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SURF-AIR, INC.

1979

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Freight Forwarders
(Class A)

Annual Report Form
F-1

MAY 16 1980

1979

Due: March 31, 1980

ICC - P. O. 2040

Approved by GAO
B-180230 (R0254)
Expires

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

NAME AND ADDRESS OF REPORTING CARRIER (Attach label from front cover on original, copy in full on duplicate)

Surf-Air, Inc.
2090 Jonesboro Rd.
Atlanta, Ga. 30315

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
Not applicable		

4. If a corporation, association or other similar form of enterprise, give:
(a) Dates and States of incorporation or organization: 8/12/69 GEORGIA

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

Name	Address	Term Expires
W.C. Winship	2090 Jonesboro Rd., Atlanta, Ga. 30315	indefinite
H.D. Winship	2090 Jonesboro Rd., Atlanta, Ga. 30315	indefinite
C.L. Packard	2090 Jonesboro Rd., Atlanta, Ga. 30315	indefinite
D.J. O'Neill	2090 Jonesboro Rd., Atlanta, Ga. 30315	indefinite
R.C. Dryden	2090 Jonesboro Rd., Atlanta, Ga. 30315	indefinite

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

Name	Title
W.C. Winship	President
H.D. Winship Jr.	Vice President
C.L. Packard	Secretary
R.R. Joiner Jr.	Treasurer

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

A. Total voting securities outstanding:

	shares	votes
(1) Common	200	200
(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:

ORIGINAL

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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 1 (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)
Transus, Inc.	2090 Jonesboro Rd. Atlanta, Ga. 30315	200	200			

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:

Georgia Highway Express, Inc.
Fuller Transportation, Inc.
Intertrax, Inc.
Serfleet, Inc.
Ga. Reality & Transportation Co.
Transcomp Leasing Co.
Transsettlements, Inc.

Georgia Carrier Sales Co.
Transaid, 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.

None

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.

