

00900 FLORIDA-TEXAS FREIGHT, INC. 1978 1

00900

**Freight Forwarders
(Class A)**
**Annual Report Form
F-1**
1978

Due: March 31, 1979

 Approved by GAO
B-180230 (R0254)
Expires 10-31-79

1. CORRECT NAME AND ADDRESS IF DIFFERENT THAN SHOWN. (See instructions)

NAME AND ADDRESS OF REPORTING CARRIER (Attach

 FF000029 FLORIDAFREI A O A 900
FTFF FLORIDA-TEXAS FREIGHT, INC.
P.O. BOX 670777
MIAMI FL 33167

 2. State whether respondent is an individual owner, partnership, corporation, association, etc.: Corporation

3. If a partnership, state the names and addresses of each partner including silent or limited, and their interests:

Name	Address	Proportion of Interest

4. If a corporation, association or other similar form of enterprise, give:

(a) Dates and States of incorporation or organization:

(b) Directors' names, addresses, and expiration dates of terms of office:

Name	Address	Term Expires
August J. Paluzzi	11405 N.W. 36 Ave. Miami, Fla. 33167	
Ralph A. Carloni	1718 Boston Post Road Milford, Conn. 06460	

(c) The names and titles of principal general officers:

Name	Title
August J. Paluzzi	President/Treasurer
Ralph A. Carloni	Exec. Vice Pres./Secretary

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MAY 4 1979

5. Give the voting power, elections, and stockholders, as follows:

A. Total voting securities outstanding

	shares	votes
(1) Common	60	
(2) 1st Preferred		
(3) 2nd Preferred		
(4) Other securities		

 B. Does any class of securities carry any special privileges in any elections or in the control of corporate action?
NO

If so, describe each such class or issue, showing the character and extent of such privileges:

C. State for each class of stock the total number of stockholders of record at the latest date of closing of stock book or compilation of list of stockholders prior to date of submitting this report:

(1) Common _____ (2) 1st Preferred _____ (3) 2nd Preferred _____
 (4) Other _____ (5) Date of closing stock book _____

6. Give names of the ten security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him. If any such holder held securities in trust, give (in a footnote) the particulars of the trust. If the stock book was not closed or the list of stockholders compiled within such year, show such ten security holders as of the close of the year.

Name of security holder (a)	Address (b)	Number of votes, to which entitled (c)	Number of votes, classified			
			Common (d)	1st Preferred (e)	2nd Preferred (f)	Other securities (g)
Fla Transport Group, Inc.	11405 N.W. 36 Ave. Miami, Fla. 33167	60	60			

7. The respondent is required to send to the Bureau of Accounts, immediately upon preparation two copies of its latest annual report to stockholders.

Check appropriate box:

☐ Two copies are attached to this report.

☐ Two copies will be submitted _____
 (date)

☒ No annual report to stockholders is prepared.

8. If the respondent was formed as a result of consolidations or mergers during the year, name all constituent companies, and give specific references to charters or general laws governing each organization, date and authority for each consolidation and each merger received from a regulatory body, and date of consummation.

NOT APPLICABLE

9. If the respondent was reorganized during the year, give name of original corporation and the laws under which it was organized, or the name of owner or partners, the reason for the reorganization, and date of reorganization.

NOT APPLICABLE

10. If the respondent was subject to a receivership during the year, state:

NOT APPLICABLE

A. Date of receivership _____	"	"
B. Court of jurisdiction under which operations were conducted _____	"	"
C. Date when possession under it was required _____	"	"
D. Name of receiver, receivers, or trustee _____	"	"

11. If any individual, individuals, association, or corporation held control, as trustee, other than receivership, over the respondent at the close of the year, state--

NOT APPLICABLE

- A. Date of trusteeship _____
 B. Authority for trusteeship _____
 C. Name of trustee _____
 D. Name of beneficiary or beneficiaries _____
 E. Purpose of trust _____

12. Give a list of companies under common control with respondent:

FRATEX, INC. 100%
 FRATEX CARTAGE CO., INC. 100%
 TARPON TRANSPORTATION, INC.
 FLAMINGO TRANSPORTATION, INC.

13. Furnish a complete list of all companies controlled by the respondent, either directly or indirectly, at the close of the year. List under each directly controlled company the companies controlled by it and under each company any others of more remote control. Each step of control should be appropriately indented from the left margin. After each company state the percentage, if any, of the voting power represented by securities owned by the immediately controlling company:

FRATEX, INC. 100%
 FRATEX CARTAGE CO., INC. 100%

14. Give a complete list showing companies controlling the respondent, as of the close of the year. Commence with the company which is the most remote and list under each such company the company immediately controlled by it. Each step of control should be appropriately indented from the left margin. After each company state the percentage, if any, of the voting power represented by securities owned by the immediately controlling company. When any company listed is immediately controlled by or through two or more companies jointly, list all such companies and list the controlled company under each of them, indicating its status by appropriate cross references:

FLORIDA TRANSPORT GROUP, INC. 100%
 FLORIDA-TEXAS FREIGHT, INC.

