

FF 000033

TEXAS SHIPPERS ASSOCIATION, INC.

1979

FF000033 ORIGINAL

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

1979

Due: March 31, 1980

RECEIVED
JUN 9 1980Approved by GAO
B-180230 (R0254)
Expires

121018

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

NAME AND ADDRESS OF REPORTING CARRIER (A-1)

ICC - P.O. 2040

FF000033 121018 A 0 2175
TEXAS SHIPPERS ASSOCIATION, INC.
2311 BUTLER STREET
DALLAS TX 75235

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: March 1, 1949

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

Name	Address	Term Expires
Harlan Kelly	Dallas, Texas	Indefinite
Judith W. Kelly	Dallas, Texas	Indefinite

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

Name	Title
Harlan Kelly	President - Treasurer
Robert C. Acke	Vice-President
Judith W. Kelly	Secretary
James D. Vaughn	Executive Vice-President

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

A. Total voting securities outstanding:

	shares	votes
(1) Common 14,551	14,551	
(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?
AC If so, describe each such class or issue, showing the character and extent of such privileges.

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

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)
Harlan Kelly	2311 Butler St.	11,228	11,228			
Judith W. Kelly	2311 Butler St.	1,267	1,267			
Kirby Kelly	2311 Butler St.	1,028	1,028			
Kendall Kelly	2311 Butler St.	1,028	1,028			
	Total	14,551	14,551			

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--
- 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:

Texas Terminals, Inc.

Shippers Terminals, 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:

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.

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

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

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	372,961	(100) Cash	98,839
2	14,153	(101) Special cash deposits (Sec. 18)	14,201
3		(102) Temporary cash investments	
4	XXXXXX	1. Pledged \$	XXXXXX
5		2. Unpledged \$	
6	XXXXXX	(103) Working advances	XXXXXX
7	XXXXXX	(104) Notes receivable \$ 45,648	XXXXXX
8	998,990	(105) Accounts receivable 1,351,337	XXXXXX
9	541	(106) Less: Reserve for doubtful accounts \$	1,396,985
10	6,569	(107) Accrued accounts receivable	355
11	-0-	(108) Materials and supplies	-0-
12	-0-	(109) Other current assets	
13	1,393,214	(110) Deferred income tax charges (Sec. 19)	
		Total current assets	1,510,380
		II. SPECIAL FUNDS AND DEPOSITS	
14	XXXXXX	(120) Sinking and other funds \$	XXXXXX
15		Less: Nominally outstanding \$	
16	XXXXXX	(121) Special deposits \$ 129,168	XXXXXX
17		Less: Nominally outstanding \$	
18	60,963	Total special funds	129,168
		III. INVESTMENT SECURITIES AND ADVANCES	
19	394,557	(130) Investments in affiliated companies (Sec. 20)	595,557
20	XXXXXX	1. Pledged \$	XXXXXX
21		2. Unpledged \$	
22	31,128	Undistributed earnings from certain investments in affiliated companies (Sec. 21)	
23	XXXXXX	(131) Other investments (Sec. 20)	56,275
24	425,685	1. Pledged \$	XXXXXX
25		2. Unpledged \$	
26		(132) Less: Reserve for adjustment of investments in securities	
		(133) Allowance for net unrealized loss on noncurrent marketable equity securities	
		Total investment securities and advances	651,832
		IV. TANGIBLE PROPERTY	
27	XXXXXX	(140) Transportation property (Sec. 22-A) \$ 1,963,976	XXXXXX
28	1,298,349	(149) Less: Depreciation and amortization reserve	
29	XXXXXX	Transportation property (Sec. 22-B) 709,681	1,254,295
30	667,680	(160) Nontransportation property (Sec. 23) \$ 831,707	XXXXXX
31	1,966,029	(161) Less: Depreciation reserve	
		Nontransportation property (Sec. 23) 279,623	552,084
		Total tangible property	1,806,379
		V. INTANGIBLE PROPERTY	
32		(165) Organization	
33	80,000	(166) Other intangible property	80,000
34	60,000	Total intangible property	80,000
		VI. DEFERRED DEBITS AND PREPAID EXPENSES	
35	(2,301)	(170) Prepayments	(1,794)
36	24,000	(172) Other deferred debits	10,000
37		(173) Accumulated deferred income tax charges (Sec. 19)	8,206
38	21,699	Total deferred debits and prepaid expenses	8,206
		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 \$	
46		2. Unpledged \$	
47	3,947,590	TOTAL ASSETS	4,185,965
		Contingent assets (not included above)	4,185,965

