
Durum	Note	Durum not	tracked	separately	from other	wheat
Barley	2	200	0	0	0	0
Sunflowers	0	0	0	0	0	0
Corn	10	1000	0	0	0	0
Flax	0	0	0	0	0	0
Oats	0	0	0	0	0	0
Rye	0	0	0	0	0	0
Soybeans	86	8600	0	0	0	0
Other Grain and Oilseeds	649 (1)	64,900	0	0	0	0
Wheat Flour	0	0	0	0	0	0
Malt	0	0	0	0	0	0
Dairy Products	0	0	0	0	0	0
Fertilizer	0	0	89	8900	0	0
Cement	0	0	0	0	0	0
Coal	0	0	534	53,400	0	0
Petroleum & Petroleum Products	0	0	0	0	0	0
Chemicals	939 (2)	93,900	0	0	0	0
Lumber	0	0	0	0	0	0
Machinery	0	0	1	70	0	0
Livestock	0	0	0	0	0	0
Miscellaneous*	268	26,900	16	1600	0	0
Totals	2801	280,100	640	64,000	0	0

*List below any commodity that accounts for more than 1% of total carloads or tons:

(1) Dry edible beans
(2) Alcohols

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Schedule C
ND Revenue Freight Handled During the Year

Description	Originating		Terminating		Bridge and Overhead Traffic	
	Carloads	Tons	Carloads	Tons	Carloads	Tons
Wheat (except durum)						
Durum						
Barley						
Sunflowers						
Corn						
Flax						
Oats						
Rye						
Soybeans						
Other Grain and Oilseeds						
Wheat Flour						
Malt						
Dairy Products						
Fertilizer						
Cement						
Coal						
Petroleum & Petroleum Products						
Chemicals						
Lumber						
Machinery						
Livestock						
Miscellaneous*						
Totals						

*List below any commodity that accounts for more than 1% of total carloads or tons:

Note: Dakota Northern traffic is 100% originating or terminating in North Dakota
see system statistics