

YACHTS-O-FUN CRUISES, INC. 1978

Inland and Coastal Waterways
(Class C Water Carriers)

ANNUAL REPORT TO THE
INTERSTATE COMMERCE COMMISSION

Annual Report Form W-3

APPROVED BY GAO
B-180230 (R0405)
EXPIRES 12-31-79

1978

(Date Due: March 31, 1979)

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)	
		Yachts-O-Fun Cruises, Inc. 1130 N. Jantzen Dr. Portland, OR 97217	
2. Did respondent conduct its business, or any part thereof, during the year under a name or names other than that indicated in line 1? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If "Yes", give full particulars _____			
3. Type of ownership (state if individual owner, partnership, corporation, association, etc.): <u>Small business corporation</u>			
4. If a corporation, association, or other similar form of enterprise, give date of organization and name state in which organized: State of <u>Oregon</u> on <u>January 30,</u> <u>1975</u>			
5. Give the names, address, and nature of business of all: (a) holding, (b) subsidiary, (c) affiliated, and (d) associated companies: <u>Rose City Marine Brokers, 1130 N. Jantzen, Portland, OR-Boat broker</u>			
6. Type of carrier (common, contract or both) and kind of service (passenger, or property, or both): <u>common-passenger</u>			
7. Location of operations (state the names of ports plied between or touched in regular service or general territory served if no ports of regular service): <u>Columbia River West to Bar, East to Lewiston, ID, Willamette R. So. to Salem</u>			
8. Give the selected financial and operating data for the year requested in the following schedules. Under Schedule 400, Floating Equipment, include equipment used or held for use and indicate the character of title as either owned or leased from others, also describe as tugs, barges, vessels, etc. Show cargo carrying capacity in tons of 2,000 lbs. In Schedule 500, Employees, state the number of persons employed by respondent in connection with its carrier operations for the services and on dates indicated. Money items throughout this annual report form should be shown in units of dollars adjusted to accord with footings.			
200. Balance-sheet items at close of year			
Line No.	Item (a)	Amount (b)	
	Assets		
1	Current assets	13,378	
2	Investment in shipping property and equipment	5567	
3	Less: Reserve for depreciation	(1904)	3,663
4	Investment in non-shipping property and equipment		
5	Less: Reserve for depreciation		1,077
6	All other assets		\$18,118
7	Total assets		
	Liabilities and Capital		
		73,244	
8	Current liabilities		
9	All other liabilities	1,000	
10	Capital stock for proprietorship	(56,126)	
11	Surplus	\$18,118	
12	Total liabilities and capital		

ADMINISTRATIVE SERVICES
MAIL UNIT

MAR 1979 26

INTERSTATE
COMMERCE COMMISSION
RECEIVED

300. Income items for the year

Line No.	Item (a)	Foreign traffic (b)	Domestic traffic		Total (e)
			Regulated (c)	Unregulated (d)	
1	Revenues, water-line operating—Total	\$	\$ 63,273	\$	\$ 63,273
2	Freight		63,273		63,273
3	Passenger				
4	Mail and express				
5	All other				51,252
6	Expenses, water-line operating—Total				--
7	Depreciation - Transportation property				51,252
8	All other operating expenses				2,607
9	Tax accruals, water line, (excluding Federal income taxes)				(11,891)
10	Other income less other deductions and fixed charges - Net (- Deficit)				--
11	Provision for Federal income taxes				(2,477)
12	Net income after income taxes				--
	Dividend appropriations or other withdrawals:				--
13	a. Dividends				--
14	b. Other (Specify)				--

400. Floating Equipment (Owned and leased from others) at end of year

Line No.	Description of item on respondent's record (a)	Character of title (b)	Year acquired (c)	Rated horsepower of engine (d)	Cargo carrying capacity - Tons (2,000 lbs.) (e)	Passenger carrying capacity (Number) (f)
1	57" Cruise boat-Vessel	Leased	1975	2-210 HP	33	49
2						
3	Portable dock	Owned	1975	--	--	--
4						
5						
6						

500. Employees

Line No.	Item (a)	Mar. 31 (b)	June 30 (c)	Sept. 30 (d)	Dec. 31 (e)
		*	*		
1	Employees on vessel(s), number of	2	2	3	3
2	Shore employees, number of	--	--	--	--
3	Total	2	2	3	3

*Stockholder employees only-
No compensation paid

600. Traffic statistics for the year

Line No.	Item (a)	Foreign traffic (b)	Domestic Traffic		Total (e)
			Regulated (c)	Unregulated (d)	
1	Tons of revenue freight carried (2,000 lbs.)		—		—
2	Number of revenue passengers carried		3990		3990
3	Commodities, 6 principal, handled in domestic trade				

9. Give a concise statement of important changes during the year affecting comparisons of returns in this report with report of previous year, such as transfer of ownership, leasing of property and vessels, location of operations, financial arrangements, etc.

