



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

RECEIVED

APR 23 2010

PUBLIC SERVICE COMMISSION

| | |
|--|--|
| Business Name <i>Dakota Missouri Valley + Western Railroad</i> | Year <i>2009</i> |
| Business Address <i>3501 E. Rosser Ave.; Bismarck, ND 58501</i> | Business Telephone Number <i>(701) 223-9282</i> |

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 |
|----------------------|---|
| <i>Larry Wood</i> | <i>3501 E Rosser, Bismarck ND 58501</i> |
| <i>Jeff Wood</i> | <i>" "</i> |
| <i>Dennis Ming</i> | <i>" "</i> |
| <i>Derrick Bosch</i> | <i>" "</i> |
| | |

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

| Name | Address |
|-------------------|--|
| <i>Larry Wood</i> | <i>3501 E. Rosser Ave, Bismarck ND</i> |
| <i>Diana Kirk</i> | <i>" "</i> |
| | |
| | |
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| | |
| | |
| | |

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

| | |
|------------------------------|-----------------------------------|
| Name <i>Derrick Bosch</i> | Signature <i>Derrick Bosch</i> |
| Title <i>CFO</i> | Date <i>4/21/10</i> |

File No.

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 | 7,584,989 | Current Liabilities | 11,707,561 |
| Other Assets/Deferred Charges | 4,823,436 | Non-Current Liabilities | 4,513,918 |
| Transportation Property - Net | 22,270,334 | Stockholders' Equity | 18,457,191 |
| Total Assets | 34,678,670 | Total Liabilities and Equity | 34,678,670 |

4. Condensed Operating Statement (system)

| | Balance at End of Year |
|---|-------------------------|
| Railway Operating Revenues (from revenue schedule below) | |
| Less: Railway Operating Expenses (from schedule A - attached) | |
| Net Income from Railway Operations | <i>Income Statement</i> |
| Less: Net Rentals | <i>Attached</i> |
| Railway Income Tax Accruals | |
| Net Railway Operating Income | |

Additional Data and Statistics

5. Railway Operating Revenues

| | North Dakota Intrastate | System Wide |
|--------------|-------------------------|-------------------|
| Freight | 18,355,112 | 21,355,112 |
| Switching | 1,198,450 | 1,198,450 |
| Demurrage | | |
| Incidental | | |
| Total | 19,553,562 | 22,553,562 |

| | North Dakota Intrastate | System Wide |
|--|-------------------------|-------------|
| 6. Miles of road owned and operated at year end | 424 | 553 |
| 7. Miles of road operated under trackage rights | 51 | 51 |
| 8. Miles of road discontinued during the year | | |
| 9. Expenditures for maintenance of way during the year | | |

10. Operating Statistics

| | System Wide |
|---------------------------------|-------------|
| Gross Ton Miles | 278,211,283 |
| Train Miles | 98,010 |
| Car Miles | 4,367,698 |
| Car Days | 57,921 |
| Road Locomotive Hours | 29,403 |
| Yard Locomotive Switching Hours | |
| Trailer/Container Days | 1,470 |

11. Equipment Inventory

| | Owned | Leased |
|-----------------------|-------|--------|
| Road Locomotive Units | 26 | — |
| Yard Locomotive Units | | |
| Freight Cars | | |
| Covered Hopper | | 198 |
| Open Hopper | 21 | |
| Other | 6 | |
| Trailers/Containers | | |

See Attached
Income Statement

File No.

Schedule A
Railway System Operating Expenses

Maintenance of Way & Structures → → → → → → → →

Maintenance of Equipment:

Locomotives → → → → → → →

Freight Cars → → → → → → →

Trailers & Containers → → → → → → →

Other → → → → → → →

Total Maintenance of Equipment → → → → → → → →

Transportation:

Train & Engine Crews → → → → → → →

Yard Crews → → → → → → →

Locomotive Fuel:

Train Operations → →

Yard Operations → →

Total Locomotive Fuel → → → →

Other Transportation:

Train Operations → → →

Yard Operations → → →

Total Other Transportation → → →

Total Transportation → → → → → → → →

General Administration & Overhead:

Central Office Personnel → → → → →

Property Taxes → → → → →

Fringe Benefits → → → → →

Other → → → → →

Total Other General Administration & Overhead → → → → →

Total System Expenses → → → → → → →

File No.

