TWENTY-FIFTH

ANNUAL REPORT

OF

Hudson & Manhattan Railroad Company

YEAR ENDED DECEMBER 31, 1933
HUDSON TERMINAL BUILDINGS
(CHURCH STREET FRONT)
CORTLANDT, CHURCH, DEY AND FULTON STREETS
HUDDSON & MANHATTAN RAILROAD COMPANY

TWENTY-FIFTH ANNUAL REPORT

Year Ended December 31, 1933

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</tr>
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HUDSON & MANHATTAN RAILROAD COMPANY

BOARD OF DIRECTORS

WALTER F. BROWN, Chairman - New York City
LEWIS L. CLARKE - - - Fair Haven, N. J.  WM. HENRY BARNUM - - - New York City
JEROME J. HANAUER - - - New York City  H. HOBART PORTER - - - New York City
JOHN W. PLATTEN - - - New York City  ARTHUR BRISBANE - - - New York City
ALBERT H. WIGGIN - - - New York City  J. VIPOND DAVIES - - - Flushing, N. Y.
CARL S. KLUMPP - - - New York City

GENERAL OFFICERS

WALTER F. BROWN, Chairman of the Board
CARL S. KLUMPP, President and General Manager

J. VIPOND DAVIES, Vice-Pres. and Chief Engineer  P. COMPTON MILLER,
WESLEY S. TWIDDY - Treas. and Asst. Secy.  Vice-Pres. in Charge of Real Estate
THOMAS N. WILLINS - - - Comptroller  ROBERT B. KAY - - Secty. and Asst. Treasurer
PAUL SHEPARD - - - Asst. Comptroller  T. G. ANTHONY - - Asst. to Chairman
HARRY W. WEBBER - - - Purchasing Agent

REGISTRAR OF CAPITAL STOCK

GUARANTY TRUST CO. OF NEW YORK, 140 Broadway, New York City

TRANSFER AGENTS

CHEMICAL BANK & TRUST COMPANY, 165 Broadway, New York City

GENERAL OFFICES

HUDSON TERMINAL, 30 Church Street, New York City
MARCH 5, 1934.

To the Stockholders of the

HUDSON & MANHATTAN RAILROAD COMPANY:

The following report for the year ended December 31, 1933, is submitted:

The number of passengers transported decreased 8,103,728 or 9.7%, as compared with the traffic for the preceding year. This decrease in traffic, as explained in previous reports since the depression, was largely due to existing business conditions and the resulting unemployment, causing a decrease in travel between homes and places of employment and also to and from retail and shopping and theatre districts. The increasing downward trend was arrested during the latter months of the year and it is expected that by reason of increased employment the trend will again be upward.

Net income from Hudson Terminal Buildings was also adversely affected by reason of the continued unsettlement in business during the greater part of the year and the extreme competition arising out of overproduction of office buildings in New York City, making it necessary to make adjustments in rentals not only to assist in tiding over old and valued tenants who were having difficulty but to meet the competition above referred to. For the year 1933 net income from the Buildings declined 38.8%.

While the net result for the year shows a deficit of $86,234.78, after accrual of the full 5% on the Adjustment Income Mortgage Bonds, the Board of Directors on February 8, 1934, authorized a payment of 2½% on April 2, 1934, thus completing the full payment of 5% for the year, the deficiency being paid out of surplus or prior earnings.

During the year two dividends of 2½% each were paid on the Preferred Capital Stock. By reason of reduced earnings, however, no dividends on the Common Capital Stock were paid and the usual declaration on the senior stock since the payment of August 15th last was omitted.

In the last report mention was made of the conclusion of agreements between your Company and the Pennsylvania Railroad Company providing for the division of fares derived from the operation of joint train service between New York and the new stations of the Pennsylvania Railroad at Market Street, Newark, and at South Street, Newark, with a supplementary service to the present Park Place Station in Newark. Due to the fact that the new stations at Market Street and South Street, Newark, were not completed, no change in joint service operations was made during the year.

Acknowledgement is made by your Board of its appreciation of the intelligence, diligence and loyalty displayed by the officers and employees of the Company in the performance of their duties during the year.