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	1,254,713
49	1,271,938	(201) Accounts payable	
50	-0-	(202) Accrued interest	
51	-0-	(203) Dividends payable	
52	(15,676)	(204) Accrued taxes	128
53		(205) Accrued accounts payable	
54		(208) Deferred income tax credits (Sec. 19)	
55		(209) Other current liabilities	
56	1,256,262	Total current liabilities	1,254,841
		IX. LONG-TERM DEBT	
		(b1) Less—Nominally outstanding (b2) Less—Nominally issued	
57	1,896,538	(210) Funded debt (Sec. 29) \$	1,598,712
58		(210.5) Capitalized leased obligations	
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	1,896,538	(219) Premium on long-term debt	
64		Total long-term debt	1,598,712
		X. RESERVES	
65		(220) Insurance reserves	
66		(221) Provident reserves	
67		(222) Other reserves	
68		Total reserves	
		XI. DEFERRED CREDITS	
69		(231) Other deferred credits	
70		(232) Accumulated deferred income tax credits (Sec. 19)	
71		Total deferred credits	
		XII. CAPITAL AND SURPLUS	
72	201,397	(240) Capital stock (Sec. 31)	201,397
73		(241) Premiums and assessments on capital stock	
74		Total (Lines 70 and 71)	201,397
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)	201,397
79		(243) Proprietorial capital	
80	1,440,651	(250) Unearned surplus	1,440,651
81	XXXXXXX	1. Paid in \$ 2. Other \$	XXXXXXX
82		(260) Earned surplus—Appropriated	
83	(241,258)	(270) Earned surplus—Unappropriated (Deficit in paren) (Sec. 32)	321,364
84	XXXXXXX	1. Distributed \$ 2. Undistributed \$	XXXXXXX
85		(279) Net unrealized loss on noncurrent marketable equity securities	
86	(606,000)	(280) Less Treasury stock	(631,000)
87	XXXXXXX	1. Pledged \$ 2. Unpledged \$	XXXXXXX
88	794,790	Total capital and surplus	1,332,312
89	3,947,590	TOTAL LIABILITIES	4,185,965
90		Contingent liabilities (not included above)	

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 \$

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 \$

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

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

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

Total deferred investment tax credit at close of year \$

Investment tax credit carryover at year end \$

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.

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 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.

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:	5
1		
2		
3		
4		
5		
6	Total	
	Dividend special deposits:	
7		
8		
9		
10		
11		
12	Total	
	Miscellaneous special deposits:	
13	Escrow-1st Federal Savings (Chicago Terminal Bldg.)	14,201
14		
15		
16		
17		
18	Total	14,201
	Compensating balances legally restricted:	
19	Held on behalf of respondent	
20	Held on behalf of others	
21	Total	

19. In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption "Other", including State and other taxes deferred if computed separately. Minor items each less than \$100,000 may be combined in a single entry under "Other".

Indicate in column (b) the beginning of the year balance of accumulated deferred tax credits (debits) applicable to each particular in column (a).

Indicate in column (c) the net change in accounts 110, 173, 208 and 232 for the net tax effect of timing difference originating and reversing in the current accounting period.

The total of net credits (charges) for the current year in column (c) should agree with the contra charges (credits) to account 432, Provision for deferred taxes, and account 451, Provision for deferred taxes, Extraordinary and prior period items, for the current year.

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 16.

ANALYSIS OF FEDERAL INCOME AND OTHER TAXES DEFERRED

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	\$	\$	\$	\$
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Other (Specify)				
4					
5					
6					
7	Investment tax credit				
8	TOTALS				

20. Give the details called for of investments in securities and advances held at the close of the year as stated for accounts (130) and (131) in section 16.

Names of issuing company and description of security held	Par value	Number of shares	Book cost	Income earned during year	
				Kind	Amount
	\$		\$		\$
Thompson Properties			595,557		
Cash Value Life Insurance			56,275		
Total	XXXXXXX	XXXXXXX	651,832	XXXXXXX	

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) (1) 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)						

22. Give details as called for of investment in transportation property, and reserve for depreciation and amortization for balances as stated for accounts (140) and (149) in section 16.

