



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

File No.

Business Name Dakota Northern Railroad	For Year Ended 12/31/2017
Business Address PO Box 705 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
Roxanne Bierwerth, Vice President	PO Box 549 Atwater MN 56209
Frank W. Nesbit, President	PO Box 79, Bethel, MN 55005

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

Name	Address
KBN Inc. - 100%	PO Box 705 Crookston MN 56716

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

Name Jason Bierwerth	Signature 
Title Manager of Operations	Date 4/4/18

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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	270,038	Current Liabilities	31,162
Other Assets/Deferred Charges		Non-Current Liabilities	190,000
Transportation Property – Net	278,080	Stockholders' Equity	326,956
Total Assets	548,118	Total Liabilities and Equity	548,118

4. Condensed Operating Statement (system)

	Balance at End of Year
Railway Operating Revenues (from revenue schedule below)	1,319,234
Less: Railway Operating Expenses (from schedule A – attached)	1,403,901
Net Income from Railway Operations	-84,667
Less: Net Rentals	0
Railway Income Tax Accruals	0
	0
Net Railway Operating Income	-84,667

Additional Data and Statistics

5. Railway Operating Revenues

	North Dakota Intrastate	System Wide
Freight	765,852	765,852
Switching		
Demurrage	15,700	15,700
Incidental	537,682	537,682
Total	1,319,234	1,319,234

	North Dakota Intrastate	System Wide
6. Miles of road owned and operated at year end	48	48
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		

10. Operating Statistics

	System Wide
Gross Ton Miles	Not Tracked
Train Miles	4480
Car Miles	Not Tracked
Car Days	Not Tracked
Road Locomotive Hours	Not Tracked
Yard Locomotive Switching Hours	Not Tracked
Trailer/Container Days	Not Applicable

11. Equipment Inventory

	Owned	Leased
Road Locomotive Units	0	3
Yard Locomotive Units	0	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	→	→	→	→	→	→	→	→	→	356,875
Maintenance of Equipment:										
Locomotives	→	→	→	→	→	→	→	→	→	29,756
Freight Cars	→	→	→	→	→	→	→	→	→	0
Trailers & Containers	→	→	→	→	→	→	→	→	→	0
Other	→	→	→	→	→	→	→	→	→	181,980
Total Maintenance of Equipment	→	→	→	→	→	→	→	→	→	211,736
Transportation:										
Train & Engine Crews	→	→	→	→	→	→	→	→	→	283,488
Yard Crews	→	→	→	→	→	→	→	→	→	0
Locomotive Fuel:										
Train Operations	→	→	→	→	→	→	→	→	→	43,646
Yard Operations	→	→	→	→	→	→	→	→	→	22,380
Total Locomotive Fuel	→	→	→	→	→	→	→	→	→	66,026
Other Transportation:										
Train Operations	→	→	→	→	→	→	→	→	→	161,576
Yard Operations	→	→	→	→	→	→	→	→	→	0
Total Other Transportation	→	→	→	→	→	→	→	→	→	161,576
Total Transportation	→	→	→	→	→	→	→	→	→	511,090
General Administration & Overhead:										
Central Office Personnel	→	→	→	→	→	→	→	→	→	123,530
Property Taxes	→	→	→	→	→	→	→	→	→	15,376
Fringe Benefits	→	→	→	→	→	→	→	→	→	0
Other	→	→	→	→	→	→	→	→	→	185,294
Total Other General Administration & Overhead	→	→	→	→	→	→	→	→	→	324,200
Total System Expenses	→	→	→	→	→	→	→	→	→	1,403,901

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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)						
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:

100% of DN Traffic originates or terminates in North Dakota

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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)	1481	148100	387	38700		
Durum						
Barley						
Sunflowers						
Com	273	27300	25	2500		
Flax						
Oats						
Rye						
Soybeans	836	83600	167	16700		
Other Grain and Oilseeds						
Wheat Flour						
Malt						
Dairy Products						
Fertilizer			393	39300		
Cement						
Coal						
Petroleum & Petroleum Products						
Chemicals						
Lumber						
Machinery						
Livestock						
Miscellaneous*	484	48400	3	300		
Totals	3074	307400	975	97500		

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

100% of DN Traffic originates or terminates in North Dakota
Potatoes 98c/l 9800 tons
Edible Beans 386c/l 38600 tons

Railroads

Supplemental Annual Report

to the

North Dakota Tax Commissioner

(To be completed by Class II and Class III railroads)

(For the year ended December 31, 20 ____)

Name of Railroad: _____

Address: _____

Individual to whom correspondence concerning this report should be directed:

Name: _____ Title: _____

Address: _____

Telephone: _____

Instructions

This supplemental report is to be filed by any railroad company operating within the State of North Dakota that is not required to file the Annual Report Form R-1 with the Surface Transportation Board. It is to be filed in addition to the ANNUAL REPORT OF RAILROADS to the TAX COMMISSIONER and is hereby made a part of that report.

