Meridian Investments, LLC

Prepared by:

ABERNATHEY
HOLDING CO.

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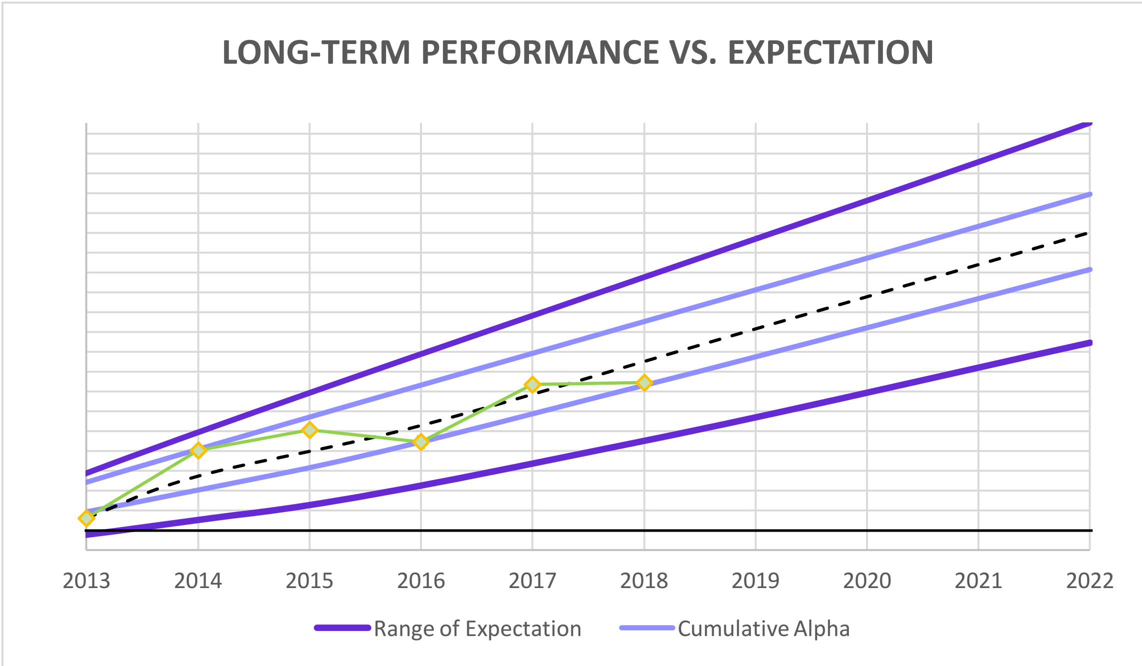
February 16th, 2018

Dear Limited Partners:

Since the start we have always measured our results over a 5 year rolling period. The S&P 500 (the general market) has averaged an annualized return of about 7% since it started in 1928. This is adjusted for inflation and assuming that you had reinvested all of your dividends. At Meridian our thoughts have always been that if we can not beat the "general market" average over time, then you should not have hired us to manage your capital. Frankly, we shouldn't even be managing our own capital if our returns lagged the general market over a 5-8 Year period of time.

We have used the same yard stick since day one, and we will continue using the same yard stick moving forward. To help you better follow our overall returns here is a chart that we would like to refer to as the "cone chart."



(The <u>outer cone</u> is our guidance cone for our expectations, the <u>inner cone</u> is an adjusted range based on the mean, the <u>dashed black line</u> is our overall growth goal of 10% compounding returns, and the <u>green line</u> is our historic results.)

As you can see the cone chart has an upward slope to it. We expect to have an upward slope over time, but certainly expect there to be a range — pluses and minuses along the way.

And so, for example, back in 2012, when we first started our partnerships, we basically plotted the cone chart out, 10 years, and then what happens is that cone chart is just an empty cone because it's all expectations. And now every year, we just plot the dot to show where we are in the cone. And then if we have a losing period, the question is not “was it a winning or a losing period” instead the question is “Are we inside the cone?” Because if we're inside the cone and the cone is sloping up, then over time we could figure it's going to work out OK. But, like we said above, if we break outside the bottom of the cone, we have deviated from what we're conveying to you.