Transus, Inc. 100%

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

<input checked="" type="checkbox"/> Alabama	<input checked="" type="checkbox"/> Georgia	<input checked="" type="checkbox"/> Maryland	<input checked="" type="checkbox"/> New Jersey	<input checked="" type="checkbox"/> South Carolina
<input checked="" type="checkbox"/> Alaska	<input checked="" type="checkbox"/> Hawaii	<input checked="" type="checkbox"/> Massachusetts	<input checked="" type="checkbox"/> New Mexico	<input checked="" type="checkbox"/> South Dakota
<input checked="" type="checkbox"/> Arizona	<input checked="" type="checkbox"/> Idaho	<input checked="" type="checkbox"/> Michigan	<input checked="" type="checkbox"/> New York	<input checked="" type="checkbox"/> Tennessee
<input checked="" type="checkbox"/> Arkansas	<input checked="" type="checkbox"/> Illinois	<input checked="" type="checkbox"/> Minnesota	<input checked="" type="checkbox"/> North Carolina	<input checked="" type="checkbox"/> Texas
<input checked="" type="checkbox"/> California	<input checked="" type="checkbox"/> Indiana	<input checked="" type="checkbox"/> Mississippi	<input checked="" type="checkbox"/> North Dakota	<input checked="" type="checkbox"/> Utah
<input checked="" type="checkbox"/> Colorado	<input checked="" type="checkbox"/> Iowa	<input checked="" type="checkbox"/> Missouri	<input checked="" type="checkbox"/> Ohio	<input checked="" type="checkbox"/> Vermont
<input checked="" type="checkbox"/> Connecticut	<input checked="" type="checkbox"/> Kansas	<input checked="" type="checkbox"/> Montana	<input checked="" type="checkbox"/> Oklahoma	<input checked="" type="checkbox"/> Virginia
<input checked="" type="checkbox"/> Delaware	<input checked="" type="checkbox"/> Kentucky	<input checked="" type="checkbox"/> Nebraska	<input checked="" type="checkbox"/> Oregon	<input checked="" type="checkbox"/> Washington
<input checked="" type="checkbox"/> District of Columbia	<input checked="" type="checkbox"/> Louisiana	<input checked="" type="checkbox"/> Nevada	<input checked="" type="checkbox"/> Pennsylvania	<input checked="" type="checkbox"/> West Virginia
<input checked="" type="checkbox"/> Florida	<input checked="" type="checkbox"/> Maine	<input checked="" type="checkbox"/> New Hampshire	<input checked="" type="checkbox"/> Rhode Island	<input checked="" type="checkbox"/> Wisconsin
				<input checked="" type="checkbox"/> 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	58,603	(100) Cash	18,385
2	5,106	(101) Special cash deposits (Sec. 18)	5,857
3	545,060	(102) Temporary cash investments	1,130,530
4	XXXXXX	1. Pledged \$	XXXXXX
5	250	2. Unpledged \$	250
6	XXXXXX	(103) Working advances	XXXXXX
7	830,295	(104) Notes receivable	XXXXXX
8	-0-	(105) Accounts receivable	XXXXXX
9	-0-	(106) Less: Reserve for doubtful accounts	1,110,213
10	-0-	(107) Accrued accounts receivable	14,826
11	7,000	(108) Materials and supplies	14,154
12	1,466,314	(109) Other current assets	-0-
13		(110) Deferred income tax charges (Sec. 19)	7,000
		Total current assets	2,301,215
		II. SPECIAL FUNDS AND DEPOSITS	
14	XXXXXX	(120) Sinking and other funds	XXXXXX
15	-0-	Less: Nominally outstanding	-0-
16	XXXXXX	(121) Special deposits	XXXXXX
17	-0-	Less: Nominally outstanding	-0-
18	-0-	Total special funds	-0-
		III. INVESTMENT SECURITIES AND ADVANCES	
19		(130) Investments in affiliated companies (Sec. 20)	-0-
20	XXXXXX	1. Pledged \$	XXXXXX
21	-0-	2. Unpledged \$	-0-
22		Undistributed earnings from certain investments in affiliated companies (Sec. 21)	-0-
23	XXXXXX	(131) Other investments (Sec. 20)	XXXXXX
24	-0-	1. Pledged \$	-0-
25	-0-	2. Unpledged \$	-0-
26	-0-	(132) Less: Reserve for adjustment of investments in securities	-0-
		(133) Allowance for net unrealized loss on noncurrent marketable equity securities	-0-
		Total investment securities and advances	-0-
		IV. TANGIBLE PROPERTY	
27	XXXXXX	(140) Transportation property (Sec. 22-A)	124,480
28	35,832	(149) Less: Depreciation and amortization reserve	XXXXXX
29	XXXXXX	Transportation property (Sec. 22-B)	69,799
30	-0-	(160) Nontransportation property (Sec. 23)	XXXXXX
31	35,832	(161) Less: Depreciation reserve	-0-
32	15,357	Nontransportation property (Sec. 23)	54,681
33	-0-	Total tangible property	15,357
34	15,357	V. INTANGIBLE PROPERTY	15,357
35	15,370	(165) Organization	-0-
36	4,206	(166) Other intangible property	15,357
37	-0-	Total intangible property	5,675
38	19,576	VI. DEFERRED DEBITS AND PREPAID EXPENSES	
		(170) Prepayments	2,051
		(172) Other deferred debits	-0-
		(173) Accumulated deferred income tax charges (Sec. 19)	7,726
		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	1,537,079	1. Pledged \$	2,378,979
46	-0-	2. Unpledged \$	-0-
47	-0-	TOTAL ASSETS	
		Contingent assets (not included above)	