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) | 4534 | 589,420 | | | | |
| Durum | 4488 | 583,440 | | | | |
| Barley | 192 | 24,960 | | | | |
| Sunflowers | 13 | 1690 | | | | |
| Corn | 9101 | 1,183,130 | | | | |
| Flax | 268 | 34,840 | | | | |
| Oats | 2 | 260 | | | | |
| Rye | | | | | | |
| Soybeans | 6077 | 799,010 | | | | |
| Other Grain and Oilseeds | 1364 | 177,320 | | | | |
| Wheat Flour | | | | | | |
| Malt | | | | | | |
| Dairy Products | | | | | | |
| Fertilizer | | | 373 | 48,490 | | |
| Cement | | | | | 360 | 46,800 |
| Coal | | | | | | |
| Petroleum & Petroleum Products | 1341 | 174,330 | 496 | 64,480 | | |
| Chemicals | | | 47 | 6,110 | 5 | 650 |
| Lumber | | | 78 | 10,140 | | |
| Machinery | | | 21 | 2,730 | | |
| Livestock | | | | | | |
| Miscellaneous* | 4850 | 630,500 | 5083 | 277,590 | | |
| Totals | 32,230 | 4,189,900 | 6098 | 792,740 | 365 | 47,450 |

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

| | | |
|---------------|---|------|
| Ethanol | - | 1635 |
| DDG | - | 869 |
| Flyash | - | 2249 |
| Lime | - | 655 |
| Ballast | - | 489 |
| One way moves | - | 3805 |

File No.

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) | 4287 | 557,310 | | | | |
| Durum | 3038 | 394,940 | | | | |
| Barley | 175 | 22,750 | | | | |
| Sunflowers | 13 | 1,690 | | | | |
| Corn | 8904 | 1,157,520 | | | | |
| Flax | 268 | 34,840 | | | | |
| Oats | 2 | 260 | | | | |
| Rye | | | | | | |
| Soybeans | 5986 | 77,180 | | | | |
| Other Grain and Oilseeds | 1134 | 147,420 | | | | |
| Wheat Flour | | | | | | |
| Malt | | | | | | |
| Dairy Products | | | | | | |
| Fertilizer | | | 366 | 47,580 | | |
| Cement | | | | | 360 | 46,800 |
| Coal | | | | | | |
| Petroleum & Petroleum Products | 1341 | 17,330 | 496 | 64,480 | | |
| Chemicals | | | 47 | 6110 | | |
| Lumber | | | 20 | 2600 | | |
| Machinery | | | 21 | 2730 | | |
| Livestock | | | | | | |
| Miscellaneous* | 4848 | 630,240 | 5083 | 66,790 | | |
| Totals | 29,996 | 3,04,480 | 6033 | 190,290 | 360 | 46,800 |

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

| | | |
|---------------|---|------|
| Ethanol | - | 1635 |
| DDG | - | 869 |
| Flyash | - | 2249 |
| lime | - | 655 |
| One way Moves | - | 3805 |
| Ballast | - | 483 |

DMVW RAILROAD INC.

