

CSX CORP  
Form 11-K  
June 23, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2013

Commission file number 1-8022

TAX SAVINGS THRIFT PLAN FOR EMPLOYEES OF  
CSX CORPORATION  
AND AFFILIATED COMPANIES

CSX CORPORATION  
A Virginia Corporation  
IRS Employer Identification Number 62-1051971  
500 Water Street  
Jacksonville, Florida 32202  
Telephone (904) 359-3200

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TAX SAVINGS THRIFT PLAN FOR EMPLOYEES OF CSX CORPORATION  
AND AFFILIATED COMPANIES

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

AS OF DECEMBER 31, 2013 AND 2012  
AND FOR THE YEAR ENDED DECEMBER 31, 2013

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TAX SAVINGS THRIFT PLAN FOR EMPLOYEES OF CSX CORPORATION  
AND AFFILIATED COMPANIES

Report of Independent Registered Public Accounting Firm

The Plan Administrator of the Tax Savings Thrift Plan for Employees of CSX Corporation and  
Affiliated Companies and the Audit Committee of CSX Corporation

We have audited the accompanying statements of net assets available for benefits of the Tax Savings Thrift Plan for Employees of CSX Corporation and Affiliated Companies as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Tax Savings Thrift Plan for Employees of CSX Corporation and Affiliated Companies at December 31, 2013 and 2012, and the changes in its net assets available for benefits for the year ended December 31, 2013, in conformity with US generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2013, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP  
Certified Public Accountants

Jacksonville, Florida  
June 23, 2014



TAX SAVINGS THRIFT PLAN FOR EMPLOYEES OF CSX CORPORATION  
AND AFFILIATED COMPANIES

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

(Dollars in thousands)

	December 31	
	2013	2012
<b>ASSETS</b>		
Investments, at fair value:		
Investment in Master Trust (Note 3)	\$1,149,158	\$974,212
Receivables		
Member contributions	2,696	2,591
Employer contributions	1,031	995
Notes receivable from participants	20,956	18,269
Total Assets	1,173,841	996,067
<b>LIABILITIES</b>		
Accrued expenses	174	233
Net Assets Available for Benefits, At Fair Value	1,173,667	995,834
Adjustment from fair value to contract value relating to fully benefit-responsive investment contracts (Note 4)	(24,664	) (40,692 )
Net Assets Available for Benefits	\$1,149,003	\$955,142

See accompanying Notes to Financial Statements

TAX SAVINGS THRIFT PLAN FOR EMPLOYEES OF CSX CORPORATION  
AND AFFILIATED COMPANIES

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Year Ended December 31, 2013

(Dollars in thousands)

Additions	
Net gain from investment in Master Trust (Note 3)	\$228,139
Member contributions	33,980
Employer contributions	12,909
Transfers to the Plan	2,644
Interest on notes receivable from participants	826
Total Additions	278,498
Deductions	
Distributions to members	80,860
Transfers from the Plan	3,075
Fees and expenses	702
Total Deductions	84,637
Net Increase	193,861
Net Assets Available for Benefits at Beginning of Year	955,142
Net Assets Available for Benefits at End of Year	\$1,149,003

See accompanying Notes to Financial Statements

TAX SAVINGS THRIFT PLAN FOR EMPLOYEES OF CSX CORPORATION  
AND AFFILIATED COMPANIES

NOTES TO FINANCIAL STATEMENTS

NOTE 1. Description of the Plan

The following description of the Tax Savings Thrift Plan for Employees of CSX Corporation and Affiliated Companies (“the Plan”) provides only general information. Members should refer to the Summary Plan Description and the Plan Document for a more complete description of the Plan’s provisions.

General: The Plan is a defined contribution plan covering all salaried employees and certain non-union hourly employees of CSX Corporation (“CSX” or “Plan Sponsor”) and adopting affiliated companies (collectively, “the Company”). A portion of the Plan has been established as an Employee Stock Ownership Plan (“ESOP”) designed to comply with Section 4975(e)(7) of the Internal Revenue Code of 1986 (“the Code”), as amended. The Plan also contains a cash or deferred arrangement described in Section 401(k) of the Code and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. The ESOP component is designed to invest primarily in CSX common stock and may invest 100% in these securities.

Contributions: Members, as defined in the Plan Document, may contribute from 1% to 50% (in 1% multiples) of eligible compensation, as defined by the Plan Document, on a pre-tax basis up to the current Code limit. Members who are age 50 or older by the end of the applicable calendar year are eligible to make catch-up contributions in accordance with the Code. Subject to certain limitations, members may rollover distributions from another qualified plan or an individual retirement account (“Rollover Account”). Members may change contribution rates daily.

