

- HEATING AND COOLING     PIPELINE  
 WATER TRANSPORTATION COMPANIES

# ANNUAL REPORT

OF

KELLEY'S ISLAND FERRY BOAT LINES, INC.

(Exact legal name of respondent)

If name was changed during year, show also the previous name and date of change.

P.O. Box 25527 GARFIELD HTS., OH 44125

(Address of principal business office at end of year)

TO THE  
PUBLIC UTILITIES COMMISSION OF OHIO



FOR THE

YEAR ENDED DECEMBER 31, 2001

Name, title, address and telephone number (including area code) of the person to be contacted concerning this report.

BERNARD LINDWAY - FINANCE DIRECTOR    216-883-7200    FAX 216-883-8027

P.O. Box 25527 GARFIELD HTS., OH 44125

\*\* BECAUSE OF OUR RECENT "OFFICE FIRE" OUR TEMPORARY PHONE # 216-883-6511  
FAX 216-883-6516

RECEIVED-DOCKETING DIV

JUN 28 AM 10:43

PUCO

Ohio Dept of Taxation  
Treasurer, State of Ohio  
P.O. Box 16560  
Columbus Oh, 43126-6560

April 4, 2002

To Whom It May Concern:

ATTN:  
LARRY RINGER

We recently had a fire at our corporate offices and most of our files have been destroyed or badly damaged. Our computer systems are down and all of our hardware has been destroyed. Subsequently, we have fallen behind on our prompt filing procedures and are now delinquent for the following company. *KELLY'S ISLAND FERRY BOAT LINES, INC.*  
V.L. # \_\_\_\_\_ and F.I.D. # *34-1645625*  
For the period of \_\_\_\_\_ To \_\_\_\_\_

In spite of this past unfortunate situation, we have now been able to bring our tax reporting up to date and are enclosing this cover letter with our tax forms.

May we at this time, respectfully request your cooperation in waiving any interest and penalties that may be applicable.

Thank you for your cooperation.

Sincerely,

  
Steve R. Rizzo  
President

*Thank you, Larry*  
BERNIE LINDWAY  
FINANCE DIRECTOR  
216-883-6511

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## GENERAL INSTRUCTIONS, DEFINITIONS, ETC.

1. The word "Respondent" in the following inquiries means the person, firm, association, or company in whose behalf the report is made.
2. The schedules and questions contained in this report were developed to be generally applicable to all heating and cooling, pipeline and water transportation companies. All instructions shall be followed and each question answered as fully and accurately as possible. Sufficient answer shall appear to show that no schedule, question, or line item has been overlooked. If a particular line item or schedule does not apply to the respondent, indicate this by answering "none", "-0-", or "not applicable", as appropriate, where it truly and completely states the fact.
3. If answers to an inquiry are given elsewhere in the report, incorporation of information by reference is sufficient.
4. Customary abbreviations may be used except that the exact name of the respondent shall be shown in full on the "Title Page" and in the "Verification" page.
5. Where the space provided is insufficient for the required data or it is necessary or desirable to insert additional statements or schedules, the insert pages shall show the number and title of the schedule to which it pertains, as well as the name of the respondent and the year covered, and shall be on 8 1/2" x 11" durable paper.
6. The information required with respect to any statement furnished is the minimum requirement. The respondent may add such further material information as is necessary to ensure that the required statements are not misleading.
7. All copies filed with the Commission must be legible and permanent. All entries shall be made in permanent ink or by a typewriter. Items of a reverse or contrary character shall be enclosed in parentheses, or indicated by a minus sign followed by the amount.
8. Amounts on any schedule (except as otherwise provided therein), may, at the option of the respondent, be rounded off to whole dollars provided that amounts are appropriately adjusted to agree with the rounded total.
9. The annual report shall be signed by a duly elected officer of the respondent and it shall be notarized.
10. The information required in this report, unless otherwise indicated, is to be reported for the entire company and not for the State of Ohio only.
10. Totals should be provided as indicated. The respondent shall ensure that schedule totals and subtotals are mathematically correct.
12. If a line item is supported by a detailed schedule elsewhere in this report, the respondent should ensure that the detailed schedule is completed and that the amounts on both schedules match.