No major changes in operation - \$58,093 of current liabilities are demand notes from the two stockholders. Rent paid on cruise boat was reduced from \$26,508 last year to \$23,456 this year due to poor economic conditions.

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

NAME James O. Lafferty TITLE President

TELEPHONE NUMBER 503 285-6665
(Area Code) (Telephone number)

OFFICE ADDRESS 1130 N. Jantzen Drive Portland, OR 97217
(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 Oregon

COUNTY OF Multnomah

Ralph Service

makes oath and says that he is

(Insert here the name of the affiant)

Secretary of Yachts-O-Fun Cruises, Inc.
(Title of affiant) (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 report is a correct and complete statement of the business and affairs of the above named respondent during the period of time from and including October 31, 19 78, to and including November 1, 19 79.

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the State and county above named, this 16th day of MARCH, 19 79. My commission expires MAY 9 1980.

Place
Impression Seal
Here

(Signature of officer authorized
to administer oaths)

FOLLOW ALL INSTRUCTIONS CAREFULLY

1. Remove the mailing label from the cover and attach the label to the top of page 1 of the report form to be filed. The mailing label should NOT be altered. If the name and address on the mailing label are incorrect, insert your correct name and address in the space provided to the left. The carrier mailing address is the company address where correspondence regarding accounting and reporting matters is to be directed, but not the address of an independent auditor or CPA.

2. Three copies of this form for annual report should be filled out and two copies returned, the original of which must be the copy containing the mailing label, to the Bureau of Accounts, Interstate Commerce Commission, Washington, D. C. 20423, by March 31 of the year following the year for which the report is made; one copy should be retained by the carrier for reference. The report is required of water carriers whose average annual operating revenues are \$100,000 or less, in accordance with the provisions of Section 313(a) of Part III of the Interstate Commerce Act.

3. For those water carriers subject to the jurisdiction of the Interstate Commerce Act having average annual operating revenues exceeding \$100,000 annual report Form W-1 and Maritime carriers annual report Form W-4 have been provided.

4. Unless otherwise explained, the carrier should report its

entire operations for the year of the report including intrastate and exempt interstate transportation. If operations are for a period less than a year, the report should so indicate.

5. Full and accurate replies should be made to all items and schedules. If an item is not applicable to the respondent, or if the word "none" fairly and completely applies, the report should so indicate. If records are not available for any item or part thereof, which give the information called for, respondent should report the best estimate possible and mark such items "estimated."

6. Wherever the space provided is insufficient to permit full and complete reply to the requested information, such replies should be prepared on inserts, appropriately referenced and securely attached to the report or the reply can be continued in the space in the report for "Remarks."

7. If respondent prepares statements of its income, surplus, general balance-sheet or operations for the year or any part thereof of the report, one copy of each such statement shall be filed with this report or submitted to the Commission as and when available.

8. Inquiries relative to the preparation and filing of the report should be addressed to the Bureau of Accounts at above address.

REMARKS:

None

This space for ICC use only:

Mays, Esterholdt, Stanton & Co.
Certified Public Accountants

A Professional Corporation

Suite 1080, Lloyd Five Hundred Building
500 N. E. Multnomah Street
Portland, Oregon 97232
Tel (503) 238-6413

Paul H. Mays, C.P.A.
Stanley E. Esterholdt, C.P.A.
Larry T. Stanton, C.P.A.
Charles R. Magedanz, C.P.A.
Charles W. Mays, C.P.A.

Yachts-O-Fun Cruises, Inc.
1130 N. Jantzen Dr.
Portland, OR 97217

Gentlemen:

The accompanying balance sheet of Yachts-O-Fun Cruises, Inc., A Small Business Corporation, as of October 31, 1978, and the related statements of income and changes in financial position for the year then ended were not audited by us and accordingly we do not express an opinion on them.

Respectfully submitted,

MAYS, ESTERHOLDT, STANTON & CO., P.C.

Portland, Oregon
January 10, 1979

By *Stanley E. Esterholdt*
Certified Public Accountant

YACHTS-O-FUN CRUISES, INC.
(A Small Business Corporation)
BALANCE SHEET - OCTOBER 31, 1978
(Prepared without audit)

ASSETS

Current Assets:

Cash on hand and in bank	\$ 11,740
Accounts receivable	1,120
Prepaid insurance	<u>518</u>
Total Current Assets	13,378

Equipment:

Less: Accumulated depreciation	\$ 5,567	
	<u>(1,904)</u>	3,663

Other Assets:

Organization cost - Net of amortization	77
I.C.C. Permits	<u>1,000</u>

Total Assets	<u>\$ 18,118</u>
--------------	------------------

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities:

Accounts payable - Trade	\$ 180
Interest payable - Stockholders	3,486
Deposits held	383
Taxes and licenses payable	341
Notes and loans payable - Due in one year	<u>68,854</u>
Total Current Liabilities	73,244

Stockholder's Equity:

Common stock - no par (500 shares authorized, 200 shares issued and outstanding)	\$ 1,000	
Retained earnings - Deficit	<u>(56,126)</u>	<u>(55,126)</u>
Total Liabilities and Equity	<u>\$ 18,118</u>	

The accompanying letter and notes are an integral part of these financial statements.