15. States in which traffic is originated and/or terminated: (check appropriate boxes)

Alabama		Georgia		Maryland	X	New Jersey	X	South Carolina	
Alaska		Hawaii		Massachusetts	X	New Mexico	X	South Dakota	
Arizona		Idaho		Michigan		New York	X	Tennessee	X
Arkansas		Illinois		Minnesota		North Carolina		Texas	
California		Indiana		Mississippi		North Dakota		Utah	
Colorado		Iowa		Missouri		Ohio	X	Vermont	X
Connecticut	X	Kansas		Montana		Oklahoma		Virginia	X
Delaware	X	Kentucky	X	Nebraska		Oregon		Washington	
District of Columbia	X	Louisiana	X	Nevada		Pennsylvania	X	West Virginia	
Florida	X	Maine	X	New Hampshire	X	Rhode Island	X	Wisconsin	
								Wyoming	

16. COMPARATIVE BALANCE SHEET STATEMENT - ASSET SIDE

Give the following financial data at the beginning of the year and at the close of the year (omit cents):

Line No.	Balance at beginning of year (a)	Item (b)	Balance at close of year (c)
		I. CURRENT ASSETS	
1	143,925	(100) Cash	235,087
2	127,000	(101) Special cash deposits (Sec. 18)	-0-
3	-0-	(102) Temporary cash investments	-0-
4	60,576	1. Pledged \$ -0- 2. Unpledged \$ -0-	46,423
5	XXXXXX	(103) Working advances	XXXXXX
6	XXXXXX	(104) Notes receivable	XXXXXX
7	2,129,357	(105) Accounts receivable	2,700,781
8	-0-	(106) Less: Reserve for doubtful accounts	2,654,781
9	-0-	(107) Accrued accounts receivable	-0-
10	-0-	(108) Materials and supplies	-0-
11	-0-	(109) Other current assets	-0-
12	2,460,858	(110) Deferred income tax charges (Sec. 19)	-0-
13		Total current assets	2,936,291
		II. SPECIAL FUNDS AND DEPOSITS	
14	XXXXXX	(120) Sinking and other funds	XXXXXX
15		Less: Nominally outstanding	
16	42,252	(121) Special deposits	15,750
17		Less: Nominally outstanding	-0-
18		Total special funds	15,750
		III. INVESTMENT SECURITIES AND ADVANCES	
19		(130) Investments in affiliated companies (Sec. 20)	
20	XX-XXX	1. Pledged \$ 2. Unpledged \$	XXXXXX
21		Undistributed earnings from certain investments in affiliated companies (Sec. 21)	24,296
22		(131) Other investments (Sec. 20)	
23	XXXXXX	1. Pledged \$ 2. Unpledged \$24,296	XXXXXX
24		(132) Less: Reserve for adjustment of investments in securities	
25		(133) Allowance for net unrealized loss on noncurrent marketable equity securities	24,296
26		Total investment securities and advances	
		IV. TANGIBLE PROPERTY	
27	514,318	(140) Transportation property (Sec. 22-A)	1,471,012
28		(149) Less: Depreciation and amortization reserve	873,663
29		Transportation property (Sec. 22-B)	597,349
30	XXXXXX	(160) Nontransportation property (Sec. 22)	XXXXXX
31	514,318	(161) Less: Depreciation reserve	
		Nontransportation property (Sec. 23)	597,349
		V. INTANGIBLE PROPERTY	
32		(165) Organization	270,000
33	270,000	(166) Other intangible property	270,000
34	270,000	Total intangible property	270,000
		VI. DEFERRED DEBITS AND PREPAID EXPENSES	
35	64,521	(170) Prepayments	48,839
36	94,504	(172) Other deferred debits	55,555
37	159,025	(173) Accumulated deferred income tax charges (Sec. 19)	104,394
38		Total deferred debits and prepaid expenses	
		VII. REACQUIRED AND NOMINALLY ISSUED SECURITIES	
39	XXXXXX	(190) Reacquired and nominally issued long-term debt	XXXXXX
40	XXXXXX	Reacquired: 1. Pledged	XXXXXX
41	XXXXXX	2. Unpledged	XXXXXX
42	XXXXXX	Nominally issued: 1. Pledged	XXXXXX
43	XXXXXX	2. Unpledged	XXXXXX
44	XXXXXX	(191) Nominally issued capital stock	XXXXXX
45	XXXXXX	1. Pledged \$ 2. Unpledged \$	
46	3,446,453	TOTAL ASSETS	3,948,080
47	None	Contingent assets (not included above)	None

*For compensating balances not legally restricted, see Sec. 17.