HISTORY

1.	Exact name of company making this report. <u>Kelley's ISLAND Ferry Boat Lines, INC.</u>
2.	Date of organization <u>11-20-89</u>
3.	Under the laws of what Government, State or Territory organized? If more than one, name all. <u>OHIO - U.S.A.</u>
4.	If a consolidated or merged company, name all constituent and all merged companies. <u>NONE</u>
5.	Date and authority for each consolidation and each merger. <u>N/A.</u>
6.	State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual. <u>CORPORATION</u>
7.	If a reorganized company, given name of original corporation, refer to laws under which it was organized, and state the occasion for the reorganization. <u>N/A</u>
8.	State whether or not, the respondent during the year conducted any part of its business under a name, or names, other than shown, in response to inquiry No. 1. If so, give full particulars. <u>NONE</u>
9.	Where are the books and records of the company kept? <u>ACTUAL PHYSICAL OFFICE: 3203 HARVARD AVENUE NEWBURGH HTS, OH 44105 MAILING ADDRESS: P.O. BOX 25527 GARFIELD HTS., OH 44125</u>
10.	Name below all classes of public service furnished by the respondent. <u>WATER TRANSPORTATION</u>

**IDENTITY OF RESPONDENT**

1. State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual. CORPORATION
2. Date when operations began. 11-20-89
3. If a consolidated or merged company, give names of each such incident, date, and Commission authority. If a reorganized company, give name of original corporation. N/A
4. If incorporated specify (a) Date of filing articles of incorporation, 11-20-89  
(b) State in which incorporated, OHIO
5. Commission Case Number granting operating authority and date issued. UNKNOWN
6. State whether or not the respondent during the year conducted any part of its business under a name or names other than that shown Title Page; if so, give full particulars. N/A
7. Description of general service territory. NORTHWEST OHIO - WESTERN LAKE ERIE.
8. List all affiliated companies with whom the respondent does business and their relationship to the respondent. If respondent is a partnership, provide this information for each partner. (Use separate page(s) if needed). SEE ATTACHED PAGE 3-A  
State whether the affiliate is (a) a regulated public utility or, (b) a publicly held corporation. NEITHER
9. Did any corporation or corporations, telephone or other, hold control over the respondent at the close of the year? NO If control was so held, state:
  - a. The name and address of the controlling corporation or corporations.
  - b. The form of control, whether sole or joint.
  - c. The extent of control. N/A
  - d. Whether control was direct or indirect.
  - e. If indirect, the name and address of the intermediary through which control was established.
10. Did any individual, association, or corporation hold control, as trustee, over the respondent at the close of the year? NO If control was so held, state:
  - a. The name and address of the trustee.
  - b. The name and address of the beneficiary or beneficiaries for whom the trust was maintained, if available.

11. Did the respondent hold control over other corporations at the close of the year?  
If so, state:

No

- a. The name and address of corporation or corporations controlled.
- b. The form of control, whether sole or joint.
- c. Other parties, if any, to joint agreement for control.
- d. The extent of control.
- e. Whether control is direct or indirect.
- f. If indirect, the name and address of the intermediary through which control was established.

" PAGE 3-A - "

ATTACHMENT TO KELLEY'S ISLAND FERRY BOAT LINES  
AFFILIATED COMPANIES

CAPITAL CONTROL, INC. dba KELLEY'S ISLAND SEAWAY MARINA

- owns ferry boats and properties from which the respondent operates and leases  
the watercraft





**IMPORTANT CHANGES DURING THE YEAR**

Report important changes of the types listed. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, incorporation of that information by reference will be sufficient.

- 1. Issuances of Capital Stock or long term debt during the year: Identify the securities, date, consideration received and Commission authorization.