The Company contributes amounts equal to 100% of the first 1% of a member’s eligible contributions to the Plan as matching contributions. For the next 2% up to 6% of a member’s eligible contributions to the Plan, the Company contributes amounts equal to 50% as matching contributions. Therefore, the total potential employer matching contribution is 3.5%. Additional amounts may be contributed at the option of the Company’s Board of Directors or under the delegation of authority granted by the Board to the appropriate Company officers.

Diversification: Members may generally direct the investment of contributions on a daily basis among a choice of investment options offered under the Plan.

Reallocations: CSX does not permit members to repurchase shares of a previously sold fund through investment fund activity for 30 calendar days after the transaction. Members may, however, transfer funds to the Stable Value Fund investment option at any time without restriction.

TAX SAVINGS THRIFT PLAN FOR EMPLOYEES OF CSX CORPORATION  
AND AFFILIATED COMPANIES

NOTES TO FINANCIAL STATEMENTS

NOTE 1. Description of the Plan, continued

Member Accounts: Each member's account is credited with the member's contributions and allocations of (a) Company contributions and (b) Plan earnings and is charged with the member's disbursements and an allocation of administrative expenses. If made, profit sharing contributions are in proportion to each member's base compensation paid by the Company. Plan earnings are allocated on a proportionate share of the increase or decrease in the fair market value of each fund in which the member's accounts are invested on each valuation date. Record-keeping expense allocations are charged equally to each member's account. All other administrative expense allocations are made on the basis of assets in the individual's account.

Plan to Plan Transfers: When members change employment status between contract positions and management positions within the Plan Sponsor, the member can no longer participate in the former plan. Accordingly, automatic transfers are initiated on a member's behalf if their account balance is not voluntarily transferred from the ineligible plan to the eligible plan within the Master Savings Trust.

Vesting: Members are 100% vested in their accounts.

Loans: Certain members may borrow from their accounts an amount equal to the lesser of fifty thousand dollars in the aggregate (reduced by the highest outstanding balance during the one year period preceding the loan) or 50% of their account balance (reduced by the outstanding balance of all Plan loans at the time of the loan). Loan terms range from one to five years unless the loan is to be used in conjunction with the purchase of a primary residence, in which case the term is 25 years. Loans are secured by the balance in the member's account. The loan interest rates are calculated using the prime rate in the Wall Street Journal as of the first business day of the current month in which the loan originates plus 1%. The interest rate in effect when a member applies for the loan will remain in effect for the term of the loan. It will not change even though the interest rate applicable to new loans may change. Principal and interest are paid ratably through payroll deductions.

Dividends: Dividends paid on shares of CSX common stock held in a member's account are reinvested in shares of CSX common stock. A member or spousal beneficiary may elect to have dividends paid to them in cash. Any change in an election will apply only to ex-dividend dates occurring after the date such election is received. A member who does not make a timely election will have the dividends paid to his or her account and reinvested in shares of CSX common stock.

Payment of Benefits: Upon termination of service, a member may receive a lump sum amount equal to the value of his or her account. Upon disability or retirement, a member may elect to receive a lump sum or monthly installments over a period not to exceed the lesser of 240 months or the life expectancy of the last survivor of the member and his or her beneficiary. Surviving spouses of retired or disabled members may also elect monthly installments. A terminated member's account balance of five thousand dollars or less (excluding the Rollover Account) as of his or her date of termination or the last day of any Plan year shall be rolled over into an individual retirement account at Millennium Trust Company unless the member makes an alternate distribution request.

Administrative Expenses: The administrative expenses of the Plan are paid by the Company or from Plan assets as the Plan Sponsor directs. All of the administrative expenses of the Plan during 2013 were paid from Plan assets.



Plan Termination: Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions to the Plan at any time and to terminate the Plan subject to the provisions of ERISA. If the Plan were to terminate, members would remain 100% vested in their accounts.

TAX SAVINGS THRIFT PLAN FOR EMPLOYEES OF CSX CORPORATION  
AND AFFILIATED COMPANIES

NOTES TO FINANCIAL STATEMENTS

NOTE 2. Summary of Significant Accounting Policies

**Basis of Presentation:** The financial statements have been prepared under the accrual method of accounting in accordance with U.S. generally accepted accounting principles. All dollar amounts are reported in thousands.

**Use of Estimates:** The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements, accompanying notes and supplemental schedule. Actual results could differ from those estimates.

**Investments:** The CSX Corporation Master Retirement Savings Plan Trust ("Master Trust") holds all investments of this Plan and the CSX Corporation Capital Builder Plan. For further details, see Note 3, Investment in Master Trust.