Our Holdings

Bristow Group:

Date	Purchase/Sale	$ Amount	Shares	Average/ share
November 2016	Purchase	$1,250,000	98,039	$12.75
May 2017	Purchase	$709,347	64,293	$11.03
December 2017	Sale	$300,000	19,367	$15.49
December 2017	Purchase	$386,000	29,548	$13.08

We initiated our investment in Bristow back in November 2016. Since then we have spoken a little about Bristow in our 2017 semi-annual letter as well as our 2016 annual letter. In the chart above you will see our actions taken in Bristow since we entered the investment. We currently hold 172,513 shares (average purchase price of $11.80), and plan to hold these shares until we feel the stock price reflects the companies value more accuratly. The only reason we sold $300,000 worth of stock in December was to initiate our position in another investment that we felt added great value to our portfolio. A couple weeks after that switch in investments BRS stock decreased an amount that caught our eye. We then sold our investment, that we purchased with the BRS proceeds, at an 8.74% profit (266.46% annualized return). With those proceeds we repurchase BRS shares at a lower rate then when we sold days before.

Bristow had an exceptional 2017 in regards to restructuring and positioning their balance sheet, business plan, and business model to operate more efficiently. Due to their better than expected financial performance in 2017 they have raised their fiscal 2018 adjusted EBITDA guidance to $55 million - $85 million from $15 million - $50 million provided in August 2017. Also, in early November 2017 Bristow sold their Bristow Academy as part of their aggressive portfolio management efforts to improve returns, liquidity and credit quality.

These efforts listed above and many more have lead to Bristow increasing their liquidity to $389.4 million as of September 30, 2017, an increase of approximately $96 million in the September 2017 quarter. They now expect ending fiscal 2018 liquidity to be in the range of $410 million to $450 million, an increase of $185 million over our August 2017 guidance.

Here is a comment from Bristow’s CEO that we would like you to read:

“Bristow is delivering on our fiscal 2018 priorities of safety improvement, cost efficiencies, portfolio management and increased revenue, and I am incredibly proud of our team members who are delivering safety and efficiency for our clients every day," **said Jonathan Baliff**. *"While*

we flew safely, flew more, and flew more efficiently in the first half of the fiscal year, the remainder of fiscal 2018 will remain challenging due to continued oversupply of aircraft and less visibility into our clients' demand for aviation services. Our lower cost structure is clearly showing progress, but we must continue to strive to meet the goals of Target Zero safety and our fiscal 2018 priorities as we more effectively compete and ensure our clients' success in the fourth year of this historic oil and gas downturn."

We feel that the management is on track to achieve their goals and we are glad we can own a stake in their progress. As you know we refer to our investment in Bristow as a general, and we look at our generals just like we look at our controls. As long as they are good companies with able management, and most importantly a fair price we like to make the investment with out worrying about if we have control or not.

Control is only important when you don't agree with the management, how the management invests the retained earnings, or you can purchase controlling interest for a fair price, and since we have never invested into a general that has management that we dislike this has never been an issue. We call our pro-rata share of the earnings, of the generals we hold, the "through the looking glass earnings." Meaning that if Meridian owns 5% of a company that has $10M in earnings we can not consolidate our share of the earnings ($500,000) onto our financial statements. The only way we can show income off of this "example investment" is if the company pays out a portion of their earnings in dividends.

The retained earnings (earnings after all dividends) will be reinvested into the company at the managements discretion, but since we did our due diligence and believe in the current management we feel that it will be invested wisely and will eventually show up on the share price of our 5% holdings. Like Benjamin Graham always said, "In the short run, the market is a voting machine but in the long run it is a weighing machine." Meaning that companies progress doesn't always show up immediately in their stock price it sometimes takes time, but it eventually shows up. We will leave the short investment game to the speculators and we will take the long game and place our capital accordingly.