NONE

- 2. Changes in franchise rights.

NONE

- 3. Changes in ownership or control (shareholders holding 5% or more of outstanding stock).

NONE

- 4. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

NONE

SCHEDULE: 3

VOTING POWERS AND ELECTIONS				
1. In the schedule below, show the particulars called for concerning the stockholders of respondent who, at the date of the latest closing of the stock-book of respondent prior to the actual filing of this report, had the twenty highest voting powers of the respondent. If any such holder held in trust, attach a statement showing the beneficial owners. If the stock-book was not closed within the year, show twenty such stockholders as of the close of the year. In the space provided, show total shares and notes of all stockholders.				
Line No.	Name and Address of Stockholders	No. of Shares Held	No. of Voting Shares	Other Vote Empowered Securities
1.	J.A.P. HOLDING COMPANY, II	500	500	NONE
2.	P.O. Box 25527 GARFIELD HTS.,			
3.	OH 44125			
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
	Total listed above			
	Total all stockholders	500	500	NONE

SCHEDULE: 4

**DIRECTORS, PROPRIETORS, PARTNERS**

1. Give the name of director or proprietor. (For partnerships identify each partner, identify which are general or limited partners, and show each partner's percent of interest.)

Line No.	Name and Address (City and State) (a)	Served Continuously From (b)	Term Expired or Current Term Will Expire (c)
1	N/A.		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

(For corporations, show the data requested; for other forms of business organizations, show names of individuals holding comparable positions.)

16	Name of Chairman of the Board	JAMES A. PALLADINO	21.	Treasurer	CARMEN L. PALLADINO
17	Name of Secretary of Board	CARMEN L. PALLADINO	22.	Controller	FINANCE DIRECTOR
18	President	JAMES A. PALLADINO			BERNARD LINDWAY
19	Vice-President	AUGUST PALLADINO			
20	Secretary	CARMEN L. PALLADINO			

## SCHEDULE: 5

BALANCE SHEET				
Description	Page No.	Beginning Balance	Ending Balance	Increase or (Decrease)
<b>Current Assets</b>				
Cash and Equivalents		29297	79413	50116
Accounts Receivable-Net		972217	1311864	339647
Notes Receivable-Net		-0-	-0-	-0-
Other Current Assets		3483	-0-	(3483)
Totals		1004997	1391277	386280
<b>Noncurrent Assets</b>				
Investments		-0-	-0-	-0-
Other Noncurrent Assets		-0-	-0-	-0-
Totals		-0-	-0-	-0-
<b>Property, Plant and Equipment</b>				
Property, Plant, and Equipment		766270	1072840	306541
Accumulated Depreciation & Amortization		(249590)	(321091)	(71501)
Net Plant	TOTAL	516709	751749	235040
<b>TOTAL ASSETS</b>		<b>1521706</b>	<b>2143026</b>	<b>621320</b>
<b>Current Liabilities</b>				
Accounts and Notes Payable		1794450	2212188	417738
Other Current & Accrued Liabilities		25736	216282	190546
Totals		1820186	2428470	548284
Total Long-Term Debt		11482	6545	(4937)
Other Deferred Credits		-0-	-0-	-0-
<b>Stockholders' Equity</b>				
Capital Stock		500	500	-0-
Retained Earnings		(370462)	(292489)	77973
Proprietary Capital - Proprietorship and Partnership		-0-	-0-	-0-
Totals		(369962)	(291989)	77973
<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>		<b>1521706</b>	<b>2143026</b>	<b>621320</b>

SCHEDULE: 5A

NOTES TO BALANCE SHEET

NONE



SCHEDULE: 6A

**NOTES TO INCOME STATEMENT**

*Description For INCOME TAXES:*

*TAXES ARE FILED AS A CONSOLIDATION  
WITH PARENT CORPORATION AND NO  
ALLOCATION IS LISTED ON THE  
SUBSIDIARY GENERAL LEDGER.*





