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UTILITIES AND TRANSPORTATION
COMMISSION

UPDATES FOR:
AUTO TRANSPORTATION COMPANY APPLICATION
TO TRANSFER C-1006

Including:

Updated name to include LLC and a breakdown of LLC members. New USDOT number, reflecting correct legal name. Page 1 section 1

Update option "Adopt" vs "File new tariff" page 5 section 3

Complete Financial Statement, page 5 section 5

Include updated pro forma balance sheet and revenue forecasts.

SAN JUAN TRANSIT TOURS AND CHARTERS, LLC

Kraig Hansen
360-378-8887 or 360-421-4674
PO Box 2809, Friday Harbor, WA 98250

SECTION 3 – TARIFF AND TIME SCHEDULE

If this application is for temporary authority, a new certificate, or extension of existing certificated authority, you must include a proposed tariff and time schedule that is in compliance with WAC 480-30-251 through WAC 480-30-436.

If this application is a transfer or a lease of authority from an existing certificated company, you must either file a new tariff and time schedule at the same rate levels as on file, or, you must adopt the current certificate holder's tariff and time schedule. To file a new tariff, use the standard tariff format attached to this application or an approved alternate format. Indicate which option you will use:

Adopt or File new tariff

SECTION 4 – HEARING INFORMATION

If the Commission assigns this application for a formal hearing, estimate the number of witnesses you will present and the amount of time you will need for your presentation.

Number of witnesses: 1	Amount of time: 20 minutes
Will an attorney be representing you? If yes, complete the following:	
Attorney's name: Anthony Vivenzio	Attorney's phone number: 360-378-6860
Attorney's address: 540 Guard St.	Fax number:
City, State, Zip Friday Harbor, WA 98250	E-mail address vivenziolaw@rockisland.com

SECTION 5 – FINANCIAL STATEMENT

ASSETS		LIABILITIES	
Cash in Bank	\$10,431	Salaries/Wages Payable	\$
Notes Receivable	\$	Accounts Payable	\$
Accounts Receivable	\$0	Notes Payable	\$24,072
Investments	\$0	Mortgages Payable	\$
Other Current Assets	\$0	Contracts and Bonds Payable	\$
Prepaid Expenses	\$0	TOTAL LIABILITIES	\$24,072
Land and Buildings	\$0	NET WORTH	
Trucks and Trailers (Less Acc Depreciation)	\$85,000 <10,533>	Preferred Stock	\$
Office Furniture	\$500.00	Common Stock	\$
Other Equipment	\$500.00	Retained Earnings	\$
Other Assets - Busses	\$35,000.00	Capital	\$62,326
TOTAL ASSETS	\$86,398.00	TOTAL LIABILITIES AND NET WORTH	\$86,398

In addition: the application must include the following: (See WAC 480-30-096)

- Ridership and Revenue forecasts for the first twelve months of operation.
- A pro forma balance sheet and income statement for the first twelve months of operation.

**SAN JUAN TRANSIT TOURS AND CHARTERS, LLC
FORECAST FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECMEBER 31, 2014**

SAN JUAN TRANSIT TOURS AND CHARTERS LLC
Table of Contents
December 31, 2014

COMPILATION REPORT	1
FORECAST BALANCE SHEET	2
FORECAST INCOME STATEMENT	3
FORECAST CASH FLOW STATEMENT	4
NOTES TO FINANCIAL STATEMENTS	5

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San Juan Transit Tours and Charters LLC
Friday Harbor, WA

We have compiled the accompanying forecasted balance sheet, statement of income and retained earnings, and statement of cash flows for San Juan Transit Tours and Charters, LLC, as of December 31, 2014, and for the year then ending, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation of forecasted statements is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

John J. Lee, CPA

January 19, 2014

San Juan Transit Tours and Charters LLC
Forecast Balance Sheet
December 31, 2014

ASSETS

	<u>12/31/2014</u>
Current Assets	
Cash	\$ 10,931
Accounts Receivable	<u>0</u>
Total Current Assets	<u>10,931</u>
Property and Equipment	
Machinery and Equipment	85,000
Furniture and Fixtures	1,000
Accumulated Depreciation	<u>(10,533)</u>
Total Net Property and Equipment	<u>75,467</u>
TOTAL ASSETS	\$ <u>86,398</u>

LIABILITIES AND EQUITY

Current Liabilities	
Current Portion Long Term Debt	\$ 4,000
Payroll Liabilities	<u>-</u>
Total Current Liabilities	4,000
Long Term Note	<u>20,072</u>
TOTAL LIABILITIES	24,072
MEMBER'S EQUITY	<u>62,326</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>86,398</u>