National Security Group (Insurance Company):

As I mentioned before in our letters, 2017 has been a challenging year for the P&C Industry as a whole. NSEC weathered the storm better than most companies due to their disciplined underwriting policy. Over the past few years underwriting profits for insurance companies have been easy to achieve due to low storm frequencies. That pattern, which started in early 2013, was abruptly ended in the 4th quarter of 2016 with storm frequencies starting to pick up.

NSEC ended 2016 with a positive combined ratio unlike most of the industry that showed a combined ratio loss. These more frequent storms continued into 2017 and had a larger impact on their annual 2017 performance.

Insurance is a business that has its ups and its downs, and it seems that when the sky's are clear they will never cloud again, and the opposite is true when the clouds are present. This year the saying "Only when the tides go out do you discover who has been swimming naked" has become clear to us. This statement is very true in regards to the past 5 quarters in the P&C insurance business, and I am proud to report to you that NSEC has more than one swimsuit on.

If you look back 5 years you will notice that their revenue has gone from $61.16M in 2013 to $66.89M in 2017. That is only about an annual compounding growth rate of 1.81%. The reason this is a good thing is because it shows you that during these years of "no clouds in site" when everyone else was writing business just to write business National only wrote business they knew was profitable. Since they retained their discipline in underwriting through these years it led to a slow down in their top line growth.

So as other insurance companies came into their territory and wrote policies for less then they would the competitors took some of their business, but 2016 and 2017 have brought lower tides and they now see who has been swimming naked and it has not been NSEC.

In the coming years they see their top line growth picking up due to this wake up call to their competitors and they will continue to write business that they believe is profitable and fair. We know that it is hard to find a competitive edge in the insurance industry but we believe that their competitive edge is the following:

1. Consistency
2. Sound financials
3. Writing policies to make money, and not just to get money in the door.

As interest rates continue to rise we are guessing you will see more and more insurance companies writing policies just to get cash in the door to invest, but mark our words that when the sky's start to fill with clouds again their territories will be flooded with water and their financials will be flooded with red ink.

We would just like to end our discussion on National by saying that National Security Group doesn't leave business, but its business sometimes leaves them…..they always come back though.

NorMont Equipment Company:

We entered the Municipal sales industry about 3 years ago and we have had our ups and downs, but we have really grown to love the industry. Our customers which consists of schools, cities, states, counties, and more have been nothing but great since the start. We love the fact that our receivables are 30 days or less, our clients always pay with cash, we are not forced to have millions of dollars of inventory due to the nature of our clients ordering, and although the territory is a large geographic land mass made up of over 315,000 square miles (or 7 people per square mile) we have minimal brick and mortar.

The large territory, although having positives, has also brought its challenges. We needed a very structured route for our sales team as well as our delivery trucks to make sure that we have sufficient amount of face-to-face time with our clients as well as an on time delivery system for the products they purchased.

Another challenge, due to the low unemployment rate, has been to find quality staff at an affordable rate. We have brought on many quality individuals since we took over NorMont in January of 2015, and that will continue going forward to make sure we are the quality company that our clients expect and deserve.

As you know we have 4 sources of revenue at NorMont Equipment, and they all have varying gross profit margins and volume.

First we have our **Unit Sales Department**, which is items $10,000 or more. This department, when we purchased NorMont Equipment, was very small. We did under $600K per year in annual unit sales. Since our purchase our CEO Luke Stewart and his team have been working very hard in this department to get it to its full potential, and it has shown. In 2017 we had a record of $3,686,739 in unit's sales alone compared to less than $600,000 in 2015 and only about $1,000,000 in 2016. We except this department to continue to grow through the coming years and know that it will be our largest portion of revenue going forward. This department has an average gross profit margin of around 12%.

Second we have our **Parts Department**, which is items $9,999 and less. When we purchased NorMont Equipment it was mainly a parts business. So since our purchase we have not seen a huge change in our parts sales, but we do have a goal to consistently grow this department in the coming years. In 2017 our parts sales totaled $3,160,027 with an average gross margin of 32%.