COMPARATIVE BALANCE SHEET STATEMENT—LIABILITY SIDE

5

Line No.	Balance at beginning of year (a)	Item (b)	Balance at close of year (c)
	\$	VIII. CURRENT LIABILITIES	\$
48	313,309	(200) Notes payable	414,474
49	1,651,327	(201) Accounts payable	1,865,222
50	867	(202) Accrued interest	5,414
51		(203) Dividends payable	
52	82,600	(204) Accrued taxes	4,909
53	56,469	(205) Accrued accounts payable	184,286
54	57,794	(208) Deferred income tax credits (Sec. 19)	501
55		(209) Other current liabilities	
56	2,162,366	Total current liabilities	2,474,806
		IX. LONG-TERM DEBT	
		(b1) Less—Nominally outstanding (b2) Less—Nominally issued	
57	138,741	(210) Funded debt (Sec. 29)	117,115
58	43,834	(210.5) Capitalized leased obligations	149,791
59		(211) Receivers' and trustees' securities (Sec. 29)	
60		(212) Amounts payable to affiliated companies (Sec. 30)	
61		(213) Long-term debt in default (Sec. 29)	
62		(218) Discount on long-term debt	
63		(219) Premium on long-term debt	
64	182,575	Total long-term debt	266,906
		X. RESERVES	
65		(220) Insurance reserves	
66		(221) Provident reserves	
67	232,233	(222) Other reserves	128,759
68	232,233	Total reserves	128,759
		XI. DEFERRED CREDITS	
69		(231) Other deferred credits	132,129
70		(232) Accumulated deferred income tax credits (Sec. 19)	
71		Total deferred credits	132,129
		XII. CAPITAL AND SURPLUS	
72	1,500	(240) Capital stock (Sec. 31)	1,500
73		(241) Premiums and assessments on capital stock	
74		Total (Lines 70 and 71)	1,500
75		Less—Nominally issued capital stock	
76		(242) Discount, commission and expense on capital stock	
77		Total (Lines 73 and 74)	
78		Total (Lines 72 and 75)	1,500
79		(243) Proprietorial capital	
80	43,500	(250) Unearned surplus	43,500
81	XXXXXXX	1. Paid in \$ 2. Other \$	XXXXXXX
82	824,279	(260) Earned surplus—Appropriated	
83		(270) Earned surplus—Unappropriated (Deficit in paren.) (Sec. 32)	900,480
84	XXXXXXX	1. Distributed \$ 2. Undistributed \$	XXXXXXX
85		(279) Net unrealized loss on noncurrent marketable equity securities	
86		(280) Less: Treasury stock	
87	XXXXXXX	1. Pledged \$ 2. Unpledged \$	XXXXXXX
88	(869,279)	Total capital and surplus	945,480
89	3,446,453	TOTAL LIABILITIES	3,948,080
90	None	Contingent liabilities (not included above)	None

COMPARATIVE BALANCE SHEET STATEMENT—EXPLANATORY NOTES

Estimated accumulated net Federal income tax reduction realized since December 31, 1949, under section 168 (formerly section 124-A) of the Internal Revenue Code because of accelerated amortization of emergency facilities in excess of recorded depreciation \$ None

Estimated accumulated savings in Federal income taxes resulting from computing book depreciation under Commission rules and computing tax depreciation using the items listed below \$ 90,227

—Accelerated depreciation since December 31, 1953, under section 167 of the Internal Revenue Code.

—Guideline lives since December 31, 1961, pursuant to Revenue Procedure 62-21.

—Guideline lives under Class Life System (Asset Depreciation Range) since December 31, 1970, as provided in the Revenue Act of 1971.

(1) Estimated accumulated net income tax reduction utilized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962, as amended \$ 59,314

(2) If carrier elected, as provided in the Revenue Act of 1971, to account for the investment tax credit under the deferral method, indicate the total deferred investment tax credit at beginning of year \$ N/A

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes \$ N/A

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax accrual \$ N/A

Other adjustments (indicate nature such as recapture on early disposition) \$ N/A

Total deferred investment tax credit at close of year \$ N/A

Investment tax credit carryover at year end \$ N/A

Cost of pension plan:

Past service costs determined by actuaries at year end \$

Total pension costs for year:

Normal costs \$

Amortization of past service costs \$

Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made \$

State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610).
YES NO

Marketable Equity Securities—to be completed by companies with \$10.0 million or more in gross operating revenues:

N/A

1. Changes in Valuation Accounts

		Cost	Market	Dr. (Cr) to Income	Dr. (Cr) to Stockholders Equity
Current year	Current Portfolio	\$	\$		x x x x
as of / /	Noncurrent Portfolio			x x x x	
Previous year	Current Portfolio			x x x x	x x x x
as of / /	Noncurrent Portfolio			x x x x	x x x x

2. At / / , gross unrealized gains and losses pertaining to marketable equity securities were as follows:

	Gains	Losses
Current	\$	\$
Noncurrent		

3. A net unrealized gain (loss) of \$ on the sale of marketable equity securities was included in net income for (year). The cost of securities sold was based on the (method) cost of all the shares of each security held at time of sale.

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to their filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

NOTE: / / - date - Balance sheet date of the current year unless specified as previous year.

17.—COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

Using the following notes as a guideline, show the requirements of compensating balances and short-term borrowing arrangements if operating revenues are \$10 million or more. Footnote disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances under an agreement which legally restricts the use of such funds, and which constitute support for short-term borrowing arrangements, should be included in section 18, account 101, Special cash deposits.
5. Compensating balances under an agreement which legally restricts the use of such funds and which constitute support for long-term borrowing arrangements and are reported in account 121, Special deposits, should also be separately disclosed below.
6. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
7. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

1. Line of credit in the amount of \$250,000 of which \$250,000 are used as of the balance sheet date.

2 thru 6--NOT APPLICABLE

18.—SPECIAL CASH DEPOSITS

For other than compensating balances, state separately each item of \$10,000 or more reflected in account 101, Special cash deposits, at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items less than \$10,000". For compensating balances, state separately the total amounts held on behalf of respondent and held on behalf of others.