For compensating balances not legally restricted, see Sec. 17

COMPARATIVE BALANCE SHEET STATEMENT—LIABILITY SIDE

Line No.	Balance at beginning of year (a)	Item (b)	Balance at close of year (c)
	\$	VIII. CURRENT LIABILITIES	\$
48	-0-	(200) Notes payable	-0-
49	811,689	(201) Accounts payable	1,064,926
50	-0-	(202) Accrued interest	-0-
51	-0-	(203) Dividends payable	-0-
52	43,679	(204) Accrued taxes	268,265
53	88,911	(205) Accrued accounts payable	135,000
54	-0-	(208) Deferred income tax credits (Sec. 19)	-0-
55	-0-	(209) Other current liabilities	-0-
56	944,279	Total current liabilities	1,468,191
		IX. LONG-TERM DEBT	
		(b1) Less—Nominally outstanding (b2) Less—Nominally issued	
57	-0-	(210) Funded debt (Sec. 29)	-0-
58	-0-	(210.5) Capitalized leased obligations	-0-
59	-0-	(211) Receivers' and trustees' securities (Sec. 29)	-0-
60	-0-	(212) Amounts payable to affiliated companies (Sec. 30)	-0-
61	-0-	(213) Long-term debt in default (Sec. 29)	-0-
62	-0-	(218) Discount on long-term debt	-0-
63	-0-	(219) Premium on long-term debt	-0-
64	-0-	Total long-term debt	-0-
		X. RESERVES	
65	-0-	(220) Insurance reserves	-0-
66	-0-	(221) Provisions reserves	-0-
67	18,644	(222) Other reserves	18,644
68	18,644	Total reserves	18,644
		XI. DEFERRED CREDITS	
69	13,248	(231) Other deferred credits	14,206
70	-0-	(232) Accumulated deferred income tax credits (Sec. 19)	-0-
71	13,248	Total deferred credits	14,206
		XII. CAPITAL AND SURPLUS	
72	10,000	(240) Capital stock (Sec. 31)	10,000
73	-0-	(241) Premiums and assessments on capital stock	-0-
74	-0-	Total (Lines 70 and 71)	-0-
75	-0-	Less—Nominally issued capital stock	-0-
76	-0-	(242) Discount, commission and expense on capital stock	-0-
77	-0-	Total (Lines 73 and 74)	-0-
78	-0-	Total (Lines 72 and 75)	-0-
79	-0-	(243) Proprietorial capital	-0-
80	-0-	(250) Unearned surplus	-0-
81	XXXXXXX	1. Paid in \$ 2. Other \$	XXXXXXX
82	-0-	(260) Earned surplus—Appropriated	-0-
83	550,908	(270) Earned surplus—Unappropriated (Deficit in paren.) (Sec. 32)	867,938
84	XXXXXXX	1. Distributed \$ 2. Undistributed \$	XXXXXXX
85	-0-	(279) Net unrealized loss on noncurrent marketable equity securities	-0-
86	-0-	(280) Less—Treasury stock	-0-
87	XXXXXXX	1. Pledged \$ 2. Unpledged \$	XXXXXXX
88	560,908	Total capital and surplus	877,938
89	1,537,079	TOTAL LIABILITIES	2,378,979
90	-0-	Contingent liabilities (not included above)	-0-

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 \$ -0-

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

—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 _____

(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 \$ -0-

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes \$ -0-

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax accrual \$ -0-

Other adjustments (indicate nature such as recapture on early disposition) \$ -0-

Total deferred investment tax credit at close of year \$ -0-

Investment tax credit carryover at year end \$ -0-

Cost of pension plan: -0-

Past service costs determined by actuaries at year end \$ _____

Total pension costs for year: -0-

Normal costs \$ _____

Amortization of past service costs \$ -0-

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 \$ -0-

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:

1. Changes in Valuation Accounts Not Applicable

		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.

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		
5		
6	Total	
	Dividend special deposits:	
7		
8		
9		
10		
11		
12	Total	
	Miscellaneous special deposits:	
13		
14		
15		
16	MINOR ITEMS LESS THAN \$10,000	5,857
17		5,857
18	Total	
	Compensating balances legally restricted:	
19	Held on behalf of respondent	
20	Held on behalf of others	
21	Total	

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) NONE						NONE

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 (b)	Prior year (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.

Not Applicable

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	\$	\$	\$	\$	\$
2	In 2 years					
3	In 3 years					
4	In 4 years					
5	In 5 years					
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.