Third we have our **Service Department**, which was non existent when we purchased NorMont 3 years ago. This department needs square feet to operate, which is why we decided to build a new facility in Great Falls, MT which should be done in 2018. This department has large margins, and also is needed to attract large manufactures. These large manufactures that we have brought on over the past 3 years require our facility to be so many square feet, and for it to have a certain design for us to have the capability to service their equipment that we sell. So our decision to build a larger facility was not to just simply increase our Service Department revenue, but it was also to allow us to increase our unit sales, which will in the end increase our parts sales as well. So as you can see the new facility will be what gets us from our current size to the next level.

Fourth we have our **Rental Department**, which consists of a rental fleet of everything from street sweepers and dura-patchers all the way down to jack hammers and saws. This department allows us to return 20% plus on our invested capital into our rental fleet, and it has a significant contribution to our annual bottom line. Our rental inventory amounted to roughly $250,000 in 2015 and has grown to over $600,000 today. Luke Stewart understands the importance of rental fleet utilization rate, and has kept that at the top of his mind in this department. We have told him that he can call us any day with a rental opportunity with 20% plus annualized return, but the return rate dilutes if it sits on our lot after the rental period for to long before selling it. With that knowledge Luke has been growing our rental fleet responsibly and carefully only looking for good opportunities as they come along. He in no way looks for quick returns in the rental game but instead focuses on rental fleet management and utilization to make sure we don't get stuck with a large rental fleet with low utilization rate in the long run. *(NorMont Equipment Co. 2017 & 2016 Balance Sheet's and P&L's are included at the end of letter.)*

NorMont Equipment Revenue past, present and future:

	2015	2016	2017	(Projected) 2018	(Projected) 2019
Units	**$1,520,000**	**$1,070,506**	**$3,726,738**	**$4,200,000**	**$5,200,000**
Parts	**$3,253,000**	**$3,222,000**	**$3,160,027**	**$3,500,000**	**$3,750,000**
Service	**$0**	**$41,000**	**$74,002**	**$150,000**	**$200,000**
Rental	**$80,000**	**$150,000**	**$160,000**	**$160,000**	**$160,000**
Total	**$4,853,000**	**$4,483,506**	**$7,120,766**	**$7,960,000**	**$9,310,000**
Annual Growth Rate		**-7.6%**	**58.8%**	**11.8%**	**17.0%**

* * *

We have seen another year of growth in 2017 that we are very proud of! We now have over 80 investors/partners that have invested $9,650,250 as of 12/31/18. We are looking forward to continuous growth in 2018.