SCHEDULE: 8

SPECIAL FUNDS ACCOUNTS 125 & 128 (125)					
Name of Fund (a)	Balance First of Year (b)	Additions		Deductions	Balance End of Year
		Principal (c)	Income (d)		
NONE					
TOTALS	\$ 00	\$ 00	\$ 00	\$ 00	\$ 00



SCHEDULE: 10

**CAPITAL STOCK**

1. Respondent shall enter the class of stock and a description of any pertinent details such as differences in voting rights, preferences as to dividends or assets, pledges, etc.
2. Respondent shall provide the information specified in column headings (b) through (h) and note any other pertinent information at the bottom of this schedule.

Class and Description of Capital Stock (a)	Par or Stated Value Amount (b)	Number of Shares Authorized (c)	Amount of Stock Issued and Outstanding (d)	Additional Paid In Capital (e)	Total (Col. (d) & (e)) (f)	Number of Shares of Treasury Stock (g)	Amount in Treasury Stock Account (h)
<i>Common Stock</i>	\$ 1	500	\$ 500	\$ 7900	\$ 8400	- 0 -	\$ - 0 -
<b>TOTALS</b>	\$ 1	500	\$ 500	\$ 7900	\$ 8400	- 0 -	\$ - 0 -

SCHEDULE: 11

**LONG-TERM DEBT**

1. List in account number order in column (a) a description of the long-term obligation, including those maturing in the coming year.
2. In the remaining columns (b) - (i) respond shall furnish the appropriate data.

Description of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Interest Rate (d)	Original Amount of Debt (e)
<i>NONE.</i>				





SCHEDULE: 14

**BASES OF CHARGES FOR DEPRECIATION**

1. Provide separate schedules for each jurisdiction in which the respondent operates and for the overall operations of the respondent.
2. Under column (a) provide all subclasses of plant for which a separate depreciation rate is determined and a subtotal for each primary account.
3. Under columns (b) thru (d) provide the life, net salvage, and rate prescribed by the Commission.

- Jurisdiction \_\_\_\_\_
- Overall Operations

**Classes and Subclasses of Depreciable Plant**

	Account Number and Title of Plant Accounts and its Subclasses (a)	Life (Years) (b)	*Net Salvage (%) (c)	Depreciation	
				*Rate (%) (d)	*Reserve (%) (e)
1	# 31020 OFFICE EQUIPMENT	7	-0-	18%	18%
2	# 31030 EQUIPMENT	5	-0-	34%	34%
3	# 31030 EQUIPMENT	5	-0-	37%	37%
4	# 31010 TRUCKS / TRAILERS	5	-0-	18%	18%
5	# 31005 BUILDING	30 YR. - 6 MONTHS	-0-	3%	3%
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29	*Composite rate for all depreciable accounts				
30	*Composite rate for all plant accounts				
31					
32	Ratio to all depreciable accounts				
33	Ratio to all plant accounts				

SCHEDULE: 15

STATEMENT OF RETAINED EARNINGS			
Account No.	Item	Page No.	Amount
	Balances-First of Year		< 370 462 >
	Changes:		
	Balance Transferred from Income		99 876
	Dividends Declared		- 0 -
	Miscellaneous Debits to Retained Earnings		- 0 -
	Miscellaneous Credits to Retained Earnings		< 21 463 >
	Balance-End of Year		< 291 989 >
	Notes to Statement of Retained Earnings:		

SCHEDULE: 16

PARTNERSHIP CAPITAL STATEMENT (1)			
Account No.	Item	Page No.	Amount
	Partnership Capital-Beginning of Year		
	Net Income (Loss) for Year		
	Partners' Capital Contributions		
	Miscellaneous Credits		
	Total Credits		
	Partners' Drawings		
	Prior Period Adjustment(s)		
	Miscellaneous Debits		
	Total Debits		
	Partnership Capital-End of Year		Not Applicable

(1) This statement should also be used by sole proprietors.

SCHEDULE: 17

**TAXES ACCRUED**

Explain items recorded in column (e). Any amounts included for other than current taxes should be explained by footnote.