Line No.	Purpose of deposit (a)	Balance at close of year (b)
	Interest special deposits:	\$
1		
2		
3		
4	NOT APPLICABLE	
5		
6	Total	
	Dividend special deposits:	
7		
8		
9		
10	NOT APPLICABLE	
11		
12	Total	
	Miscellaneous special deposits:	
13		
14		
15		
16	NOT APPLICABLE	
17		
18	Total	
	Compensating balances legally restricted:	
	NOT APPLICABLE	
19	Held on behalf of respondent	
20	Held on behalf of others	
21	Total	

Indicate in column (c) the net change in accounts 110, 173, 206 and 232 for the net tax effect of timing difference originating and reversing in the current accounting period.

Indicate in column (d) any adjustment as appropriate, including adjustments to eliminate or reinstate deferred tax effect (credits or debits) due to applying or recognizing a loss carryforward or a loss carryback.

Indicate in column (e) the cumulative total of columns (b), (c) and (d). The total of column (e) must agree with the balances in accounts 110, 173, 208 and 232 in Section 15.

Line No.	Particulars	Beginning of Year Balance (b)	Net credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C. Guideline lives pursuant to Rev. Proc. 62-21	\$ N/A	\$ N/A	\$ N/A	\$ N/A
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Other (Specify)				
4	Timing Difference	(57,794)	501	57,794	501
5	from computation of				
6	claims expense				
7	Investment tax credit	(57,794)	501	57,794	501
8	TOTALS				

Names of issuing company and description of security held	Par value	Number of shares	Book cost	Income earned during year	
				Kind	Amount
Metropolitan Life-Cash	\$ _____	_____	\$ _____	_____	\$ _____
Surrender Value of Officer's Life Insurance			24,296		
Total	XXXXXXXXXX	XXXXXXXXXX	24,296	XXXXXXXXXX	

21. Report below the details of all investments in common stocks included in account 130. Investments in affiliated companies, which qualify for the equity method under instruction 28 in the Uniform System of Accounts for Freight Forwarders.

Enter in column (c) the amount necessary to retroactively adjust those investments qualifying for the equity method of accounting in accordance with instruction 28(b)(11) of the Uniform System of Accounts.

Enter in column (d) the share of undistributed earnings (i.e., less dividends) or losses.

Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date of acquisition. See instruction 28(b)(4).

The total of column (g) must agree with column (b), line 21, Section 16.

UNDISTRIBUTED EARNINGS FROM CERTAIN INVESTMENTS IN AFFILIATED COMPANIES

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments qualifying for equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)
1	Carriers (List specifics for each company)	\$	\$	\$	\$	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18	Total						
19	Noncarriers (Show totals only for each column)						
20	Total (lines 18 and 19)						

N
O
N
E

Property accounts	Balance at beginning of year	Charges	Credits	Adjustments Dr. - Debit Cr. - Credit	Balance at close of year
141. Furniture and office equipment	\$ 256,158	\$ 27,224	\$ 840	\$ -0-	\$ 282,542
142. Motor and other highway vehicles	595,143	164,138	132,042		627,239
143. Land and public improvements	-0-				
144. Terminal and platform equipment	163,933	37,471	8,052		193,352
145. Other property account charges	260,384	107,495			367,879
Total	1 275,618	336,328	140,934		1471,012

Property accounts	Balance at beginning of year	Charges	Credits	Adjustments Dr. - Debit Cr. - Credit	Balance at close of year
141. Furniture and office equipment	\$ 169,680	\$ 192	\$ 26,995	\$	\$ 196,483
142. Motor and other highway vehicles	292,526	124,570	143,253		311,209
143. Land and public improvements (depreciable property)					
144. Terminal and platform equipment	98,714	4,936	25,123		118,901
145. Other property account charges (depreciable property)	200,380		46,690		247,070
Total	761,300	129,698	242,061		873,663

23. Give details of investment in nontransportation property, and depreciation reserve for balances at close of the year, as stated for accounts (160) and (161) in section 16.

Description of property	Book cost of property	Depreciation reserve
N	\$	\$
O		
N		
E		
Total		

24.—RENTAL EXPENSE OF LESSEE

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) if gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Otherwise, show total rental expense (reduced by rentals from subleases) entering into the determination of results of operations for each period for which an income statement is presented. Rental payments under short-term leases for a month or less which are not expected to be renewed need not be included. Contingent rentals, such as those based on usage or sales, shall be reported separately from the basic or minimum rentals.

Line No.	Type of lease (a)	Current year	Prior year
		(b)	(c)
	Financing leases		
1	Minimum rentals		
2	Contingent rentals		
3	Sublease rentals		
4	Total financing leases		
	Other leases		
5	Minimum rentals		
6	Contingent rentals		
7	Sublease rentals		
8	Total other leases		
9	Total rental expense of lessee		

NOTE: As used in sections 24 through 28, a "financing lease" is defined as a lease which, during the noncancellable lease period, either (a) covers 75% or more of the economic life of the property or (b) has terms which assure the lessor a full recovery of the fair market value (which would normally be represented by his investment) of the property at the inception of the lease plus a reasonable return on the use of the assets invested subject only to limited risk in the realization of the residual interest in the property and the credit risks generally associated with secured loans.

None of the non capitalized lease obligations of the Company at the close of December 31, 1978 falls under the definition of a financing lease as defined by A.P.B. 31 and S.E.C. Accounting Release #147. Existing leases may be cancelled upon 30-90 days notice.