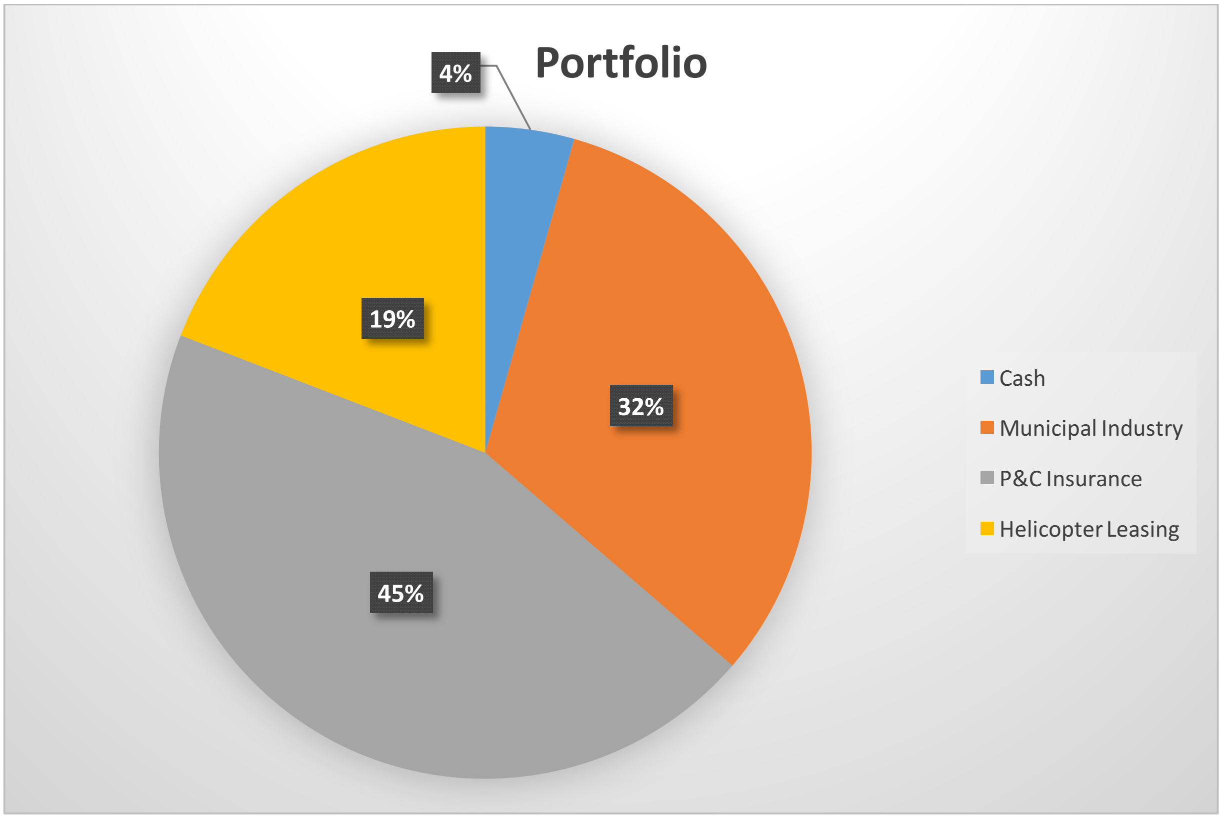
You may have noticed that “Ritaway, LLC” was renamed “Abernathey Holding Co.”, and we would like to insure you that that has no affect to Meridian Investments, LLC. It is simply the management company of Meridian Investments, LLC that decided to operate under a different name/brand.

A common question from our partners has been “what should I value my Meridian units at the end of each year?”. We have decided that it would be easiest to simply value your units each year at what you purchased them for, and in the buy-out/roll-over year in 2022 you can then claim your capital gain for your taxes. This is the simplest way since your annual tax implications will be represented through your K-1’s which is included with this letter.

Thank you again for your investment in Meridian. It is our pleasure to help you work towards your financial goals, and we are looking forward to another exciting year in 2018 and beyond. If you have any questions please let us know!

Cordially,

Andrew J. Abernathey General Partner	Guy Abernathey Board Member	David Nelson Board Member
Jack Paris Board Member	William McManus Board Member	



December 31, 2017 Unaudited Balance Sheet for Meridian Investments

Meridian Investments, LLC
02/13/18 Balance Sheet Prev Year Comparison
As of December 31, 2017