Not Applicable

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)

Not Applicable

(b)

(c)

(d)

(e)

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 _____		

Not Applicable

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	\$ 550,908	xxx
2	(300) Equity in undistributed earnings (losses) of affiliated companies at beginning of year	xxx	-0-
3	(300) Income balance (Sec. 33)	667,030	-0-
4	(301) Miscellaneous credits	-0-	-0-
5	(302) Prior period adjustments to beginning earned surplus account	-0-	-0-
6	(310) Miscellaneous debits	-0-	xxx
7	(311) Miscellaneous reservations of earned surplus	350,000	xxx
8	(312) Dividend appropriations of earned surplus	867,938	xxx
9	(270) Earned surplus (or deficit) at close of year	xxx	-0-
10	Equity in undistributed earnings (losses) of affiliated companies at end of year	-0-	xxx
11	Balance from line 10(c)		
12	Total unappropriated earned surplus and equity in undistributed earnings (losses) of affiliated companies at end of year (lines 9 and 11)	867,938	xxx

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

33.—INCOME STATEMENT FOR THE YEAR

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) _____	\$ 3,873,133
2	(410) Operating expenses (Sec. 35) _____	2,613,990
3	*Net revenue from forwarder operations (line 1; line 2) _____	1,259,143
4	(411) Transportation tax accruals (Sec. 36) _____	1,137
5	*Net revenue, less taxes, from forwarder operations (line 3; line 4) _____	1,258,006
OTHER INCOME		
6	(401) Dividend (other than from affiliates) and interest income _____	93,907
7	(402) Release of premium on long-term debt _____	
8	(403) Miscellaneous income _____	22,791
9	Income from affiliated companies _____	
10	Dividends _____	
11	Equity in undistributed earnings (losses) _____	116,698
12	Total other income _____	1,374,704
12	*Total income (line 5; line 11) _____	
MISCELLANEOUS DEDUCTIONS FROM INCOME		
13	(412) Provision for uncollectible accounts _____	
14	(413) Miscellaneous tax accruals _____	36,302
15	(414) Miscellaneous income charges _____	36,302
16	Total income deductions _____	1,338,402
17	*Income from continuing operations before fixed charges (Lines 12, 16) _____	
FIXED CHARGES		
18	(420) Interest on long-term debt _____	17,572
19	(421) Other interest deductions _____	
20	(422) Amortization of discount on long-term debt _____	17,572
21	Total fixed charges _____	
22	(423) Unusual or infrequent items _____	1,320,830
23	*Income from continuing operations before income taxes (lines 17, 21, 22) _____	
PROVISION FOR INCOME TAXES		
24	(431) Income taxes on income from continuing operations (Sec. 36) _____	653,800
25	(432) Provision for deferred taxes _____	667,030
26	Income (loss) from continuing operations (lines 23-25) _____	
DISCONTINUED OPERATIONS		
27	(433) Income (loss) from operations of discontinued segments** _____	
28	(434) Gain (loss) on disposal of discontinued segments** _____	
29	Total income (loss) from discontinued operations (lines 27, 28) _____	
30	*Income before extraordinary items (lines 26, 29) _____	667,030
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
31	(435) Extraordinary items-Net Credit (Debit) (p. 20) _____	
32	(450) Income taxes on extraordinary and prior period items-Debit (Credit) (p. 20) _____	
33	(451) Provision for deferred taxes-Extraordinary and prior period items _____	
34	Total extraordinary items _____	
35	(452) Cumulative effect of changes in accounting principles** _____	
36	Total extraordinary items and accounting changes (lines 34, 35) _____	
37	*Net income transferred to earned surplus (lines 30, 36) _____	667,030
*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—☒— Deferral—

(b) If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit— \$ -0-

(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	\$ 10,825,962
	II. TRANSPORTATION PURCHASED—DR.	
2	511. Railroad transportation	
3	512. Motor transportation	1,272,828
4	513. Water transportation	
5	514. Pick-up, delivery, and transfer service	979,791
6	515. Other transportation purchased*	4,721,819
7	Total transportation purchased	6,974,438
8	Revenue from transportation (line 1 minus line 7)	3,851,524
	III. INCIDENTAL REVENUE	
9	521. Storage—Freight	-0-
10	522. Rent revenue	-0-
11	523. Miscellaneous	21,609
12	Total incidental revenues	21,609
13	Total operating revenues (line 8 plus line 12)	3,873,133