25.—MINIMUM RENTAL COMMITMENTS

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Show the minimum rental commitments under all noncancellable leases, as of the date of the latest balance sheet presented, in the aggregate (with disclosure of the amounts applicable to noncapitalized financing leases) for (a) each of the five succeeding fiscal years; (b) each of the next three five-year periods; and, (c) the remainder as a single amount. The amounts so determined should be reduced by rentals to be received from existing noncancellable subleases (with disclosure of the amounts of such rentals). For purposes of this rule, a noncancellable lease is defined as one that has an initial or remaining term of more than one year and is noncancellable, or is cancellable only upon the occurrence of some remote contingency or upon the payment of a substantial penalty.

Line No.	Year ended (a)	A			B	
		Financing leases (b)	Other Leases (c)	Total (d)	Sublease rentals*	
					Financing leases (e)	Other leases (f)
1	Next year	\$	\$ 327,936	\$ 327,936	\$	\$
2	In 2 years		329,936	329,936		
3	In 3 years		315,336	315,336		
4	In 4 years		315,336	315,336		
5	In 5 years		675,000	675,000		
6	In 6 to 10 years					
7	In 11 to 15 years					
8	In 16 to 20 years					
9	Subsequent					

* The rental commitments reported in Part A of this schedule have been reduced by these amounts.

26.—LESSEE DISCLOSURE

Complete this schedule only if carrier operating revenues are \$10 million or more.

Relate in general terms: (a) the basis for calculating rental payments if dependent upon factors other than the lapse of time; (b) existence and terms of renewal or purchase options, escalation clauses, etc.; (c) the nature and amount of related guarantees made or obligations assumed; (d) restrictions on paying dividends, incurring additional debt, further leasing, etc.; and, (e) any other information necessary to assess the effect of lease commitments upon the financial position, results of operations, and changes in financial position of the lessee.

Line
No.

(a)

Rental expense are charged off yearly based on the value of the agreement and dependent upon the lapse of time.

(b)

No significant or material escalation clause exists as of the balance sheet date to distort the financial statement presentation.

(c)

There are no realted guarantees made or obligations assumed other than the executory contracts requiring continuing performance on the part of both parties to the contract.

(d)

None of the leases entered as of the balance sheet date provide for restrictions on paying dividends, incurring additional debt or further leasing.

(e)

Rental expense fairly represent the occupancy cost as of the balance shee date in accordance with APB Opinion #5 and are not payments for property rights.

27.—LEASE COMMITMENTS—PRESENT VALUE

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) if the present value of the minimum lease commitments are more than five percent of the sum of the long-term debt, stockholders' equity and the present value of the minimum lease commitments, or if the impact on net income (as computed in section 28, Income impact—Lessee) is three percent or more of the average net income for the most recent three years.

Show all noncapitalized financing leases, the present value of the minimum lease commitments in the aggregate and by major categories of properties. Present values shall be computed by discounting net lease payments (after subtracting, if practicable, estimated, or actual amounts, if any, applicable to taxes, insurance, maintenance and other operating expenses) at the interest rate implicit in the terms of each lease at the time of entering into the lease.

Show either the weighted average interest rate (based on present value) and range of rates or specific interest rates for all lease commitments.

Line No.	Asset category (a)	Present value		Range		Weighted average	
		Current year (b)	Prior year (c)	Current year (d)	Prior year (e)	Current year (f)	Prior year (g)
		\$	\$				
1	Structures						
2	Revenue equipment						
3	Shop and garage equipment						
4	Service cars and equipment						
5	Noncarrier operating property						
	Other (Specify):						
6							
7							
8							
9							
10	Total						

NOT APPLICABLE

28.—INCOME IMPACT—LESSEE

Complete this schedule only if carrier operating revenues are \$10 million or more.

If the impact on net income is less than three percent of the average net income for the most recent three years, a statement to that effect will suffice to complete this schedule. Otherwise, show the impact on net income for each period for which an income statement is presented if all noncapitalized financing leases were capitalized, related assets were amortized on a straight-line basis and interest cost was accrued on the basis of the outstanding lease liability. The amounts of amortization and interest cost shall be separately identified.

In calculating average net income, loss-years should be excluded. If losses were incurred in each of the most recent three years, the average loss shall be used for purposes of this test.

Line No.	Item (a)	Current year (b)	Prior year (c)
1	Amortization of lease rights	\$	\$
2	Interest		
3	Rent expense		
4	Income tax expense		
5	Impact (reduction) on net income		

The impact of net income is less than three percent of the average net income for the most recent three years.

32. Show items of Earned surplus—Unappropriated for the year, classified in accordance with the Uniform System of Accounts for Freight Forwarders. All contra entries hereunder should be indicated in parentheses. Include in column (b) only amounts applicable to earned surplus exclusive of any amounts included in column (c). Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting. See account (270) in section 16.