	Dec 31, '17	Dec 31, '16	$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Interactive Broker Cash Acc...	1,420.00	-418.01	1,838.01	439.7%
Main Checking Account	301,910.48	800,811.17	-498,900.69	-62.3%
Natural RE, LLC	173,704.97	19,981.00	153,723.97	769.4%
Total Checking/Savings	477,035.45	820,374.16	-343,338.71	-41.9%
Accounts Receivable				
Capital Comintments due	0.00	3,067,500.00	-3,067,500.00	-100.0%
Due from NorMont Equipm...	613,160.45	612,232.70	927.75	0.2%
Total Accounts Receivable	613,160.45	3,679,732.70	-3,066,572.25	-83.3%
Total Current Assets	1,090,195.90	4,500,106.86	-3,409,910.96	-75.8%
Fixed Assets				
Bristow Group	2,323,750.11	2,007,368.00	316,382.11	15.8%
Natural RE Assets, LLC	10,000.00	0.00	10,000.00	100.0%
NorMont Equipment Co.	3,200,000.00	2,933,306.94	266,693.06	9.1%
National Security Group	5,122,864.79	4,671,598.62	451,266.17	9.7%
Total Fixed Assets	10,656,614.90	9,612,273.56	1,044,341.34	10.9%
Other Assets				
Acum Depr - Loan Fees	-10,416.00	-10,416.00	0.00	0.0%
Capital Commitments Due 2	0.00	-3,102,500.00	3,102,500.00	100.0%
Loan Fees	17,580.00	17,580.00	0.00	0.0%
Total Other Assets	7,164.00	-3,095,336.00	3,102,500.00	100.2%
TOTAL ASSETS	11,753,974.80	11,017,044.42	736,930.38	6.7%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
Accrued interest	4,286.98	4,286.98	0.00	0.0%
Subscription Deposit	35,000.00	35,000.00	0.00	0.0%
Total Other Current Liabilities	39,286.98	39,286.98	0.00	0.0%
Total Current Liabilities	39,286.98	39,286.98	0.00	0.0%
Long Term Liabilities				
Accrued Preferred Return	0.00	256,479.62	-256,479.62	-100.0%
Loan	50,000.00	0.00	50,000.00	100.0%
LOC	390,427.83	3,429,583.33	-3,039,155.50	-88.6%

Meridian Investments, LLC

02/13/18 Balance Sheet Prev Year Comparison

As of December 31, 2017

	Dec 31, '17	Dec 31, '16	$ Change	% Change
Midwest Bank Loan	2,658,928.57	0.00	2,658,928.57	100.0%
NorMont Promissory Note 1	1,146,020.96	1,190,490.70	-44,469.74	-3.7%
NorMont Promissory Note 2	50,000.00	100,000.00	-50,000.00	-50.0%
NorMont Promissory Note 3	224,272.00	232,809.00	-8,537.00	-3.7%
Total Long Term Liabilities	4,519,649.36	5,209,362.65	-689,713.29	-13.2%
Total Liabilities	4,558,936.34	5,248,649.63	-689,713.29	-13.1%
Equity				
Capital Commitments Due	-2,658,928.58	-3,102,500.00	443,571.42	14.3%
Invested Capital	9,615,250.00	8,709,250.00	906,000.00	10.4%
Market Value Adjustment	1,175,496.80	1,012,079.76	163,417.04	16.2%
Preferred Return Provision	0.00	-256,479.62	256,479.62	100.0%
Retained Earnings	-593,955.35	-70,548.15	-523,407.20	-741.9%
Net Income	-342,824.41	-523,407.20	180,582.79	34.5%
Total Equity	7,195,038.46	5,768,394.79	1,426,643.67	24.7%
TOTAL LIABILITIES & EQUITY	11,753,974.80	11,017,044.42	736,930.38	6.7%