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

Air \$4,721,819

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)
1	601. General office salaries	\$ 495,388
2	602. Traffic department salaries	189,589
3	603. Law department salaries	-0-
4	604. Station salaries and wages*	284,220
5	605. Loading and unloading by others	227,187
6	606. Operating rents	129,275
7	607. Traveling and other personal expense	98,053
8	608. Communications	115,484
9	609. Postage	12,131
10	610. Stationery and office supplies	22,955
11	611. Tariffs	3,392
12	612. Loss and damage—Freight	6,300
13	613. Advertising	6,550
14	614. Heat, light, and water	15,657
15	615. Maintenance	31,785
16	616. Depreciation and amortization	13,641
17	617. Insurance	32,200
18	618. Payroll taxes (Sec. 36)	56,740
19	619. Commissions and brokerage	718,605
20	620. Vehicle operation (Sec. 36)	28,118
21	621. Law expenses	8,268
22	622. Depreciation adjustment	-0-
23	630. Other expenses	118,452
24	Total operating expenses	2,613,990

*Includes debits totaling \$—52,380— 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 33, and accounts (618) and (620) in Section 35

Line No.	Kind of tax	(411) Transportation tax accruals (b)	(431) Income taxes on income from continuing operations (c)	(618) Payroll taxes (d)	(620) Vehicle operation (e)	Total (f)
1	Social security taxes	\$	\$	\$ 45,986	\$	\$ 45,986
2	Real estate and personal property taxes	737				737
3	Gasoline, other fuel and oil taxes					
4	Vehicle licenses and registration fees				1,198	1,198
5	Corporation taxes					
6	Capital stock taxes					
7	Federal excise taxes					
8	Federal excess profits taxes					
9	Federal income taxes		571,100			571,100
10	State income taxes		82,700			82,700
	(Other taxes (describe))					
11	(a) Franchise Tax	400				400
12	(b) Unemployment Taxes			10,754		10,754
13	(c)					
14	(d)					
15	(e)					
16	Total	1,137	653,800	56,740	1,198	712,875

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)	(c)	(d)
1	White-Tractor	1	\$ 7,251	\$ 6,525
2	Brown-Trailer	1	5,467	4,870
3	Ford-Tractor	2	10,642	5,584
4	Fruehauf-Trailer	1	895	792
5	GMC-Truck	1	5,867	5,208
6	Gindy-Trailer	1	11,206	4,760
7				
8	Total	7	41,328	27,739

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 <i>B</i>	May <i>C</i>	August <i>D</i>	November <i>E</i>	
	General office employees:					
1	Officers	2	2	2	2	\$ 124,628
2	Clerks and attendants	16	18	17	20	370,760
3	Total	18	20	19	22	495,388
	Traffic department employees:					
4	Officers	1	1	1	1	37,215
5	Managers					
6	Solicitors	6	8	8	7	140,736
7	Clerks and attendants	1	1	1	1	11,638
8	Total	8	10	10	9	189,589
	Law department employees:					
9	Officers					
10	Solicitors					
11	Attorneys					
12	Clerks and attendants					
13	Total	-0-	-0-	-0-	-0-	-0-
	Station and warehouse employees:					
14	Superintendents	-0-	-0-	-0-	-0-	-0-
15	Foremen	2	2	3	4	66,807
16	Clerks and attendants	9	10	10	9	148,334
17	Laborers	3	5	5	7	52,380
18	Total	14	17	18	20	267,521
	All other employees (specify):					
19	Drivers	2	2	2	2	16,699
20						
21						
22						
23	Total	2	2	2	2	16,699
24	Grand total	42	49	49	53	969,197

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	9,265
2	Number of shipments received from shippers	82,767

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)
1	D.J. O'Neill	Director	\$ 50,000	\$ 31,000 *
2	J.C. Thorburn	Div. Manager	34,700	58,300 *
3	C.S. Bridwell	Controller	26,800	13,900 *
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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-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	NONE						
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Name, title, telephone number and address of the person to be contacted concerning this report:

NAME Ralph Joiner, Jr. TITLE Treasurer

TELEPHONE NUMBER 404-627-7331
(Area code) (Telephone number)

OFFICE ADDRESS 2090 Jonesboro Rd. Atlanta, Ga. 30315
(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 Georgia

COUNTY OF Fulton

Ralph R. Joiner, JR.

makes oath and says that he is

Treasurer

(Insert here the official title of the affiant)

of Surf-Air, 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 December 31, 1981 and including January 1, 1982, to

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the State and County above named,

this 14th day of May, 19 82

My commission expires September 28, 1982

[USE AN L. S.
IMPRESSION
SEAL]

(Signature of officer authorized to administer oaths)