Line No.	Item (a)	Retained earnings accounts (b)	Equity in undistributed earnings of affiliated companies (c)
1	(270) Earned surplus (or deficit) at beginning of year	\$ 824,279	xxx
2	(300) Equity in undistributed earnings (losses) of affiliated companies at beginning of year	xxx	
3	(300) Income balance (Sec. 33)	1,778	
4	(301) Miscellaneous credits	74,423	
5	(302) Prior period adjustments to beginning earned surplus account		
6	(310) Miscellaneous debits		xxx
7	(311) Miscellaneous reservations of earned surplus		xxx
8	(312) Dividend appropriations of earned surplus	900,480	xxx
9	(270) Earned surplus (or deficit) at close of year	xxx	
10	Equity in undistributed earnings (losses) of affiliated companies at end of year		xxx
11	Balance from line 10(c)		xxx
12	Total unappropriated earned surplus and equity in undistributed earnings (losses) of affiliated companies at end of year (lines 9 and 11)		xxx

Net of assigned income taxes account 301 \$ — 0 — (explain)
 account 310 — 0 — (explain)

33.—INCOME STATEMENT FOR THE YEAR

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Give the following income account for the year (omit cents):

Line No.	Item (a)	Amount (b)
ORDINARY ITEMS		
FORWARDER OPERATING INCOME		
1	(400) Operating revenues (Sec. 34)	\$ 8,274,342
2	(410) Operating expenses (Sec. 35)	8,369,303
3	*Net revenue from forwarder operations (line 1, line 2) (loss)	(94,961)
4	(411) Transportation tax accruals (Sec. 36)	5,941
5	*Net revenue, less taxes, from forwarder operations (line 3, line 4)	(100,902)
OTHER INCOME		
6	(401) Dividend (other than from affiliates) and interest income	
7	(402) Release of premium on long-term debt	
8	(403) Miscellaneous income	186,965
Income from affiliated companies:		
9	Dividends	
10	Equity in undistributed earnings (losses)	
11	Total other income	186,965
12	*Total income (line 5, line 11)	86,063
MISCELLANEOUS DEDUCTIONS FROM INCOME		
13	(412) Provision for uncollectible accounts	49,404
14	(413) Miscellaneous tax accruals	(23,831)
15	(414) Miscellaneous income charges	-0-
16	Total income deductions	25,573
17	*Income from continuing operations before fixed charges (Lines 12, 16)	60,490
FIXED CHARGES		
18	(420) Interest on long-term debt	
19	(421) Other interest deductions	58,211
20	(422) Amortization of discount on long-term debt	-0-
21	Total fixed charges	58,211
22	(423) Unusual or infrequent items	-0-
23	*Income from continuing operations before income taxes (lines 17, 21, 22)	2,279
PROVISION FOR INCOME TAXES		
24	(431) Income taxes on income from continuing operations (Sec. 36)	
25	(432) Provision for deferred taxes	501
26	Income (loss) from continuing operations (lines 23-25)	1,778
DISCONTINUED OPERATIONS		
27	(433) Income (loss) from operations of discontinued segments**	-0-
28	(434) Gain (loss) on disposal of discontinued segments**	-0-
29	Total income (loss) from discontinued operations (lines 27, 28)	-0-
30	*Income before extraordinary items (lines 26, 29)	1,778
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
31	(435) Extraordinary items-Net Credit (Debit) (p. 20)	-0-
32	(450) Income taxes on extraordinary and prior period items-Debit (Credit) (p. 20)	-0-
33	(451) Provision for deferred taxes-Extraordinary and prior period items	-0-
34	Total extraordinary items	-0-
35	(452) Cumulative effect of changes in accounting principles**	-0-
36	Total extraordinary items and accounting changes (lines 34, 35)	-0-
37	*Net income transferred to earned surplus (lines 30, 36)	1,778

If a loss or debit, show the amount in parentheses.

**Less applicable income taxes of:

(433) Income (loss) from operations of discontinued segments

(434) Gain (loss) on disposal of discontinued segments

(452) Cumulative effect of changes in accounting principles

33.—INCOME STATEMENT - EXPLANATORY NOTES

1. (a) Indicate method elected by carrier, as provided in the Revenue Act of 1971, to account for the investment tax credit:
 Flow-through—XX Deferral—
- (b) If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit— \$ 10,338
- (c) If deferral method was elected, indicate amount of investment tax credit utilized as reduction of tax liability for current year— \$ _____
- Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes— (\$ _____)
- Balance of current year's investment tax credit used to reduce current year's tax accrual— \$ _____
- Add amount of prior years' deferred investment tax credits being amortized and used to reduce current year's tax accrual— \$ _____
- Total decrease in current year's tax accrual resulting from use of investment tax credits— \$ _____
2. An explanation of all items included in accounts 435, "Extraordinary items," and 450, "Income taxes on extraordinary items" should be made in the space below. (See instruction 540.0-4, Uniform System of Accounts for Freight Forwarders.)

34.—OPERATING REVENUES

Show the forwarder operating revenues of the respondent for the year, classified by accounts as follows (omit cents):

Line No.	Account (a)	Amount (b)
	I. TRANSPORTATION REVENUE	
1	501. Forwarder revenue	\$ 25,125,090
	II. TRANSPORTATION PURCHASED—DR.	
2	511. Railroad transportation	5,245,297
3	512. Motor transportation	2,931,097
4	513. Water transportation	-0-
5	514. Pick-up, delivery, and transfer service	8,739,819
6	515. Other transportation purchased*	-0-
7	Total transportation purchased	16,916,213
8	Revenue from transportation (line 1 minus line 7)	8,208,877
	III. INCIDENTAL REVENUE	
9	521. Storage—Freight	65,465
10	522. Rent revenue	-0-
11	523. Miscellaneous	-0-
12	Total incidental revenues	65,465
13	Total operating revenues (line 8 plus line 12)	8,274,342

*Report separately hereunder, by type of transport (air, express, forwarder, or any other type), the amounts included in Account 515, "Other transportation purchased":