A. INVESTMENT

Property accounts	Balance at beginning of year	Charges	Credits	Adjustments Dr. - Debit Cr. - Credit	Balance at close of year
141. Furniture and office equipment	\$ 202,972	\$ 11,550	\$	\$	\$ 214,522
142. Motor and other highway vehicles	292,242		1,061		291,181
143. Land and public improvements	325,008		7		325,001
144. Terminal and platform equipment	206,943	14,512			221,455
145. Other property account charges	819,063	92,754			911,817
Total	1,846,228	118,816	1,068		1,963,976

B. DEPRECIATION AND AMORTIZATION RESERVE

Property accounts	Balance at beginning of year	Charges	Credits	Adjustments Dr. - Debit Cr. - Credit	Balance at close of year
141. Furniture and office equipment	\$ 116,802	\$	\$ 30,439	\$	\$ 147,241
142. Motor and other highway vehicles	184,322		33,046		217,368
143. Land and public improvements (depreciable property)					
144. Terminal and platform equipment	92,305		34,542		126,848
145. Other property account charges (depreciable property)	154,449		63,775		218,224
Total	547,879		161,802		709,681

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
Inventory- Apartments	\$ 85,318	\$
Inventory- Lots	59,370	
Other Equipment	687,019	
Accumulated Depreciation - other		279,623
Total	831,707	279,623

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.

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.

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)

1

2

3

4

5

6

7

8

(b)

9

10

11

12

13

14

15

16

(c)

17

18

19

20

21

22

23

24

(d)

25

26

27

28

29

30

31

32

(e)

33

34

35

36

37

38

39

40

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	Ship and garage equipment						
4	Service cars and equipment						
5	Noncarrier operating property						
	Other (Specify)						
6							
7							
8							
9							
10	Total						

2B.—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 _____		

TEXAS SHIPPERS ASSOCIATION, INC.
Schedule of Long-Term Debt
December 31, 1979

DESCRIPTION	AMOUNT
Mortgage Payable- Pension Benefit Fund	\$ 564020
Mortgage Payable- 1st Federal Savings - Chicago	163822
Mortgage Payable- Garfield Ridge Bank	15921
Mortgage Payable- 1st Savings Association - Corpus Christi	25096
Mortgage Payable- Robstown Savings	13950
Mortgage Payable- Ford Motor Credit Corp.	17891
Mortgage Payable- Heritage Bank	2926
Mortgage Payable- W. F. Snodgrass	36810
Mortgage Payable- International Harvester	39327
Mortgage Payable- Xerox	4233
Note Payable- Harlan Kelly	631716
Note Payable- Kendall Kelly	41500
Note Payable- Kirby Kelly	41500
	<hr/>
	\$ 1598712

29. Give details of long-term outstanding at the close of the year as stated for accounts (210), (211), and (213) in section 16.

Description of obligation	Date of issue	Date of maturity	Interest rate (percent)	Balance at close of year
				\$
See Schedule Attached				1,598,712
Total	xxx	xxx	xxx	1,598,712

30. Give details of advances payable for each item of \$1,000 or more included in account (212), section 16. Items of less than \$1,000 may be combined in a single entry and described as "Minor items each less than \$1,000."

Name of creditors and nature of advance	Rate of interest (percent)	Balance at close of year
	\$	\$
Total	xxxxxxx	

31. Give details of balance of capital stock outstanding at the close of the year stated for account (240) in section 16.

Line No.	Title and Description (a)	Number of Shares (b)	Amount (c)
	Par value:		\$
1			
2			
3	Capital - Common Stock - no par	14,551	201,397
4			
5	Total par value	14,551	201,397
6	Nonpar		
7	Grand total - Par value and nonpar stock		