YACHTS-O-FUN CRUISES, INC.
 (A Small Business Corporation)
 STATEMENT OF INCOME AND RETAINED EARNINGS
 From November 1, 1977 to October 31, 1978
 (prepared without audit)

Water Craft Revenue:

\$ 63,273 100.0%

Operating Expenses:

Advertising and promotion	\$ 4,973		
Accounting and legal	2,724		
Contract services	771		
Depreciation and amortization	755		
Fuel	3,157		
Insurance	5,046		
Interest	3,386		
Operating supplies	2,907		
Moorage and utilities	684		
Rent - Boat	23,456		
Repair and maintenance	9,401		
Refunds	978		
Salaries and wages	4,852		
Taxes and licenses	2,607		
Travel and entertainment	41		
Miscellaneous sundry	<u>12</u>	<u>65,750</u>	<u>103.9</u>
Net Operating Loss		(2,477)	<u>(3.9)%</u>

Retained Earnings - Deficit - November 1, 1977 (53,649)

Retained Earnings - Deficit - October 31, 1978 \$(56,126)

Loss per share of common stock outstanding \$ (12.39)

The accompanying letter and notes are an integral part of these financial statements.

YACHTS-O-FUN CRUISES, INC.
 (A Small Business Corporation)
STATEMENT OF CHANGES IN FINANCIAL POSITION
 For the Year Ended October 31, 1978
 (Prepared without audit)

Funds Applied:

Net Loss from operations	\$ 2,477
Non cash income and expense not requiring or providing working capital	
Depreciation and amortization	(755)
Working Capital Applied to Operations	1,722
Equipment acquisition	415
Decrease in long term debt	105
Total Funds Applied	<u>\$ 2,242</u>

Funds Provided:

Decrease in working capital - Schedule below	<u>\$ 2,242</u>
--	-----------------

SCHEDULE OF CHANGES IN WORKING CAPITAL

	Balance 10-31-78	Balance 10-31-77	Increase (Decrease)
<u>Current Assets:</u>			
Cash in banks	\$ 11,740	\$ 6,107	\$ 5,633
Accounts receivable	1,120	446	674
Prepaid insurance	518	497	21
	<u>13,378</u>	<u>7,050</u>	
<u>Current Liabilities:</u>			
Accounts payable	180	690	510
Interest payable	3,486	2,436	(1,050)
Deposits held	383	469	86
Taxes payable	341	2,016	1,675
Notes and loans pay.-due in one year	68,854	59,063	(9,791)
	<u>73,244</u>	<u>64,674</u>	
			<u>\$ (2,242)</u>

The accompanying letter and notes are an integral part of these financial statements.

YACHTS-O-FUN CRUISES, INC.
A SMALL BUSINESS CORPORATION
NOTES TO FINANCIAL STATEMENTS - OCTOBER 31, 1978
(Unaudited)

Note 1. Significant Accounting Policies:

The company uses a standard accrual basis accounting system.

Depreciation expense has been computed using the straight line method. The same rates are used for financial statements and corporation tax returns.

Note 2. Income Taxes:

No provision for income tax liabilities has been made herein, as the income or loss of a small business corporation passes directly through to the individual stockholders.

Note 3. Notes and Loans Payable:

Notes and loans payable consist of the following:

Oregon Bank - equipment loan, principal balance \$3,200 payable in 36 monthly installments of \$104.19, including interest at the rate of 11%. This loan is guaranteed by Rose City Marine Brokers, an affiliate.

\$ 104

James Lafferty (50% stockholder) - demand notes, interest at the rate of 6% per annum, payable semi-annually.

34,375

Ralph Service (50% stockholder) - demand notes, interest at the rate of 6% per annum, payable semi-annually.

34,375

Less amount due within one year

(68,854)

Amount Due After One Year

\$ -0-

Note 4. Operations:

The company operates the 57 foot cruise boat, Cruis' Ader Princess, for hire, on the waters of the Columbia and Willamette Rivers.

Note 4. Operations: (Cont.)

The cruise boat is rented by the company on a month to month basis from Rose City Marine Brokers, a partnership. The owners of both businesses are James Lafferty and Ralph Service.

At present the annual rental is \$25,588. Monthly payments for rental are recorded as expense when they become due and payable.

Note 5. Commitments and Contingencies:

The company shares office space leased by its affiliate Rose City Marine Brokers, no charge is made for office use.

The management believes that there are no other significant commitments or contingent liabilities.