See accompanying summaries of significant assumptions, accounting policies and accountant's report

San Juan Transit Tours and Charters LLC
Forecast Income Statement
For the Year Ending December 31, 2014

INCOME		
Sales	\$ 250,300	100.00%
Payroll	120,000	47.94%
Fuel	20,000	7.99%
Maintenance	20,000	7.99%
COST OF SALES	160,000	92.01%
GROSS MARGIN ON SALES	90,300	36.08%
EXPENSES		
Advertising	5,000	2.00%
Depreciation Expense	10,533	4.21%
Insurance	7,500	3.00%
Interest	741	0.30%
Licenses and Permits	1,000	0.40%
Office Expense	5,000	2.00%
Professional Fees	5,000	2.00%
Printing	5,000	2.00%
Supplies	2,000	0.80%
Taxes	12,500	4.99%
TOTAL OPERATING EXPENSES	\$ 54,274	21.68%
NET INCOME	\$ 36,026	14.39%
Beginning Member's Equity	36,300	
Less: Member Draws	10,000	
ENDING MEMBER'S EQUITY	\$ 62,326	

See accompanying summaries of significant assumptions, accounting policies, and accountant's report

San Juan Transit Tours and Charters LLC
Forecast Statement of Cash Flows
For the year ending December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in net income	<u>\$ 36,026</u>
Adjustments to reconcile increase in net assets to net cash provided by operations:	
Depreciation and Amortization	10,533
(Increase) decrease in:	
Accounts Receivable	0
Prepaid Insurance	0
Increase (decrease) in:	
Accounts Payable	0
Payroll Liabilities	0
NET INCREASE (DECREASE) IN CASH FROM OPERATING ACTIVITIES	<u><u>46,559</u></u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Bus	(50,000)
Member Draws	(10,000)
NET INCREASE (DECREASE) IN CASH FROM INVESTING ACTIVITIES	<u><u>(60,000)</u></u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from loan	25,000
Payments on Long Term Debt	(928)
NET INCREASE (DECREASE) IN CASH FROM FINANCING ACTIVITIES	<u><u>24,072</u></u>

NET INCREASE (DECREASE) IN CASH

10,631

Cash - Beginning of period

300

Cash - End of period

\$10,931

Cash Paid for interest \$ 741.00

San Juan Transit Tours and Charters LLC

Notes to Financial Statements

December 31, 2014 (Forecast)

NOTE A – SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS

This financial forecast presents, to the best of management's knowledge and belief, the Company's expected financial position, results of operations, and cash flows for the forecast period. Accordingly, the forecast reflects management's judgment as of January 19, 2014, the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Sales

The company expects ridership on its transit to total 50,000. The fare is \$5 for a total of \$250,000 in sales. \$300 for charters has been forecast.

Cost of Sales

Bus direct operating costs have been forecast based on the experience of the former owners. These costs are expected to vary little since operations are on a published schedule regardless of ridership.

Expenses

Expenses are forecast based on the experience of the former owner with the exception of depreciation and interest.

Bank Borrowings and Interest Expense

It is the intention of management not to borrow for the purchase of new equipment. However, a \$25,000 borrowing has been forecast in the event that a replacement bus is purchased. Management intends to replace a bus in 2014 and hopefully can do so with the cash generated through the business.

Income Taxes

The business is a limited liability company. The owner intends to elect a tax treatment that passes through income and expense to the owner's personal tax return. Therefore, income taxes would be the responsibility of the owner.

San Juan Transit Tours and Charters LLC

Notes to Financial Statements

December 31, 2014 (Forecast)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial forecast has been prepared on the basis of accounting principles generally accepted in the United States of America expected to be used in the financial statements covering the forecast period.

Revenue Recognition

Revenue from fares is recognized upon collection. Revenue from charters is recognized when the charter occurs.

Property and Equipment

Depreciation expense is calculated by the straight line method based on a five year useful life. Expenditures for maintenance and repairs are charged to expense as incurred.

Federal Income Tax

The company is organized as an LLC and the owner will elect to be taxed on a method that will pass the income tax liability to his personal tax return.

NOTE C – LONG TERM DEBT

Long Term Debt consists of a loan to purchase a bus for \$25,000 at an estimated interest rate of 12%. The monthly payments will be \$556.11 with a maturity date of August of 2019. The following is a summary of maturities due on the note as of December 31, 2014.

2015	\$4,000
2016	4,507
2017	5,079
2018	5,723
2019	<u>4,763</u>
Total	24,072
Current Portion	<u>4,000</u>
Long Term Portion	20,072