RRS1. Comparative Statement Of Financial Position - Assets (Dollars in Thousands)				
Line No.	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Assets				
1	Cash			1
2	Temporary Cash Investments			2
3	Special Deposits			3
Accounts Receivable				
4	- Loan and Notes			4
5	- Interline and Other Balances			5
6	- Customers			6
7	- Other			7
8	- Accrued Accounts Receivables			8
9	- Receivables from Affiliated Companies			9
10	- Less: Allowance for Uncollectible Accounts			10
11	Working Funds Prepayments Deferred Income Tax Debits			11
12	Materials and Supplies			12
13	Other Current Assets			13
14	Total Current Assets			14
Other Assets				
15	Special Funds			15
16	Investments and Advances Affiliated Companies			16
17	Other Investments and Advances			17
Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities - Cr.				
18				18
Property Used in Other than Carrier Operation (less Depreciation)				
19				19
20	Other Assets			20
21	Other Deferred Debits			21
22	Accumulated Deferred Income Tax Debits			22
23	Total Other Assets			23
Road and Equipment				
24	Road			24
25	Equipment			25
26	Unallocated Items			26
27	Accumulated Depreciation and Amortization			27
28	Net Road and Equipment			28
29	Total Assets			29
Notes And Remarks				

RRS1. Comparative Statement Of Financial Position - Liabilities And Shareholders' Equity				
(Dollars in Thousands)				
Line No.	Title (a)	Balance at close of year (b)	Balance at begin- ning of year (c)	Line No.
	Current Liabilities			
30	Loans and Notes Payable			30
31	Accounts Payable: Interline and Other Balances			31
32	Audited Accounts and Wages			32
33	Other Accounts Payable			33
34	Interest and Dividends Payable			34
35	Payables to Affiliated Companies			35
36	Accrued Accounts Payable			36
37	Taxes Accrued			37
38	Other Current Liabilities			38
39	Equipment Obligations and Other Long-Term Debt due Within One Year			39
40	Total Current Liabilities			40
	Noncurrent Liabilities			
41	Funded Debt Unmatured			41
42	Equipment Obligations			42
43	Capitalized Lease Obligations			43
44	Debt in Default			44
45	Accounts payable: Affiliated Companies			45
46	Unamortized Debt Premium			46
47	Interest in Default			47
48	Deferred Revenues - Transfers from Government Authorities			48
49	Accumulated Deferred Income Tax Credits			49
50	Other Long-Term Liabilities and Deferred Credits			50
51	Total Noncurrent Liabilities			51
	Shareholders' Equity			
52	Total Capital Stock			52
53	Common Stock			53
54	Preferred Stock			54
55	Discount on Capital Stock			55
56	Additional Capital			56
	Retained Earnings:			
57	Appropriated			57
58	Unappropriated			58
59	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60	Less Treasury Stock			60
61	Net Stockholders Equity			61
62	Total Liabilities And Shareholders' Equity			62
Notes And Remarks				

RRS2. Investment In Railroad Property Used In Transportation Service (By Company)

(Dollars in Thousands)

1. Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of property owned or leased by the respondent and used in the respondent's transportation service. Do not deduct equipment leased TO others under separate distinct contracts. Exclude equipment leased FROM operating railroads under separate distinct contracts and the investment of other carriers in property used by the respondent.
2. In column (a), classify each company in this schedule as respondent (R), lessor railroad (L), inactive or proprietary company (P), and other leased properties (O).
3. In column (a) to (e), inclusive, first show the data requested for the respondent (R); next the data for companies whose entire properties are used in transportation service of the respondent, followed by data for carriers and others, portions of whose property are used in transportation service of the respondent. Then show, as deductions, data for transportation property leased to carriers and others.
4. In column (c), report the miles of road used. Report miles in whole numbers.
5. In column (d), show the amount applicable on the books of the companies whose names appear in column (b).
6. In column (e), show the amount of depreciation and amortization accrued at the close of the year that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation and amortization (See Ins. 6) (e)	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		Grand Total				31

**RRS3. Investment In Railway Property Used In Transportation Service
(By Property Accounts)**

(Dollars in Thousands)

1. In columns (b) through (e), give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.
2. The amounts for respondent and for each group or class of companies and properties on line 44 herein should correspond with the amounts for each class of company and properties shown in Schedule RRS-2.
3. Report on line 29 amounts representing capitalization of rentals for leased property where cost of property leased from other carriers is not ascertainable.
4. Report on line 30 amounts not included in the accounts shown, or in line 29.

Line No.	Account (a)	Respondent (b)	Lessor railroads (c)	Inactive (proprietary companies) (d)	Other Leased properties (e)	Line No.
1	(2) Land for transportation purposes					1
2	(3) Grading					2
3	(4) Other right-of-way expenditures					3
4	(5) Tunnels and subways					4
5	(6) Bridges, trestles, and culverts					5
6	(7) Elevated structures					6
7	(8) Ties					7
8	(9) Rail and other track material					8
9	(11) Ballast					9
10	(13) Fences, snow sheds, and signs					10
11	(16) Station and office buildings					11
12	(17) Roadway buildings					12
13	(18) Water stations					13
14	(19) Fuel stations					14
15	(20) Shops and enginehouses					15
16	(22) Storage warehouses					16
17	(23) Wharves and docks					17
18	(24) Coal and ore wharves					18
19	(25) TOFC/COFC terminals					19
20	(26) Communication systems					20
21	(27) Signals and interlockers					21
22	(29) Power plants					22
23	(31) Power-transmission systems					23
24	(35) Miscellaneous structures					24
25	(37) Roadway machines					25
26	(39) Public improvements - Construction					26
27	(44) Shop machinery					27
28	(45) Power plant machinery					28
29	Leased property capitalized rentals					29
30	Other (specify and explain)					30
31	Total Road					31
32	(52) Locomotives					32
33	(53) Freight-train cars					33
34	(54) Passenger-train cars					34
35	(55) Highway revenue equipment					35
36	(56) Floating equipment					36
37	(57) Work equipment					37
38	(58) Miscellaneous equipment					38
39	(59) Computer systems					39
40	Total Equipment					40
41	(76) Interest during construction					41
42	(80) Other elements of investment					42
43	(90) Construction work in progress					43
44	Grand Total					44