Income Statement

For the Twelve Months Ending December 31, 2009

| | Current Month This Year | Current Month Last Year | Year to Date This Year | Year to Date Last Year |
|---------------------------------|----------------------------|----------------------------|---------------------------|---------------------------|
| OPERATING REVENUES | | | | |
| FREIGHT REVENUE | \$ 1,377,144.55 | \$ 940,891.02 | \$ 16,830,156.57 | \$ 13,729,546.81 |
| MISC FREIGHT REVENUE | 38,480.00 | 66,070.00 | 336,810.15 | 342,570.54 |
| BLUE FLINT FREIGHT REVENUE | 406,862.00 | 395,632.00 | 4,188,146.00 | 4,224,757.00 |
| SWITCHING & INTERCHANGE | 170,445.00 | 106,461.20 | 1,198,450.00 | 1,024,331.40 |
| CAR STORAGE | 34,576.00 | 0.00 | 151,437.70 | 0.00 |
| CAR REPAIR INCOME | 11,100.72 | 109.57 | 59,467.78 | 75,052.23 |
| CAR HIRE REVENUE-1ST UNION | 18,043.72 | 35,280.29 | 29,336.66 | 150,573.60 |
| CAR HIRE REVENUE-MISC | 5,777.36 | 8,461.70 | 7,001.94 | 18,827.40 |
| LOCO/CAR LEASED | 16,240.00 | 5,040.00 | 159,871.86 | 82,810.00 |
| SERVICE REVENUE | 46,097.48 | 17,275.30 | 202,904.02 | 75,977.53 |
| FALKIRK MERCH INCOME | 118,330.15 | 176,590.00 | 127,080.15 | 187,840.00 |
| CONTRACTING REVENUE | 285,410.06 | 662,368.71 | 2,585,013.12 | 4,871,322.76 |
| TOTAL OPERATING REVENUE | 2,528,507.04 | 2,414,179.79 | 25,875,675.95 | 24,783,609.27 |
| OPERATING EXPENSES | | | | |
| MAINTENANCE OF WAY | | | | |
| MOW PROGRAM EXPENSE | 3,586.60 | 0.00 | 704,082.10 | 379,492.06 |
| MOW PROGRAM INCOME | (3,586.60) | (26,753.45) | (704,082.10) | (379,492.06) |
| SALARIES & OVERHEAD | | | | |
| TRACK LABOR | 129,165.42 | 126,006.57 | 1,300,240.57 | 1,156,078.71 |
| TRACK LABOR - B. LINE | 4,787.69 | 4,575.00 | 48,572.69 | 45,563.69 |
| PAYROLL TAXES | 36,399.75 | 27,176.93 | 258,695.08 | 230,480.24 |
| PAYROLL TAXES - B. LINE | 1,392.27 | 1,097.18 | 9,858.68 | 9,266.10 |
| EE HEALTH BENEFITS | 26,393.24 | 19,342.80 | 149,221.61 | 130,980.32 |
| EE HEALTH BENEFITS-B. LINE | 412.16 | 413.21 | 3,595.05 | 4,167.63 |
| ER 401K CONTR.-B. LINE | 110.76 | 84.24 | 968.04 | 905.84 |
| ER 401K CONTRIBUTION | 3,234.99 | 2,123.00 | 25,161.65 | 21,539.76 |
| ROADWAY EXPENSE | | | | |
| INJURIES | 0.00 | 125.00 | 89.46 | 3,216.65 |
| TRAVEL & VEHICLE MILEAGE | 484.55 | 156.90 | 10,248.40 | 9,220.12 |
| MEALS | 270.00 | 159.72 | 5,722.49 | 8,564.42 |
| VEHICLE REPAIR/MAINT. | 10,315.08 | 4,593.18 | 105,801.85 | 87,641.65 |
| VEHICLE FUEL | 10,745.26 | 7,483.68 | 128,767.29 | 168,926.32 |
| TOOLS AND SUPPLIES | 6,452.42 | 5,344.24 | 56,027.04 | 60,795.40 |
| ROADWAY EQ. RENTAL (ROG) | 0.00 | 0.00 | 5,896.86 | 4,676.98 |
| EQUIPMENT EXPENSE | | | | |
| TRACK EQUIPMENT REPAIRS | 2,168.32 | 2,788.76 | 98,615.99 | 67,873.29 |
| FUEL | 1,620.63 | 810.18 | 50,346.45 | 46,967.04 |
| MATERIALS - TIES | 0.00 | 0.00 | 51,895.90 | 34,116.59 |
| RIGHT OF WAY EXPENSE | 900.15 | 7,870.74 | 341,890.29 | 324,214.79 |
| OTHER MAINTENANCE OF WAY | | | | |
| INSURANCE | 11,381.93 | 8,119.52 | 116,292.67 | 115,575.51 |
| DEPR-EQUIPMENT MOW | 5,242.00 | (8,010.00) | 62,893.00 | 43,899.00 |
| DEPR-MOW-NON BILLABLE | 13,355.00 | 14,288.00 | 160,260.00 | 171,511.00 |
| DEPR-TRACK IMPROVE. | 88,547.00 | 70,416.00 | 1,062,575.00 | 892,138.00 |
| TRACK MATERIAL | | | | |
| BALLAST | 0.00 | 0.00 | 531,057.64 | 380,988.49 |
| WASHOUT/SNOW | 0.00 | 0.00 | 277,083.08 | 0.00 |
| RAIL | 0.00 | 0.00 | 0.00 | 14,266.96 |
| SIGNALS | 428.00 | 416.07 | 9,430.68 | 17,739.17 |

For Management Purposes Only

DMVW RAILROAD INC.
Income Statement
For the Twelve Months Ending December 31, 2009

| | Current Month This Year | Current Month Last Year | Year to Date This Year | Year to Date Last Year |
|--------------------------------|----------------------------|----------------------------|---------------------------|---------------------------|
| GRADE CROSSINGS | 0.00 | 350.00 | 6,510.85 | 49,920.57 |
| CULVERTS | 0.00 | 0.00 | 7,711.91 | 33.90 |
| OTHER TRACK MATERIALS | 0.00 | 3,235.06 | 956.74 | 26,232.41 |
| FREIGHT | 660.65 | 343.17 | 13,210.46 | 6,073.58 |
| CONTRACTED SERVICES | 4,516.52 | 0.00 | 69,971.32 | 661,575.90 |
| SWITCHES | 0.00 | 7,083.37 | 145,873.72 | 9,223.52 |
| BRIDGES | 0.00 | 0.00 | 5,224.30 | 4,332.64 |
| JOINT BARS | 0.00 | 0.00 | 27,779.29 | 39,416.38 |
| TRACK BOLTS | 0.00 | 0.00 | 11,849.89 | 18,347.56 |
| UNDERWOOD BUILDING | 261.00 | 0.00 | 261.00 | 436.94 |
| CONTR. ALLOC | 63,000.00 | 0.00 | 63,000.00 | 500.00 |
| SAFETY/ SUPPLIES | 201.31 | 0.00 | 3,995.82 | 1,297.00 |
| DMVW REPAIR/SUPPLIES | 31.24 | 37,266.64 | 36,456.66 | 97,542.69 |
| TRACK SUPPLIES-BRITTON | 2,329.12 | 1,711.30 | 66,411.84 | 31,709.71 |
| TOTAL MAINTENANCE OF WA | 424,806.46 | 318,617.01 | 5,330,421.26 | 4,997,956.47 |