NorMont Equipment Co.
BALANCE SHEET - MEMO

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Account Title	Acct	Amount	Mix Pct	Pct to Pr Year
CASH ON HAND	10100	14.20	0.0	2.4
CHECKING-STOCKMAN BANK	10250	235,679.03	32.4	835.8
ACCOUNTS RECEIVABLE	10300	492,215.20	67.8	413.5
ALLOW FOR DOUBTFUL ACCT	10500	3,391.00-	0.5	71.6
WARRANTY RECEIVABLES	10800	1,874.97	0.3	478.7
TOTAL CASH & RECEIV.		726,392.40 ***	27.9	506.3
NEW UNITS	12001	349,146.79	35.9	125.2
RENTAL UNITS	12601	611,453.52	62.9	65.4
USED UNITS	13001	12,015.46	1.2	18.8
TOTAL UNIT INVENTORY		972,615.77 *	37.4	76.1
PARTS INVTY-MT	14003	647,879.16	98.7	97.3
DEMO INVENTORY	14004	4,177.18	0.6	51.7
PARTS INVTY-TRK2	14703	298.40	0.0	14.2
PARTS INVTY-ND	14803	3,000.00	0.5	163.3
PARTS SUSPENSE INVTY	14993	1,146.55	0.2	106.4
TOTAL OTHER INVENTORIES		656,501.29 *	25.2	96.7
TOTAL INVENTORIES		1,629,117.06 ***	62.6	83.2
SECURITY DEP ND PROPERTY	17200	2,500.00	5.8	17.2
PREPAID NV TAX DEPOSIT	17205	3,667.50	8.5	100.0
PREPAID EQUIPMENT	17300	32,517.73	74.9	558.6
CASH SURRENDER VAL LIFE INS	17450	4,703.64	10.8	100.0
TOTAL PREPAIDS & MISC		43,388.87 *	1.7	151.2
TOTAL CURRENT ASSETS		2,398,898.33 ****	92.2	112.7
AUTOS & TRUCKS	18100	517,010.28	256.5	101.6
FURNITURE & FIXTURES	18200	63,503.04	31.5	100.6
SHOP EQUIPMENT	18300	77,415.01	38.4	100.0
COMPUTER & PHONE EQUIP	18400	55,784.24	27.7	100.0
STORAGE BLDG & IMPROVEMENTS	18500	37,836.20	18.8	100.0
DRAFTER FEES	18505	3,183.63	1.6	45.8
ACCM DEPR-OTHER	19000	411,071.01-	203.9	116.5
ACCM DEP -RENTAL UNITS	19050	142,074.00-	70.5	137.8
TOTAL FIXED ASSETS		201,587.39 *	7.8	68.5
TOTAL ASSETS		2,600,485.72 *****	100.0	107.3

Account Title	Acct	Amount	Mix Pct	Pct to Pr Year
ACCOUNTS PAYABLE	20000	430,808.48	24.8	167.2
CREDIT CARD PAYABLE	20190	17,777.44-	1.0	241.6
FICA W/H	21200	186.00-	0.0	858.7
STATE TAX W/H-MT	21230	1,732.87-	0.1	0.0
SUTA PAYABLE MT	21250	230.32	0.0	0.0
STATE TAX W/H-ND	21300	81.49	0.0	18.7
STATE SALES TAX PAYABLE	21400	7,513.18-	0.4	1,047.1
STATE INC TAX PAYABLE	21525	80.00	0.0	50.0
DEFERRED COMP LIABILITY	22050	4,703.00	0.3	100.0
FORD F-350 2016	22301	22,034.53	1.3	31.3
2012 FORD F-550	22302	30,820.53	1.8	0.0
MIDWEST LINE OF CREDIT	22450	659,776.23	38.0	112.5
N/P-MERIDIAN	22500	613,160.45	35.4	100.0
TOTAL CURRENT LIABILITIES		1,734,485.54 *	66.7	112.6
TOTAL LIABILITIES		1,734,485.54 **	66.7	112.6
PAR VALUE	27000	75,800.00	8.8	100.0
RETAINED EARNINGS	27100	653,514.29	75.5	99.9
ADDITIONAL PAID IN CAPITAL	27401	153,200.00	17.7	100.0
DIVIDENDS- MERIDIAN	27550	200,000.00-	23.1	0.0
CURRENT PROFIT OR (LOSS)		183,485.89	21.2	0.0
TOTAL NET WORTH		866,000.18 *	33.3	98.1
TOTAL LIAB/NET WORTH		2,600,485.72 *****	100.0	107.3