By order of the Board of Directors,

WALTER F. BROWN,

Chairman of the Board.
## EXHIBIT No. 3

### CONDENSED BALANCE SHEET

### ASSETS

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property accounts</td>
<td>$124,837,519.05</td>
</tr>
<tr>
<td>Less reserve for amortization</td>
<td>9,165,317.86</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$115,672,201.19</strong></td>
</tr>
<tr>
<td>Amortization funds (including $2,153,500.00 par value of company's bonds) at cost</td>
<td>5,060,659.25</td>
</tr>
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<td>Insurance and casualty fund</td>
<td>450,000.00</td>
</tr>
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<td>Bond discount in process of amortization</td>
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### Working Assets

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</tr>
</thead>
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<tr>
<td>Current cash account</td>
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</tr>
<tr>
<td>Cash deposited to pay matured bond interest</td>
<td>59,342.50</td>
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<td>1,272.16</td>
</tr>
<tr>
<td>Investments—At market value</td>
<td>849,973.01</td>
</tr>
<tr>
<td>Accounts receivable (less reserve for doubtful accounts)</td>
<td>282,350.44</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>366,147.03</td>
</tr>
<tr>
<td>Deposits with public departments</td>
<td>19,412.50</td>
</tr>
<tr>
<td>Prepaid insurance, rents and taxes</td>
<td>63,529.30</td>
</tr>
</tbody>
</table>

**Total Working Assets:**

- **2,457,682.93**

- **Items in suspense—Net**: 1,734.26

---

**Total Assets**: $125,703,541.50
CERTIFICATE

HUDSON & MANHATTAN RAILROAD COMPANY:

We have audited your accounts for the year ended December 31, 1933; have checked from original sources of entry all receipts and expenditures and all items entering into the income and profit and loss accounts; have examined the entries in capital accounts; and have made an independent verification of the cash balances and securities owned at December 31, 1933, and

We hereby certify that in our opinion the accompanying condensed balance sheet at December 31, 1933, and statements of income and profit and loss for the year ended that date are correct

HASIKINS & SELLSS

NEW YORK, FEBRUARY 21, 1934.
NEW YORK, FEBRUARY 19, 1934.

MR. WALTER F. BROWN,
Chairman of the Board.

DEAR SIR:

I submit herewith a Condensed Balance Sheet of the Hudson & Manhattan Railroad Company, as at December 31, 1933, also an Income Account and a Profit & Loss Statement for the year ended that date.

Very truly yours,

T. N. WILLINS,
Comptroller.
EXHIBIT No. 1
INCOME ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1933,
COMpared with previous year

<table>
<thead>
<tr>
<th>RAILROAD REVENUES:</th>
<th>1933</th>
<th>1932</th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger fares</td>
<td>$5,501,149.60</td>
<td>$6,131,606.69</td>
<td></td>
<td>$630,457.09</td>
</tr>
<tr>
<td>Advertising</td>
<td>106,200.00</td>
<td>142,000.00</td>
<td></td>
<td>35,800.00</td>
</tr>
<tr>
<td>Other car and station privileges</td>
<td>208,421.58</td>
<td>248,830.01</td>
<td></td>
<td>40,408.43</td>
</tr>
<tr>
<td>Rent of buildings and other property</td>
<td>84,500.08</td>
<td>84,500.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous transportation revenue</td>
<td>52,546.00</td>
<td>85,342.77</td>
<td></td>
<td>32,796.77</td>
</tr>
<tr>
<td>Other miscellaneous revenue</td>
<td>3,680.30</td>
<td>3,450.52</td>
<td></td>
<td>157.78</td>
</tr>
<tr>
<td><strong>Total Railroad Revenues</strong></td>
<td>$5,956,425.56</td>
<td>$6,695,730.07</td>
<td>$ 739,304.51</td>
<td></td>
</tr>
</tbody>
</table>