TRANSPORTATION EXPENSE

| | | | | |
|------------------------|-------------|------------|--------------|--------------|
| LOCO REPAIR TRAVEL | 0.00 | 118.50 | 8,898.28 | 9,927.37 |
| LOCO REPAIR MEAL | 486.68 | 163.70 | 5,491.42 | 6,300.91 |
| LOCO REPAIR/MAINT. | 0.00 | 0.00 | 594.95 | 0.00 |
| LOCOMOTIVE LEASE | 0.00 | 0.00 | 83,850.00 | 236,070.00 |
| LOCO PARTS MINOR | 8,036.48 | 19,798.23 | 432,276.32 | 224,344.84 |
| SHOP SUPPLIES | 17,303.72 | 23,236.64 | 275,866.35 | 121,581.88 |
| LOCO PARTS MAJOR | 23,500.00 | 0.00 | 92,828.13 | 34,788.81 |
| LOCO HOUSE REPAIR | 6,632.57 | 212.38 | 18,494.45 | 8,235.79 |
| LOCO UTILITIES | 5,240.67 | 8,816.63 | 37,526.71 | 41,089.20 |
| TRAIN CREW TRAVEL | 3,486.08 | 3,436.59 | 74,048.13 | 21,860.43 |
| TRAIN CREW MEAL | 253.65 | 832.69 | 6,326.16 | 7,178.62 |
| TRAIN SUPPLIES/EXPENSE | 1,751.88 | 2,190.80 | 19,792.88 | 28,510.13 |
| TRAIN FUEL | 228,341.16 | 223,360.59 | 2,192,133.56 | 2,821,208.24 |
| EQUIP REPAIR/SUPPLIES | 2,218.12 | 1,075.08 | 47,312.18 | 18,662.17 |
| EQUIPMENT RENTAL | 870.01 | 1,219.96 | 37,692.87 | 31,267.12 |
| VEHICLE EXP | 16,141.37 | 8,813.41 | 166,577.98 | 185,811.18 |
| TELEPHONE | 2,512.97 | 1,842.16 | 26,379.19 | 23,481.30 |
| FRA VIOLATIONS | 7,000.00 | 0.00 | 8,000.00 | 3,000.00 |
| PHYSICAL DAMAGES | 0.00 | 0.00 | 2,264.50 | 14,273.00 |
| DERAILMENT | (68,522.48) | 4,058.24 | 72,971.27 | 13,465.05 |
| COMMUNICATION | 0.00 | 0.00 | 12,390.96 | 6,626.19 |
| ER 401K CONTR. | 5,078.21 | 3,691.54 | 41,930.50 | 34,423.05 |
| HEALTH BENEFITS | 31,827.19 | 38,865.22 | 287,492.52 | 281,863.40 |
| INJURIES | 0.00 | 4,229.19 | 1,233.60 | 6,472.13 |
| PAYROLL TAXES | 61,287.13 | 46,390.10 | 446,368.63 | 401,933.98 |
| INSURANCE | 16,098.15 | 10,360.42 | 173,071.46 | 173,707.82 |
| DEPRECIATION | 36,109.00 | 22,723.00 | 454,230.00 | 353,988.00 |
| FREIGHT | 3,787.73 | 1,836.45 | 58,887.18 | 52,037.11 |
| TRACKAGE RIGHTS | 18,980.98 | 15,708.12 | 90,853.44 | 85,207.73 |
| SIGNALS | 1,687.01 | 1,624.96 | 12,453.43 | 10,021.90 |
| SHOP REPAIRS | 0.00 | 0.00 | 220.75 | 0.00 |
| LOCO REPAIR SALARY | 56,260.40 | 52,700.79 | 516,304.74 | 465,426.43 |

For Management Purposes Only

DMWW RAILROAD INC.