OPERATING STATEMENT - MEMO
Period From 01/01/2017 to 12/31/2017
ALL DEPARTMENTS

	--------SELECTED DATE RANGE-------- 01/01/2017 - 12/31/2017 Amount	% to Sales	------Y E A R T O D A T E------ 01/01/2017 - 12/31/2017 Amount	% to Sales	---PRIOR YR--- Amount
SALES					
UNITS	3,886,738	606.4	3,886,738	54.6	1,453,626
PARTS	3,160,027	493.0	3,160,027	44.4	3,222,087
SERVICE	74,002	11.5	74,002	1.0	41,847
TOTAL SALES	7,120,766	RANGE	7,120,766	100.0	4,717,559
GROSS MARGIN					
UNITS	609,603	15.7	609,603	15.7	390,406
PARTS	988,355	31.3	988,355	31.3	1,114,133
SERVICE	23,686	32.0	23,686	32.0	18,899
TOTAL GROSS MARGIN	1,621,645	253.0	1,621,645	22.8	1,523,439
DIRECT CONTROLLABLE EXPENSE					
TOTAL DIRECT CONTROLLABLE EXPENSE					80
CONTROLLABLE MARGIN					
TOTAL CONTROLLABLE MARGIN	1,621,645	253.0	1,621,645	22.8	1,523,359
DIRECT UNCONTRL EXPENSE					
TOTAL DIRECT UNCONTRL EXPENSE					
CONTRIBUTION MARGIN					
TOTAL CONTRIBUTION MARGIN	1,621,645	253.0	1,621,645	22.8	1,523,359
INDIRECT EXPENSE	1,549,636	241.8	1,549,636	21.8	1,537,958
TOTAL OPERATING PROFIT	72,009	11.2	72,009	1.0	14,600-
ADDITIONS (DEDUCTIONS)	111,477	17.4	111,477	1.6	14,162
NET INCOME	183,486	28.6	183,486	2.6	438-
MEMO TOTAL EXPENSE	1,549,636	241.8	1,549,636	21.8	1,538,038

NORMONT EQUIPMENT CO.
BALANCE SHEET
December 31, 2016

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 28,779
Accounts receivable, net of allowance for doubtful accounts of $3,391	114,303
Inventory	1,141,822
Prepaid expenses	3,668
Other assets	14,892
Total current assets	1,303,464
PROPERTY AND EQUIPMENT	
Rental units	820,954
Computers and equipment	133,199
Furniture and fixtures	63,122
Vehicles	508,955
Storage building and improvements	37,836
Construction in process	6,946
	1,571,012
Less accumulated depreciation	(455,901)
Total property and equipment	1,115,111
Cash surrender value of life insurance	4,704
Total assets	$ 2,423,279

The Notes to Financial Statements are an integral part of these statements.

NORMONT EQUIPMENT CO.
BALANCE SHEET (CONTINUED)
December 31, 2016

LIABILITIES AND STOCKHOLDER'S EQUITY	
CURRENT LIABILITIES	
Accounts payable	$ 264,992
Accrued and other liabilities	5,887
Accrued taxes payable	160
Line of credit	586,258
Current portion of long-term notes payable	59,940
Total current liabilities	917,237
LONG-TERM LIABILITIES	
Long-term notes payable, less current portion	623,527
Deferred income tax liability	4,814
Total long-term liabilities	628,341
STOCKHOLDER'S EQUITY	
Capital stock, par value $100; 1,500 shares authorized; issued and outstanding 758 shares	75,800
Additional paid in capital	153,200
Retained earnings	648,701
Total stockholder's equity	877,701
Total liabilities and stockholder's equity	$ 2,423,279

The Notes to Financial Statements are an integral part of these statements.

NORMONT EQUIPMENT CO.
STATEMENT OF OPERATIONS
Year Ended December 31, 2016

Net sales and rental income	$ 4,648,298
Cost of sales	(3,114,899)
GROSS PROFIT	1,533,399
OPERATING EXPENSES	
Bad debts	1,958
Depreciation	154,590
Fuel	75,267
Office and related supplies	274,527
Rent	71,440
Repairs and maintenance	87,723
Salaries and wages	805,417
Taxes	9,978
Utilities	29,020
Total operating expenses	1,509,920
INCOME FROM OPERATIONS	23,479
OTHER INCOME (EXPENSE)	
Interest expense	(41,561)
Increase in cash surrender value of life insurance	1,916
Gain on sale of property and equipment	14,000
Other income	2,788
Total other expense	(22,857)
INCOME BEFORE INCOME TAXES	622
Provision for income taxes	(4,974)
NET LOSS	$ (4,352)

The Notes to Financial Statements are an integral part of these statements.