| RAILROAD OPERATING EXPENSES:                           |            |            |          |          |
| Maintenance of way and structures                      | $305,658.25 | $302,498.12 | $ 3,160.13 | $ 32,665.56 |
| Maintenance of equipment                               | 291,547.43  | 324,212.99  |          | 34,141.52  |
| Power                                                  | 465,900.03  | 500,041.45  |          |          |
| Transportation expenses                                | 1,174,351.20 | 1,331,829.91 |          | 157,478.71 |
| General expenses                                       | 352,647.31  | 348,300.90  |          | 4,346.41   |
| **Total Railroad Operating Expenses**                  | $2,590,194.22 | $2,806,883.37 | $ 216,779.15 |

| NET REVENUE FROM RAILROAD OPERATION                     | $3,366,321.34 | $3,888,846.70 |          | $ 522,525.36 |

| TAXES APPLICABLE TO RAILROAD OPERATION                  | 805,125.74   | 867,373.09   |          | 62,247.35   |

| RAILROAD OPERATING INCOME                               | $2,561,155.60 | $3,021,473.61 |          | $ 460,278.01 |

| NET INCOME, OTHER THAN RAILROAD OPERATIONS              | 837,010.62   | 1,338,619.33 |          | 501,608.71  |

| OPERATING INCOME                                        | $3,398,206.22 | $4,360,092.94 |          | $ 961,886.72 |

| NON-OPERATING INCOME                                    | 292,702.20   | 335,086.50   |          | 42,384.30   |

| GROSS INCOME                                            | $3,690,908.42 | $4,695,179.44 |          | $1,004,271.02 |

**Income Deductions other than Bond Interest:**

| Interest on real estate mortgage                        | $ 1,500.00   | $ 3,000.00   |          | $ 1,500.00   |
| Rentals of tracks, yards and terminals                  | 52,626.57    | 54,587.65    |          | 1,961.08     |
| Amortization of debt discount                           | 38,761.80    | 38,761.80    |          |          |
| Miscellaneous deductions                                | 110,619.83   | 97,429.88    |          | $ 13,189.95  |

| **Total Deductions Prior to Bond Interest**             | $ 203,508.20 | $ 193,779.33 | $ 9,728.87 |

| NET INCOME APPLICABLE TO BOND INTEREST                  | $3,487,400.22 | $4,501,400.11 |          | $1,013,999.89 |

| INTEREST ON FIRST Lien & REF. 5's and FIRST mortgage 4½'s | 1,918,535.00   | 1,931,631.51  |          | 13,096.51    |
| Balance                                                 | $1,568,865.22  | $2,569,768.60 |          | $1,000,903.38 |

| INTEREST ON ADJUSTMENT INCOME 5% BONDS                  | 1,655,100.00   | 1,655,100.00  |          |          |

| SURPLUS FOR THE YEAR (Deficit, 1933)                    | $ 86,234.78    | $ 914,668.60  |          | $1,000,903.38 |

* Includes N. Y. & J. 5's, month of January, 1932.
EXHIBIT No. 2

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1933

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, Surplus December 31, 1932</td>
<td>$6,646,196.26</td>
</tr>
<tr>
<td>Deductions:</td>
<td></td>
</tr>
<tr>
<td>Deficit for the year ended December 31, 1933, as per income account</td>
<td>$ 86,234.78</td>
</tr>
<tr>
<td>Dividend No. 21 on Preferred Capital Stock, payable August 15, 1933</td>
<td>131,030.19</td>
</tr>
<tr>
<td>Transfer to “Funded debt retired through income and surplus” account, representing real estate mortgages retired in prior years</td>
<td>1,040,500.00</td>
</tr>
<tr>
<td>Miscellaneous Debits—Net</td>
<td>53,756.07</td>
</tr>
<tr>
<td></td>
<td>1,311,521.04</td>
</tr>
<tr>
<td>Balance, December 31, 1933</td>
<td>$5,334,675.22</td>
</tr>
</tbody>
</table>
### EXHIBIT No. 3