Income Statement

For the Twelve Months Ending December 31, 2009

| | Current Month This Year | Current Month Last Year | Year to Date This Year | Year to Date Last Year |
|--------------------------------|----------------------------|----------------------------|---------------------------|---------------------------|
| CONTRACTING ALLOCATION | (75,200.00) | (59,000.00) | (75,200.00) | (59,000.00) |
| TRAIN CREW-LABOR | 127,080.81 | 121,584.30 | 1,387,889.08 | 1,266,364.84 |
| STATION LABOR | 33,691.75 | 46,667.47 | 349,005.22 | 308,501.96 |
| CONTRACTED LABOR | 10,747.43 | 9,447.96 | 55,723.63 | 43,116.18 |
| MEDICAL RE-IMBURSEMENT | 0.00 | 0.00 | 0.00 | 45.16 |
| SAFETY/ SUPPLIES | 719.14 | 885.62 | 13,374.52 | 11,068.08 |
| SALES TAX EXPENSE | 1,214.87 | 310.58 | 3,057.79 | 2,415.33 |
| CAR LEASE EXPENSE | 8,116.18 | 0.00 | 646,810.19 | 710,603.34 |
| TOTAL TRANSPORATION EXP | 592,738.86 | 617,201.32 | 8,085,422.97 | 8,005,878.67 |
| ADMINISTRATIVE EXPENSE | | | | |
| MEAL | 1,320.24 | 1,231.32 | 11,588.33 | 10,362.33 |
| TRAVEL | 2,861.16 | (1,860.99) | 13,091.22 | 26,030.02 |
| HEALTH BENEFITS | (4,785.43) | (5,811.40) | 61,300.89 | 80,174.83 |
| PHYSICALS/INJURIES | 0.00 | 0.00 | 287.00 | 287.00 |
| OFFICE UTILITIES | 3,594.02 | 4,740.75 | 33,899.22 | 34,618.94 |
| OFFICE REPAIRS & MAINT. | 0.00 | 251.82 | 2,544.88 | 1,652.47 |
| OFFICE SUPPLIES | 835.75 | 1,501.80 | 10,525.89 | 11,984.26 |
| OTHER OFFICE EXPENSE | 3,804.05 | 4,331.61 | 36,818.27 | 54,386.03 |
| CLEANING SERVICES | 525.00 | 495.00 | 6,270.00 | 5,940.00 |
| INSURANCE | (1,116.53) | 2,910.91 | 46,285.33 | 50,669.43 |
| OFFICER LIFE INS | (14,517.50) | (18,418.61) | 31,794.10 | 25,584.19 |
| DUES/SUBSCRIPTIONS | 290.00 | 315.00 | 8,125.00 | 14,879.00 |
| ADVERTISING | 0.00 | 0.00 | 158.00 | 125.00 |
| PROMOTIONAL COSTS | 7,968.39 | 1,012.40 | 82,468.46 | 85,564.22 |
| CONSULTING FEES | 1,091.21 | 993.29 | 13,984.25 | 12,114.62 |
| LEGAL FEES | 1,981.90 | 12,491.32 | 19,547.63 | 18,993.46 |
| ACCT/BANK FEES | 0.00 | 8,787.87 | 66,812.48 | 61,607.87 |
| DEPRECIATION | 10,600.00 | 11,678.00 | 131,512.00 | 126,122.00 |
| PAYROLL TAXES | 14,210.81 | 16,109.73 | 144,907.36 | 142,436.33 |
| EMPLOYEE MOVING EXP. | 0.00 | 0.00 | 500.00 | 0.00 |
| TELEPHONE | 2,437.16 | 1,755.88 | 20,243.36 | 21,119.37 |
| CONTRIBUTIONS | 0.00 | 0.00 | 3,359.00 | 461.94 |
| VEHICLE | 1,354.34 | 1,580.87 | 27,667.76 | 34,093.02 |
| POSTAGE | 1,033.41 | 762.58 | 5,424.88 | 5,598.41 |
| 401K CONTRIBUTIONS | 2,434.95 | 9,608.99 | 18,202.75 | 33,933.63 |
| 401K ADMIN FEES | 3,781.58 | 0.00 | 13,142.00 | 0.00 |
| RESORT BENEFIT | 0.00 | 0.00 | 1,289.85 | 0.00 |
| ACCIDENTS/SETTLEMENTS | 0.00 | 0.00 | 0.00 | 75.00 |
| ADMINISTRATIVE SALARIES | 132,642.54 | 475,080.33 | 1,209,228.33 | 1,450,137.49 |
| OFFICE SALARIES | 15,379.67 | 14,644.80 | 135,791.65 | 120,227.39 |
| CONTR. ALLOCATION | (119,600.00) | (98,500.00) | (119,600.00) | (98,500.00) |
| AMORTIZATION | (3,887.00) | 2,773.00 | 16,826.00 | 21,528.00 |
| REAL ESTATE TAXES | 39,029.59 | 45,530.32 | 39,029.59 | 45,397.72 |
| TOTAL ADMIN. EXPENSE | 103,269.31 | 493,996.59 | 2,093,025.48 | 2,397,603.97 |
| CAR REPAIR EXPENSE | | | | |
| CAR REPAIR | 453.78 | 2,459.33 | 26,236.38 | 50,109.56 |
| REPAIRS/MAINTENANCE | 110.27 | 1,767.96 | 25,949.41 | 20,365.87 |
| TOOLS | 6,642.90 | 0.00 | 30,278.68 | 19,280.92 |