35.—OPERATING EXPENSES

Show the forwarder operating expenses of the respondent for the year, classified by accounts as follows (omit cents):

Line No.	Account (a)	Amount (b)
		\$ 717,412
1	601. General office salaries	803,555
2	602. Traffic department salaries	-0-
3	603. Law department salaries	1,274,460
4	604. Station salaries and wages*	2,206,729
5	605. Loading and unloading by others	821,280
6	606. Operating rents	313,098
7	607. Traveling and other personal expense	387,603
8	608. Communications	53,869
9	609. Postage	81,172
10	610. Stationery and office supplies	25,455
11	611. Tariffs	312,468
12	612. Loss and damage—Freight	10,998
13	613. Advertising	60,068
14	614. Heat, light, and water	235,197
15	615. Maintenance	242,061
16	616. Depreciation and amortization	326,677
17	617. Insurance	183,135
18	618. Payroll taxes (Sec. 36)	-0-
19	619. Commissions and brokerage	-0-
20	620. Vehicle operation (Sec. 36)	82,056
21	621. Law expenses	-0-
22	622. Depreciation adjustment	232,010
23	630. Other expenses	8,369,303
24	Total operating expenses	

*Includes debits totaling \$142,185 for the pay of employees engaged in handling freight over platforms.

36.—TAXES

Give particulars called for with respect to taxes and licenses accrued to accounts (411) and (431) in Section 35, and accounts (618) and (620) in Section 35.

Line No.	Kind of tax (a)	(411) Transportation tax accruals (b)	(431) Income taxes on income from continuing operations (c)	(618) Payroll taxes (d)	(620) Vehicle operation (e)	Total (f)
				\$135,151	\$	\$135,151
1	Social security taxes					
2	Real estate and personal property taxes					
3	Gasoline, other fuel and oil taxes	5,941				5,941
4	Vehicle licenses and registration fees		501			501
5	Corporation taxes					
6	Capital stock taxes					
7	Federal excise taxes					
8	Federal excess profits taxes					
9	Federal income taxes					
10	State income taxes					
	Other taxes (describe):			8,741		8,741
11	(a) F.U.T.A.			39,243		39,243
12	(b) S.U.T.A.					
13	(c)					
14	(d)					
15	(e)	5,941	501	183,135		189,577
16	Total					

37. Give particulars as called for with respect to motor vehicles owned outright and held under purchase obligations at the close of the year:

Line No.	Vehicle		Book value included in account (140) of sec. 16	Accrued depreciation included in account (149) of sec. 16
	Make, kind and capacity (a)	Number of (b)		
1	Automobiles	42	\$ 299,473	\$ 116,883
2	Tractors	5	95,340	47,141
3	Trailers	29	232,426	152,185
4				
5				
6				
7				
8	Total	76	627,239	311,209

38. Give the particulars as called for concerning the respondent's employees and their compensation for the year. The data on number of employees shall be based on the number of employees on the payroll at close of pay period containing the 12th day of the months specified. If operations were interrupted during such period due to strikes, fires, floods, etc., the data should be reported for the nearest representative payroll period. Enter the total number of employees in each class on the payrolls covered by this report who worked full or part time or received pay for any part of the period reported.

Line No.	Class	Number of employees on payroll at close of the pay period containing the 12th day of				Total compensation during year
		February	May	August	November	
	General office employees:					
1	Officers	3	3	3	3	\$ 130,050
2	Clerks and attendants	88	97	92	92	587,362
3	Total	91	100	95	95	717,412
	Traffic department employees:					
4	Officers					
5	Managers	1	1	1	1	27,642
6	Solicitors	42	42	42	41	728,725
7	Clerks and attendants	2	2	3	3	47,188
8	Total	45	45	46	45	803,555
	Law department employees:					
9	Officers					
10	Solicitors					
11	Attorneys					
12	Clerks and attendants					
13	Total					
	Station and warehouse employees:					
14	Superintendents	21	13	14	16	231,668
15	Foremen					
16	Clerks and attendants	15	16	16	22	580,708
17	Laborers	19	17	18	16	462,084
18	Total	55	46	48	54	1,274,460
	All other employees (specify):					
19						
20						
21						
22						
23	Total					
24	Grand total	191	191	189	194	2,795,427

Length of payroll period: (Check one) ☒ one week: ☐ two weeks: ☐ other (specify):

39. Give the various statistical items called for concerning the forwarders' operations of the respondent during the year. State tons of 2,000 pounds.

Line No.	Item (a)	Number (b)
1	Tons of freight received from shippers	139,413
2	Number of shipments received from shippers	291,624

40.—COMPENSATION OF OFFICERS, DIRECTORS, ETC.

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee, of each of the five persons named in Section 5, item (b) and (c) of this report to whom the respondent paid the largest amount during the year covered by this report as compensation for current or past service over and above necessary expenses incurred in discharge of duties and in addition, all other officers, directors, pensioners or employees, if any, to whom the respondent similarly paid \$40,000 or more. If more convenient, this schedule may be filled out for a group of companies considered as one system and shown only in the report of the principal company in the system, with references thereto in the reports of the other companies. Any large "Other compensation" should be explained in a footnote. If an officer, director, etc., receives compensation from another transportation company (whether a subsidiary or not), reference to this fact should be made if his aggregate compensation amounts to \$40,000 or more, and the details as to division of the salary should be stated. By salary column (c) is meant the annual rate at which an employee is paid, rather than the amount actually paid. If salary of an individual was changed during the year, show salary before each change as well as at close of year.