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	\$ (241,258)	xxx
2	(300) Equity in undistributed earnings (losses) of affiliated companies at beginning of year	xxx	
3	(300) Income balance (Sec. 33)	562,624	
4	(301) Miscellaneous credits		
5	(302) Prior period adjustments to beginning earned surplus account	(2)	
6	(310) Miscellaneous debits		xxx
7	(311) Miscellaneous reservations of earned surplus		xxx
8	(312) Dividend appropriations of earned surplus		xxx
9	(270) Earned surplus (or deficit) at close of year	321,364	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)	321,364	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) _____	\$ 4,704,848
2	(410) Operating expenses (Sec. 35) _____	4,039,908
3	*Net revenue from forwarder operations (line 1, line 2) _____	664,940
4	(411) Transportation tax accruals (Sec. 36) _____	28,029
5	*Net revenue, less taxes, from forwarder operations (line 3, line 4) _____	636,911
OTHER INCOME		
6	(401) Dividend (other than from affiliates) and interest income _____	2,445
7	(402) Release of premium on long-term debt _____	
8	(403) Miscellaneous income _____	57,979
9	Income from affiliated companies _____	
9	Dividends _____	
10	Equity in undistributed earnings (losses) _____	
11	Total other income _____	60,424
12	*Total income (line 5, line 11) _____	697,335
MISCELLANEOUS DEDUCTIONS FROM INCOME		
13	(412) Provision for uncollectible accounts _____	1,590
14	(413) Miscellaneous tax accruals _____	1,783
15	(414) Miscellaneous income charges _____	3,373
16	Total income deductions _____	693,962
17	*Income from continuing operations before fixed charges (Lines 12, 16) _____	
FIXED CHARGES		
18	(420) Interest on long-term debt _____	84,578
19	(421) Other interest deductions _____	15,357
20	(422) Amortization of discount on long-term debt _____	
21	Total fixed charges _____	109,935
22	(423) Unusual or infrequent items _____	
23	*Income from continuing operations before income taxes (lines 17, 21, 22) _____	584,027
PROVISION FOR INCOME TAXES		
24	(431) Income taxes on income from continuing operations (Sec. 36) _____	21,403
25	(432) Provision for deferred taxes _____	
26	Income (loss) from continuing operations (lines 23-25) _____	562,624
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) _____	562,624
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) _____	562,624
<p>*If a loss or debit, show the amount in parentheses</p> <p>**Less applicable income taxes of</p> <p>(433) Income (loss) from operations of discontinued segments _____ \$ _____</p> <p>(434) Gain (loss) on disposal of discontinued segments _____</p> <p>(452) Cumulative effect of changes in accounting principles _____</p>		

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----- \$-----
- (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-----	\$ 12,349,260
	II. TRANSPORTATION PURCHASED—DR.	
2	511. Railroad transportation-----	3,635,019
3	512. Motor transportation-----	1,716,780
4	513. Water transportation-----	
5	514. Pick-up, delivery, and transfer service-----	2,298,402
6	515. Other transportation purchased*-----	
7	Total transportation purchased-----	7,650,201
8	Revenue from transportation (line 1 minus line 7)-----	4,699,059
	III. INCIDENTAL REVENUE	
9	521. Storage—Freight-----	1,297
10	522. Rent revenue-----	
11	523. Miscellaneous-----	4,492
12	Total incidental revenues-----	5,789
13	Total operating revenues (line 8 plus line 12)-----	4,704,848

*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	Amount
	(a)	(b)
1	601. General office salaries	\$ 514,747
2	602. Traffic department salaries	730,552
3	603. Law department salaries	
4	604. Station salaries and wages*	843,916
5	605. Loading and unloading by others	290,585
6	606. Operating rents	206,183
7	607. Traveling and other personal expense	132,200
8	608. Communications	63,634
9	609. Postage	23,343
10	610. Stationery and office supplies	63,928
11	611. Tariffs	6,942
12	612. Loss and damage—Freight	129,657
13	613. Advertising	2,045
14	614. Heat, light, and water	34,433
15	615. Maintenance	70,221
16	616. Depreciation and amortization	289,327
17	617. Insurance	188,876
18	618. Payroll taxes (Sec. 36)	129,427
19	619. Commissions and brokerage	
20	620. Vehicle operation (Sec. 36)	50,254
21	621. Law expenses	6,898
22	622. Depreciation adjustment	
23	630. Other expenses	262,740
24	Total operating expenses	4,039,908

*Includes debits totaling \$_____ for the pay of employees engaged in handling freight over platforms

26.—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	(431) Income taxes on income from continuing operations	(618) Payroll taxes	(620) Vehicle operation	Total
	(a)	(b)	(c)	(d)	(e)	(f)
1	Social security taxes	\$	\$	\$ 129,427	\$	\$ 129,427
2	Real estate and personal property taxes	28,029				28,029
3	Gasoline, other fuel and oil taxes					
4	Vehicle licenses and registration fees					
5	Corporation taxes		21,403			21,403
6	Capital stock taxes					
7	Federal excise taxes					
8	Federal excess profits taxes					
9	Federal income taxes					
10	State income taxes					
	Other taxes (describe)					
11	(a)					
12	(b)					
13	(c)					
14	(d)					
15	(e)					
16	Total	28,029	21,043	129,427		178,859

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	Trailer	27	\$	\$
2	Van	18		
3	TRAILER	9		
4				
5	See schedule attached		291,181	
6				
7				
8	Total	54	291,181	217,368