For Management Purposes Only

DMVV RAILROAD INC.
Income Statement
For the Twelve Months Ending December 31, 2009

| | Current Month This Year | Current Month Last Year | Year to Date This Year | Year to Date Last Year |
|---------------------------------|----------------------------|----------------------------|---------------------------|---------------------------|
| EQUIP RENTAL | 0.00 | 0.00 | 7,660.00 | 314.40 |
| TELEPHONE | 73.31 | 0.00 | 169.36 | 335.82 |
| PAYROLL TAXES | 2,288.67 | 825.14 | 14,044.01 | 8,372.34 |
| CAR REPAIR LABOR | 8,335.35 | 3,160.65 | 68,517.08 | 40,413.21 |
| INSURANCE | 10,244.27 | 9,068.63 | 10,244.27 | 9,068.63 |
| HEALTH BENEFITS | 174.46 | 4,001.18 | 8,906.92 | 13,798.97 |
| INJURIES | 0.00 | 0.00 | 0.00 | 120.62 |
| VEHICLE | 3,678.09 | 425.30 | 22,164.53 | 8,149.65 |
| TRAVEL | 0.00 | 0.00 | 1,338.43 | 1,413.90 |
| MEALS | 60.00 | 0.00 | 1,350.00 | 960.00 |
| EMPLYR 401K BENEFITS | 0.00 | 0.00 | 0.00 | 393.47 |
| FREIGHT | 216.75 | 142.57 | 2,519.46 | 7,072.27 |
| SAFETY/ SUPPLES | 97.00 | 0.00 | 691.82 | 40.00 |
| TOTAL CAR REPAIR EXPENSE | 32,374.85 | 21,850.76 | 220,070.35 | 180,209.63 |
| CONTRACTING EXPENSE | | | | |
| REPAIR/MAINT | 2,007.87 | 3,221.80 | 64,734.34 | 75,369.78 |
| TOOLS AND SUPPLIES | 194.78 | 1,950.23 | 21,248.79 | 47,874.92 |
| EQUIPMENT RENTAL | 1,852.53 | 562.50 | 2,395.66 | 19,679.87 |
| DEPRECIATION | 7,098.00 | 24,675.00 | 85,176.00 | 68,378.00 |
| TELEPHONE | 185.87 | 193.52 | 2,321.54 | 2,389.43 |
| PAYROLL TAXES | 16,834.09 | 12,452.75 | 127,622.02 | 119,504.45 |
| CONTRACTING LABOR | 55,349.30 | 52,029.62 | 619,165.94 | 588,119.88 |
| INSURANCE | 160.38 | 1,176.61 | 35,262.50 | 36,926.36 |
| HEALTH BENEFITS | 9,328.41 | 7,464.20 | 76,930.77 | 69,964.04 |
| INJURIES | 0.00 | 162.51 | 916.01 | 3,549.07 |
| VEHICLE | 7,438.70 | 7,224.95 | 91,414.33 | 105,770.99 |
| TRAVEL | 0.00 | 0.00 | 12,523.63 | 38,712.32 |
| MEAL | 0.00 | 341.72 | 10,056.91 | 27,904.14 |
| MATERIALS & SUB CONTR. | 2,325.00 | 23,222.73 | 1,138,330.05 | 2,786,996.37 |
| ER 401K/ROTH CONTR. | 1,288.00 | 790.21 | 10,370.17 | 8,169.27 |
| FREIGHT | 64.02 | 9,330.29 | 76,833.43 | 191,975.34 |
| CAR LEASE EXPENSE | 2,700.00 | 2,700.00 | 32,400.00 | 54,428.30 |
| ADMIN OVERHEAD | 131,800.00 | 157,500.00 | 131,800.00 | 157,750.00 |
| SAFETY/ SUPPLIES | 467.77 | 883.94 | 8,492.33 | 5,223.80 |
| FINES/PENALTIES | 0.00 | 0.00 | 234.29 | 0.00 |
| TOTAL CONTRACTING EXPEN | 239,094.72 | 305,882.58 | 2,548,228.71 | 4,408,686.33 |
| OTHER (INCOME) EXPENSE | | | | |
| LEASE -CP REAL ESTATE | 0.00 | 0.00 | 1,721.11 | 1,200.00 |
| INTEREST EXPENSE | 82,618.21 | 108,870.12 | 1,045,853.88 | 1,155,877.83 |
| INTEREST INCOME | (1,499.52) | (335.33) | (7,745.66) | (6,815.18) |
| LATE CHARGES | 244.77 | 201.75 | 454.96 | 1,316.41 |
| (GAIN) LOSS ON SALE OF F/A | (106,608.00) | (10,269.00) | (97,517.00) | (13,919.00) |
| PENALTIES | 0.00 | 0.00 | 0.00 | 4,431.78 |
| RENTAL INCOME | (3,542.03) | (10,630.80) | (77,196.00) | (83,987.00) |
| MISC INCOME | (4,088.41) | (707,455.74) | (36,210.01) | (903,759.04) |
| PERSONAL USE OF AUTO RECEIP | (36,815.18) | (33,043.92) | (36,815.18) | (33,043.92) |
| T1 & T2 ER PORTION | 335.36 | 0.00 | 1,428.73 | 0.00 |
| INCOME TAX EXPENSE | 0.00 | 9.75 | 46.52 | 9.75 |