**Notes Receivable from Participants:** Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2013 or 2012. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

NOTE 3. Investment in Master Trust

All investments of the Master Trust are held by The Northern Trust Company ("Trustee"), the Trustee of the Master Trust. Each participating plan's interest in the Master Trust is based on account balances of the participants and their elected investment fund options. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

TAX SAVINGS THRIFT PLAN FOR EMPLOYEES OF CSX CORPORATION  
AND AFFILIATED COMPANIES

## NOTES TO FINANCIAL STATEMENTS

## NOTE 3. Investment in Master Trust, continued

Summarized financial information of the Master Trust is presented below:

(Dollars in Thousands)	December 31, 2013	Plan's Interest <sup>(a)</sup>	December 31, 2012	Plan's Interest <sup>(a)</sup>
CSX Stock Fund				
CSX Common Stock	\$ 819,355		\$ 629,273	
Northern Trust Collective Short-term Investment Fund	3,850		3,073	
Total CSX Stock Fund	823,205	39	% 632,346	40
Mutual Funds				
Vanguard Institutional Index Instl Plus	209,307	57	% 159,711	55
Vanguard Morgan Growth	80,301	67	% 61,676	66
Vanguard Wellington Fund	150,969	59	% 122,506	56
Morgan Stanley International Fund	—	—	% 62,048	61
T. Rowe Price Retirement 2005 Fund	—	—	% 465	36
T. Rowe Price Retirement 2010 Fund	—	—	% 3,543	81
T. Rowe Price Retirement 2E				

	TITLE	DATE
/s/ JEFFREY H. BROTMAN	Chairman of the Board of Directors	January 31, 2007
<b>Jeffrey H. Brotman</b>		
/s/ JAMES D. SINEGAL	President, Chief Executive Officer and Director	January 31, 2007
<b>James D. Sinegal</b>		
	(Principal Executive Officer)	
/s/ RICHARD A. GALANTI	Executive Vice President, Chief Financial Officer and Director (Principal Financial Officer)	January 31, 2007
<b>Richard A. Galanti</b>		
/s/ RICHARD D. DICERCHIO	Senior Executive	January 31, 2007

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**Richard D. DiCerchio**

Vice  
President,  
Chief  
Operating  
Officer  
and  
Director

/s/ BENJAMIN S. CARSON, SR.

Director

January  
31, 2007

**Dr. Benjamin S. Carson, Sr., M.D.**

/s/ SUSAN L. DECKER

Director

January  
31, 2007

**Susan L. Decker**

/s/ DANIEL J. EVANS

Director

January 31,  
2007

**Daniel J. Evans**

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<b>SIGNATURE</b>	<b>TITLE</b>	<b>DATE</b>
/s/ WILLIAM H. GATES <b>William H. Gates</b>	Director	January 31, 2007
/s/ HAMILTON E. JAMES <b>Hamilton E. James</b>	Director	January 31, 2007
/s/ RICHARD M. LIBENSON <b>Richard M. Libenson</b>	Director	January 31, 2007
/s/ JOHN W. MEISENBACH <b>John W. Meisenbach</b>	Director	January 31, 2007
/s/ CHARLES T. MUNGER <b>Charles T. Munger.</b>	Director	January 31, 2007
/s/ JILL S. RUCKELSHAUS <b>Jill S. Ruckelshaus</b>	Director	January 31, 2007
/s/ DAVID S. PETTERSON <b>David S. Petterson</b>	Senior Vice President and Corporate Controller (Principal Accounting Officer)	January 31, 2007

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**EXHIBIT INDEX**

**Exhibit**

<b>Number</b>	<b>Exhibits</b>
1.1+	Form of Underwriting Agreement with respect to Debt Securities.
4.1+	Form of Senior Debt Security.
4.2	First Supplemental Indenture between Costco Wholesale Corporation and U.S. Bank National Association, as Trustee, dated March 20, 2002 (incorporated by reference to Exhibits 4.1 and 4.2 to the Company's Current Report on Form 8-K filed on March 25, 2002).
4.3	Articles of Incorporation of Costco Wholesale Corporation (incorporated by reference to the Company's Current Report on Form 8-K filed on August 30, 1999).
4.4	Bylaws of Costco Wholesale Corporation (incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended September 3, 2000).
4.5	The Registrant will furnish upon request copies of all instruments defining the rights of holders of long-term debt instruments of Registrant and its consolidated subsidiaries.
5.1	Opinion of Heller Ehrman LLP as to the legality of the securities being registered.
12.1	Statement re: Computation of Ratio of Earnings to Fixed Charges.
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
23.2	Consent of Heller Ehrman LLP (contained in Exhibit 5.1).
24.1	Powers of Attorney (see page II-5).
25.1	Statement of Eligibility of Trustee.

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+ To be filed as an exhibit to a Current Report on Form 8-K and incorporated by reference or by post-effective amendment.