**AS OF DECEMBER 31, 1933**

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common capital stock and scrip</td>
<td>$39,995,385.00</td>
</tr>
<tr>
<td>Preferred capital stock and scrip</td>
<td>5,242,938.75</td>
</tr>
<tr>
<td>Stocks held to redeem outstanding securities of predecessor companies</td>
<td>11,626.25</td>
</tr>
<tr>
<td></td>
<td><strong>$45,249,950.00</strong></td>
</tr>
<tr>
<td>First lien and refunding mortgage 5% bonds</td>
<td>$37,521,233.66</td>
</tr>
<tr>
<td>Adjustment income mortgage 5% bonds</td>
<td>33,102,000.00</td>
</tr>
<tr>
<td>First mortgage 4½% bonds</td>
<td>944,000.00</td>
</tr>
<tr>
<td></td>
<td><strong>71,567,233.66</strong></td>
</tr>
<tr>
<td>Operating reserves</td>
<td>527,947.49</td>
</tr>
<tr>
<td><strong>Working Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Accrued interest, rents and taxes, not yet due</td>
<td>$817,858.25</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>241,851.54</td>
</tr>
<tr>
<td>Maturred interest payable</td>
<td>59,476.29</td>
</tr>
<tr>
<td>Interest on adjustment income bonds, 2½% declared February 8, 1934, payable April 2, 1934</td>
<td>827,550.00</td>
</tr>
<tr>
<td>Preferred dividends payable</td>
<td>10,641.76</td>
</tr>
<tr>
<td>Common dividends payable</td>
<td>25,857.29</td>
</tr>
<tr>
<td></td>
<td><strong>1,983,235.13</strong></td>
</tr>
<tr>
<td>Corporate Surplus:</td>
<td></td>
</tr>
<tr>
<td>Funded debt retired through income and surplus</td>
<td>$1,040,500.00</td>
</tr>
<tr>
<td>Profit and Loss—Balance</td>
<td>5,334,675.22</td>
</tr>
<tr>
<td></td>
<td><strong>6,375,175.22</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$125,703,541.50</strong></td>
</tr>
</tbody>
</table>

**NOTE:** Contingent upon the outcome of a case now pending there is a possible tax liability of approximately $150,000.00 for Federal income taxes in addition to current accruals, or a possible refund of approximately $100,000.00.
## EXHIBIT No. 4
BONDS OUTSTANDING DECEMBER 31, 1933

<table>
<thead>
<tr>
<th>CLASS OF BONDS</th>
<th>Denomination</th>
<th>DATE</th>
<th>When Due</th>
<th>INTEREST</th>
<th>Amount of Bonds Authorized</th>
<th>Amount Outstanding</th>
<th>TRUSTEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Lien and Refunding Mortgage</td>
<td>{$1,000}</td>
<td>Feb. 1, 1913</td>
<td>Feb. 1, 1957</td>
<td>5%</td>
<td>$65,000,000.00</td>
<td>$37,521,233.66</td>
<td>Central Hanover Bank &amp;</td>
</tr>
<tr>
<td></td>
<td>{500}</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Trust Co. of N. Y.</td>
</tr>
<tr>
<td></td>
<td>{100}</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment Income Mortgage</td>
<td>1,000</td>
<td>Feb. 1, 1913</td>
<td>Feb. 1, 1957</td>
<td>5%</td>
<td>33,574,000.00</td>
<td>33,102,000.00</td>
<td>Guaranty Trust Co. of N. Y.</td>
</tr>
<tr>
<td></td>
<td>500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Mortgage</td>
<td>1,000</td>
<td>Feb. 1, 1907</td>
<td>Feb. 1, 1957</td>
<td>4½%</td>
<td>*944,000.00</td>
<td>944,000.00</td>
<td>Guaranty Trust Co. of N. Y.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$99,518,000.00</td>
<td>$71,567,233.66</td>
<td></td>
</tr>
</tbody>
</table>

*The balance of the issue of First Mortgage 4½% bonds ($66,204,000.00) is deposited with the trustees of the First Lien and Refunding Mortgage and the Adjustment Income Mortgage in accordance with the terms thereof.*
## EXHIBIT No. 3

### CONDENSED BALANCE SHEET

### ASSETS

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