For Management Purposes Only

DMVW RAILROAD INC.

Income Statement

For the Twelve Months Ending December 31, 2009

| | Current Month This Year | Current Month Last Year | Year to Date This Year | Year to Date Last Year |
|----------------------------------|----------------------------|----------------------------|---------------------------|---------------------------|
| RENTAL INCOME/RC SPORTS | 105,471.72 | 110,000.00 | 0.00 | 0.00 |
| LOAN PYMT/RC SPORTS | (102,898.98) | (106,855.54) | 0.00 | 0.00 |
| PR YR (INCOME) EXPENSE | 0.00 | (8,545.00) | 3,814.37 | 56,017.94 |
| TOTAL OTHER (INCOME) EXP. | (66,782.06) | (658,053.71) | 797,835.72 | 177,329.57 |
| NET INCOME | \$ 1,203,004.90 | \$ 1,314,685.24 | \$ 6,800,671.46 | \$ 4,615,944.63 |

DMVW RAILROAD INC.
Balance Sheet
December 31, 2009

| | Current Year | | Prior Year |
|-------------------------------------|-------------------------|-----------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| BNC OPERATING | \$ 739,446.05 | \$ | 59,093.98 |
| BNC PAYROLL | 33,846.39 | | 76,640.48 |
| BNC MONEY MARKET | 250,205.48 | | 301,712.90 |
| BNC BC/BS CHECKING | 33,187.78 | | 25,029.39 |
| BNC BC/BS MONEY MARKET | 359.11 | | 95,765.90 |
| BNC REPO ACCT | 1,082,101.89 | | 0.00 |
| CDARS | 314,052.27 | | 0.00 |
| A/R - CPRS - FREIGHT | 3,366,603.96 | | 2,165,810.67 |
| A/R - INSURANCE CLAIM | 583,200.70 | | 20,630.00 |
| A/R - MISCELLANEOUS | 1,072,517.98 | | 1,612,933.00 |
| A/R - FIRST UNION | 4,038.76 | | 2,080.85 |
| A/R-BNSF CAR HIRE | 4,946.73 | | 8,276.81 |
| PREPAID INSURANCE | 65,507.00 | | 63,864.23 |
| PREPAID EXPENSES | 34,975.00 | | 34,975.00 |
| | <hr/> | | <hr/> |
| Total Current Assets | 7,584,989.10 | | 4,466,813.21 |
| Property and Equipment | | | |
| LAND | 102,000.00 | | 99,000.00 |
| BUILDINGS & IMPROVEMENTS | 2,146,894.97 | | 2,100,650.97 |
| TRACK & STRUCTURS | 21,391,140.52 | | 21,391,140.52 |
| WORK EQUIPMENT | 3,520,278.17 | | 3,389,597.00 |
| LOCOMOTIVES | 3,212,864.70 | | 3,054,699.70 |
| RAIL CARS | 342,000.00 | | 266,000.00 |
| RADIO EQUIPMENT | 183,889.50 | | 128,957.25 |
| TRANSPORTATION EQUIPMENT | 789,546.65 | | 799,300.00 |
| OFFICE EQUIPMENT | 277,043.13 | | 261,283.71 |
| ACCUMULATED DEPRECIATION | (9,695,323.00) | | (7,940,261.00) |
| | <hr/> | | <hr/> |
| Total Property and Equipment | 22,270,334.64 | | 23,550,368.15 |
| Other Assets | | | |
| PREPAID INTEREST | 125,229.81 | | 181,989.33 |
| LOAN FEES | 57,342.25 | | 86,222.25 |
| ACCUM AMORT - LOAN FEES | (20,140.00) | | (32,194.00) |
| N/R-EMPLOYEES | 1,442.75 | | 1,433.88 |
| INVESTMENT-FALKIRK MERCH | 11,639.00 | | 134,480.10 |
| INVESTMENT - C STORE OPERATION | 1,144,310.72 | | 1,144,206.37 |
| INVESTMENT-RIVER CITY PROPERTY | 641,058.08 | | 643,630.82 |
| INVESTMENT-RANDALL'S PROPERTY | 956,562.28 | | 956,562.28 |
| INVESTMENT- C STORE PROPERTIES | 955,145.80 | | 955,145.80 |
| INVESTMENT - RIVER CITY LOTS | 411,000.00 | | 411,000.00 |
| INVESTMENT-LOTS I, J & K | 98,474.37 | | 98,474.37 |
| INVESTMENT-MARINA | 156,469.28 | | 156,469.28 |
| INVESTMENT-DISTIUTIVE VACATION | 60,695.00 | | 60,695.00 |
| CASH VALUE LIFE INS. | 98,637.26 | | 79,657.01 |
| PATRONAGE DIVIDEND RECEIVABLE | 125,480.39 | | 121,439.16 |
| | <hr/> | | <hr/> |
| Total Other Assets | 4,823,346.99 | | 4,999,211.65 |
| | <hr/> | | <hr/> |
| Total Assets | \$ 34,678,670.73 | \$ | 33,016,393.01 |