Kind of Tax (a)	Balance First of Year (b)	Amount Accrued During Year (c)	Payments During Year (d)	Other Items Dr. or (Cr.) (e)	Balance End of Year (f)
PAYROLL WITHHOLDING TAXES	77,193.	699.	2,028.	- 0 -	75,864.
UNEMPLOYMENT TAXES.	957.	16,795.	2,321.	- 0 -	15,431.
EXCISE & RESORT TAXES.	60,871.	54,452.	57,376.	- 0 -	57,947.
WORKERS COMPENSATION	- 0 -	1,502.	1,289.	- 0 -	213.
REAL ESTATE & PERSONAL PROPERTY TAXES.	- 0 -	24,000.	784.	- 0 -	23,216.
Total	\$ 139,021	\$ 97,448.	\$ 63,798.	\$ - 0 -	\$ 172,671.





## SCHEDULE: 20

STATEMENT OF INTRASTATE-GROSS EARNINGS (1)				
Line No.	Item	Amount		
		Total Company	Other Than Ohio Intrastate	Ohio Intrastate
1	Operating and Miscellaneous Revenue (Rent Revenue, Special Billings (revenue from work performed for others, rent revenue-nonoperating, return on regulated investment used to provide nonregulated products and services, etc.)	1,129,232.	- 0 -	1,129,232.
2	Other Revenue, Dividend and Interest Income, Gains From Disposition of Property -Operating and Nonoperating, Other Operating or Nonoperating Gains (foreign currency exchange or transfer, extinguishment of debt, company's share of earnings of affiliated company accounted for on equity method, income from sinking and other funds, etc.)	- 0 -	- 0 -	- 0 -
3	SUBTOTAL (1) + (2)	1,129,232.	- 0 -	1,129,232.
4	Earnings or receipts from sales to other public utilities for resale	( - 0 - )	( - 0 - )	( - 0 - )
5	TOTAL (3) + (4)	1,129,232.	- 0 -	1,129,232.
<p>(1) Intrastate means from one point in Ohio to another point in Ohio, or wholly within Ohio.</p>				

SCHEDULE: 21

IN ORDER TO ENSURE THAT PUCO CORRESPONDENCE IS DIRECTED TO THE APPROPRIATE PERSON AT THE CORRECT ADDRESS, PLEASE COMPLETE THE FOLLOWING.

Name, Title, Address, and Phone Number of the Company's Contact Persons to Receive Entries and Orders from the Docketing Division

BERNARD LINDWAY FINANCE DIRECTOR  
 Name Title  
P.O. Box 25527 GARFIELD HTS., OH 44125  
 Address  
216 - 883 - 7200 (TEMPORARY BECAUSE OF "FIRE" - 216-883-6511)  
 Phone Number (Including Area Code)

Name, Title, Address, and Phone Number of Person to whom Invoice should be Directed

SAME AS ABOVE  
 Name Title  
 Address  
 Phone Number (Including Area Code)

Name and Address of the President

JAMES A. PALLADINO  
 Name President  
P.O. Box 25527 GARFIELD HTS., OH 44125  
 Address

VERIFICATION

The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State of OHIO  
County of SUMMIT

Bernard Lindway makes oath and says that  
(Insert here the name of the affiant.)

he is FINANCIAL DIRECTOR  
(Insert here the official title of deponent)

of Kelley's Island Ferry Boat Lines, Inc.  
(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including JANUARY 1, 20 01, to and including DECEMBER 31, 20 01.

Bernard Lindway  
(Signature of affiant.)

Subscribed and sworn to before me, a Notary in and for the State and county named, this 25<sup>th</sup> day of June, 2002 My commission expires November 23, 20 02

Cheryl A. Snahtnican  
(Signature of officer authorized to administer oaths.)

CHERYL A. SNAHTNICAN, Notary Public  
STATE OF OHIO  
My Commission Expires Nov 23, 2002