Line No.	Name of person (a)	Title (b)	Salary per annum as of close of year (see instructions) (c)	Other compensation during the year (d)
	Florida-Texas Freight, Inc.		\$	\$
1	Morris S. Krathen	President	41,650.00	
2	August J. Paluzzi	Sec. Treas.	44,200.00	
3	Ralph A. Carloni	Vice President	44,200.00	
4				
5	FRATEX, INC.			
6	Morris S. Krathen	President	13,680.00	
7	August J. Paluzzi	Sec. Treas.	14,820.00	
8	Ralph A. Carloni	Vice Pres.	14,820.00	
9				
10	FRATEX CARTAGE CO., INC.			
11	Morris S. Krathen	President	12,250.00	
12	August J. Paluzzi	Sec. Treas.	13,000.00	
13	Ralph A. Carloni	Vice President	13,000.00	
14				
15				
16				
17				
18				
19				
20				
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25				
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30				

41.—COMPETITIVE BIDDING — CLAYTON ANTITRUST ACT

Section 10 of the Clayton Antitrust Act (15 U.S.C. 20) states that "no common carrier engaged in commerce shall have any dealings in securities, supplies or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than \$50,000, in the aggregate, in any one year, with another corporation, firm, partnership or association when the said common carrier shall have upon its board of directors or as its president, manager or as its purchasing or selling officer, or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial interest in, such other corporation, firm, partnership or association, unless and except such purchases shall be made from, or such

dealings shall be made with, the bidder, whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission." The specification for competitive bids is found in the Code of Federal Regulations, Part 1010-C-Competitive Bids through Part 1010.7-Carriers Subject to the Interstate Commerce Act.

In column (g), identify the company awarded the bid by including company name and address, name and title of respondent officers, directors, selling officer, purchasing officer and/or general manager that has an affiliation with the seller.

Line No.	Nature of bid (a)	Date Published (b)	Contract number (c)	No. of bidders (d)	Method of awarding bid (e)	Date filed with the Commission (f)	Company awarded bid (g)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

NOT APPLICABLE

Schedule 42.—SUMMARY OF FREIGHT LOSS AND DAMAGE CLAIMS

This schedule was adopted by the Commission in No. 35345 (Sub-No. 2) July 1, 1977

Approved by GAO Effective 12-23-77

Exclude from this schedule the revenues and claims incurred in connection with freight forwarder services and shipments which have a prior or subsequent movement by air. Line 1 should show all freight forwarder revenue in Account 501. Line 2 should show the number of claims paid during the year for robbery, theft and pilferage, and other shortage as defined below:

Robbery - Failure to deliver all or part of a shipment as the result of stealing, including hijacking, with the use of force or threat of force against a person or persons. Claims for physical damage to freight in the same or other shipments resulting from robbery should be reported under Robbery.

Theft and Pilferage - Failure to deliver all or part of a shipment as the result of known stealing, or under circumstances indicating the probable cause was stealing, without use of force or threat of force against a person or persons, when it is known the freight was in the carrier's custody.

Claims for physical damage to freight in the same or other shipments resulting directly from theft or pilferage should be reported under Theft and Pilferage.

Other Shortage - Failure to deliver all or part of a shipment for unknown reasons. This includes the unexplained disappearance of all or part of a shipment for reasons other than robbery or theft and pilferage as defined above.

Line 3 should show the number of all other claims paid in full or in part during the year not reported on line 2.

Line 4 should include the *net* dollar amount of claims paid during the year. This includes claims paid in full or paid in part, less amounts recovered from underlying carriers, salvage, insurance, and claim refund cancellations.

Line 5 should show the ratio in percentage form (two decimal places).

Line	Item	
1	Freight revenue (Account 501) _____	\$ 25,125,090
2	Number of theft related claims paid _____	1,843
3	Number of other claims paid _____	790
4	Net dollars paid (See instructions) _____	\$ 387,206
5	Claims expense/revenue ratio (line 4 ÷ 1) _____	1.54 %

NOTES AND REMARKS

Name, title, telephone number and address of the person to be contacted concerning this report:

NAME EMILIO MASFORROLL TITLE CHIEF ACCOUNTANT
TELEPHONE NUMBER 305 681-8331
(Area code) (Telephone number)
OFFICE ADDRESS 11405 N.W. 36 Avenue Miami, Florida 33167
(Street and number) (City, State, and ZIP Code)

OATH

(To be made by the officer having control of the accounting of the respondent)

STATE OF FLORIDA)
COUNTY OF DADE) ss:
AUGUST J. PALUZZI makes oath and says that he is
PRESIDENT/TREASURER
(Insert here the official title of the affiant)
of FLORIDA-TEXAS FREIGHT, INC.
(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he has carefully examined the said report and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true, and that the said reports is a correct and complete statement of the business and affairs of the above-named respondent during the period of the time from and including January 1, 1978, to and including December 31, 1978.

August J. Paluzzi
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the State and County above named, this 27th day of April, 1979.

My commission expires MOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES DEC. 2 1981
BONDED THRU GENERAL INS. UNDERWRITERS

[USE AN L. S.
IMPRESSION
SEAL]

Joseph R. Harrison
(Signature of officer authorized to administer oaths)