DMVW RAILROAD INC.
Balance Sheet
December 31, 2009

Current Year

Prior Year

LIABILITIES AND CAPITAL

Current Liabilities

| | | |
|------------------------------|---------------|---------------|
| PROMISSORY NOTE - DIANA WOOD | \$ 290,872.25 | \$ 451,549.27 |
| PROMISSORY NOTE-LARRY WOOD | 0.00 | 154,931.72 |
| ACCOUNTS PAYABLE | 894,728.88 | 813,367.03 |
| ADDITIONAL PAYABLES | 19,645.32 | 35,451.22 |
| UNEARNED REVENUE | 0.00 | 106,710.30 |
| ACCRUED DERAILMENT & DAMAGES | 253,510.07 | 147,927.65 |
| ACCRUED PAYROLL | 190,978.74 | 159,457.41 |
| ACCRUED VACATION PAYABLE | 1,557.28 | 18,273.60 |
| NORTH DAKOTA TAX WITHHOLDING | 0.00 | 32,898.00 |
| OTHER WITHHOLDING | (600.00) | (389.90) |
| DENTAL | (2,313.12) | (2,242.04) |
| AFLAC | (11,138.23) | (146.88) |
| 401K/ROTH | 0.00 | 2,973.91 |
| RR UNEMPLOYMENT INSURANCE | 0.00 | 7,737.84 |
| ACCRUED SALES/USE TAX | 695.20 | 1,460.16 |
| ACCRUED INTEREST | 85,086.76 | 23,660.57 |
| CURR POR LONG TERM DEBT | 2,804,958.90 | 2,665,223.00 |
| RCS-BC/BS | (9,026.30) | (4,816.58) |
| C-STORE-BCBS | (5,038.58) | (3,178.76) |

Total Current Liabilities

4,513,917.17

4,610,847.52

Long-Term Liabilities

| | | |
|--------------------------------|----------------|----------------|
| N/P-CATERPILLAR 924H-HXCOO857 | 0.00 | 56,873.12 |
| N/P- BNC TRACK PROJECT 9403569 | 4,918,275.39 | 5,959,875.65 |
| N/P - BNC TRACK PROJ 9439373 | 5,377,844.16 | 6,256,724.90 |
| N/P-BNC TRACK PROJ 9460643 | 2,095,727.90 | 2,324,439.62 |
| N/P-BNC LOAN #9439308 | 0.00 | 426,522.18 |
| N/P-ND DOT TRACK REHAB | 1,575,000.00 | 1,575,000.00 |
| N/P-BNC LOAN #9460650 | 545,673.20 | 620,000.00 |
| LESS: CURR POR LONG TERM DEBT | (2,804,958.90) | (2,665,223.00) |

Total Long-Term Liabilities

11,707,561.75

14,554,212.47

Total Liabilities

16,221,478.92

19,165,059.99

16,221,478.92

19,165,059.99

Capital

| | | |
|----------------------|----------------|----------------|
| COMMON STOCK | 51.80 | 51.80 |
| PAID IN CAPITAL | 55,448.20 | 55,448.20 |
| TREASURY STOCK | (824,286.02) | (824,286.02) |
| RETAINED EARNINGS | 14,620,306.33 | 11,649,174.40 |
| INCOME DISTRIBUTIONS | (2,194,999.96) | (1,644,999.99) |
| Net Income | 6,800,671.46 | 4,615,944.63 |

Total Capital

18,457,191.81

13,851,333.02

**DMVW RAILROAD INC.
Balance Sheet
December 31, 2009**

| | <u>Current Year</u> | | <u>Prior Year</u> |
|--|-------------------------|-----------|----------------------|
| Total Liabilities & Capital | \$ 34,678,670.73 | \$ | 33,016,393.01 |