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					\$ 108,565
2	Clerks and attendants					390,347
3	Total					498,912
	Traffic department employees:					
4	Officers					50,877
5	Managers					142,626
6	Solicitors					354,905
7	Clerks and attendants					182,144
8	Total					730,552
	Law department employees:					
9	Officers					
10	Solicitors					
11	Attorneys					
12	Clerks and attendants					
13	Total					
	Station and warehouse employees:					
14	Superintendents					
15	Foremen					72,787
16	Clerks and attendants					
17	Laborers					786,964
18	Total					859,751
	All other employees (specify):					
19						
20						
21						
22						
23	Total	105	113	110	117	2,089,215
24	Grand total	105	113	110	117	2,089,215

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

Weekly for all except management which are semi-monthly

TEXAS SHIPPERS ASSOCIATION, INC.
Schedule of Motor Vehicles
December 31, 1979

UNIT	YEAR	MODEL	COST
Chicago			
74	1974	Ford LN800	2389.64
426	1974	Ford Lnt900	4014.10
67	1974	Ford LN 800	4046.26
Dallas			
34	1956	Chev Van	1962.31
41	1957	I H Van	850.00
45	1963	Chev Tractor	1650.00
48	1962	Chev. Van	1150.00
50	1962	GMC Van	2250.00
TI	1957	Trailmobile Trailer	1000.00
55	1957	Lufkin Van	1200.00
60	1968	Chev Tractor	7032.55
71	1969	Ford Van	3744.00
72	1969	Ford Van	3744.00
73	1969	Ford Van	3744.00
74	1970	Chev. Van	4685.75
75	1970	Chev Van	3090.00
76	1970	Chev. Tractor	3876.26
		Van Accessories	3629.54
73	1972	I H 2000D	10140.00
		Tractor Yard Mule	10000.00
87	1977	Ford LN700	13897.74
88	1977	Ford LN700	13897.74
89	1977	Ford LN700	13897.74
T3	1968	Copco City Trailer	2100.00
T4	1967	Fruehauf Trailer	2100.00
T5	1965	Fruehauf Trailer	2100.00
75	1974	I H 2070A Tractor	14456.00
94	1974	Ford LN800	6396.00
95	1974	Ford LN800	6396.00
96	1974	Ford LN800	6396.00
97	1974	Ford LN800	6396.00
T6	1969	Fruehauf Trailer	1550.00
70	1974	Ford LN800	2389.64
71	1974	Ford LN800	2389.64
72	1974	Ford LN800	2509.99
64	1974	Ford LN800	2454.31
	1974	Ford Van F-600	2011.42
81	1974	Ford Van F-600	1977.58
68	1973	Ford LNT 900	9200.00
69	1974	Ford LN800	8700.00

UNIT	YEAR	MODEL	COST
Houston			
		Fruehauf Trailer	500.00
		Fruehauf Semi-trailer	886.67
	1968	Ford Van	3550.00
83	1975	Ford Van F-600	5630.38
	1977	Ford LN 700	13897.74
7	1966	Fruehauf Trailer	2100.00
112	1974	I H Van	6396.00
113	1974	I H Van	6396.00
114	1974	I H Van	6396.00
	1969	Fruehauf Trailer	1550.00
Laredo			
	1973	Ford W9000	12799.32
San Antonio			
	1973	Ford W9000	12799.31
General Office			
		3 used IH Tractors	8109.60
		Other motor vehicle accessories	14156.16
	TOTAL		<u>291181.39</u>

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	75,609
2	Number of shipments received from shippers	112,424

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)
			(c)	(d)
1	Harlan Kelly	President-Treasurer	\$ 48,000.00	\$ 200.00
2	Robert C. Acke	Vice President	34,200.00	8,325.00
3	James D. Vaughn	Executive V.P.	30,000.00	
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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 director, manager, or purchasing or selling officer of, or who has any substantial interest in, or in 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							
2							
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30							

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

NAME Harlan Kelly TITLE President-Treasurer

TELEPHONE NUMBER 214-638-6217
(Area code) (Telephone number)

OFFICE ADDRESS 2311 Butler St., Dallas, Texas 75235
(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 Texas

COUNTY OF Dallas

J. Roger Roberts makes oath and says that he is
Controller

(Insert here the official title of the affiant)

of Texas Shippers Association, 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, 1979, to and including December 31, 1979.

J. Roger Roberts
(Signature of affiant)

Subscribed and sworn to before me, a Notary, in and for the State and County above named,
this 6th day of June, 1980

My commission expires 4-16-84

[USE AN L. S.
IMPRESSION
SEAL]

Travis Sanderson
(Signature of officer authorized to administer oaths)

TRAVIS SANDERSON, Notary Public
Dallas County, Texas
My commission expires 4-16-84