BOWLIN TRAVEL CENTERS, INC.

Financial Statements

January 31, 2019 and 2018

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and
Stockholders of Bowlin Travel Centers, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Bowlin Travel Centers, Inc. (the "Company") as of January 31, 2019 and 2018, and the related statements of income, stockholders' equity, and cash flows for each of the two years in the period ended January 31, 2019 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2019 and 2018, and the results of its operations and its cash flows for each of the two years in the period ended January 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Restatement of Deferred Income Tax Assets and Liabilities

As discussed in Note 10 to the financial statements, the 2018 financial statements have been restated to correct a misstatement.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the auditing standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Carr, Riggs & Ingram, L.L.C.

We have served as the Company's auditor since 2007.

Albuquerque, New Mexico
April 29, 2019

Report of Independent Registered Public Accounting Firm

To the Board of Directors and
Stockholders of Bowlin Travel Centers, Inc.

Opinion on the Financial Statements

We have audited the accompanying statements of income, stockholders' equity, and cash flows of Bowlin Travel Centers, Inc. (the "Company") for the year ended January 31, 2017 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the results of the Company's operations and its cash flows for the year ended January 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the auditing standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

RPC CPAs + Consultants LLP

Albuquerque, New Mexico
April 7, 2017

BOWLIN TRAVEL CENTERS, INC.
Balance Sheets
January 31, 2019 and 2018

Assets		2019	Restated 2018
Current assets:			
Cash and cash equivalents	$	4,444,824	$ 4,033,464
Marketable securities		865,000	964,680
Accounts receivable		11,133	17,868
Inventories		3,809,592	3,587,355
Interest receivable		5,353	3,044
Prepaid income taxes		66,472	155,967
Prepaid expenses		242,829	247,067
Total current assets		9,445,203	9,009,445
Property and equipment, net		12,662,968	10,058,586
Capital lease, net		319,568	405,669
Other assets		18,273	9,265
Investment in real estate		821,196	821,196
Total assets	$	23,267,208	$ 20,304,161
Liabilities and Stockholders' Equity			
Current liabilities:			
Current maturities of long-term debt	$	282,152	$ 157,854
Current maturities of capital lease obligation		92,786	86,102
Accounts payable		634,445	673,484
Accrued salaries and benefits		758,089	844,992
Accrued liabilities		353,349	344,274
Deferred revenue		42,436	38,339
Total current liabilities		2,163,257	2,145,045
Net deferred income tax liabilities		619,594	515,294
Capital lease obligation, less current maturities		226,782	319,567
Long-term debt, less current maturities		7,499,475	4,749,921
Total liabilities		10,509,108	7,729,827
Commitments and contingencies		—	—
Stockholders' equity:			
Preferred stock, $0.001 par value; 1,000,000 shares authorized, none issued or outstanding at January 31, 2019 and 2018		—	—
Common stock, $0.01 par value; 10,000,000 shares authorized, 4,583,348 shares issued at January 31, 2019 and 2018		4,583	4,583
Less: Treasury stock, 581,576 shares at January 31, 2019 and 560,961 at January 31, 2018		581	560
Common stock, 4,001,772 and 4,022,387 shares outstanding at January 31, 2019 and 2018, respectively		4,002	4,023
Additional paid-in capital		9,040,527	9,093,172
Retained earnings		3,713,571	3,477,139
Total stockholders' equity		12,758,100	12,574,334
Total liabilities and stockholders' equity	$	23,267,208	$ 20,304,161

See accompanying notes to financial statements.

BOWLIN TRAVEL CENTERS, INC.
Statements of Income

	Years ended January 31,		
		Restated	
	2019	**2018**	**2017**
Gross sales	$ 30,284,578	$ 27,751,427	$ 25,883,486
Less discounts on sales	(412,776)	(327,544)	(378,659)
Net sales	29,871,802	27,423,883	25,504,827
Cost of goods sold	17,004,627	15,255,132	13,870,390
Gross profit	12,867,175	12,168,751	11,634,437
General and administrative expense	(7,546,088)	(7,186,834)	(6,840,585)
Salaries and wages	(3,635,713)	(3,378,316)	(3,172,764)
Depreciation and amortization	(1,094,498)	(1,006,324)	(985,353)
Operating income	590,876	597,277	635,735
Other non-operating (expense) income:			
Interest income	16,792	9,815	8,301
Gain on sale of cell tower leases and easements	—	300,479	—
Loss on sale of property and equipment	(698)	(7,486)	—
Impairment on investment in real estate	—	—	(85,000)
Rental income	73,602	84,935	100,451
Interest expense	(339,840)	(210,245)	(179,119)
Total other non-operating (expense) income	(250,144)	177,498	(155,367)
Income before income tax expense	340,732	774,775	480,368
Income tax expense	(104,300)	(59,273)	(209,700)
Net income	$ 236,432	$ 715,502	$ 270,668
Net income per share	$ 0.06	$ 0.18	$ 0.07
Weighted average common shares outstanding	4,010,524	4,029,189	4,064,209

See accompanying notes to financial statements.

BOWLIN TRAVEL CENTERS, INC.
Statements of Stockholders' Equity
For the Years Ended January 31, 2019, 2018 and 2017

	Number of shares of Common stock outstanding	Common stock, at par	Additional paid-in capital	Retained earnings	Total
Balance at January 31, 2016	4,078,690	$ 4,079	$ 9,193,383	$ 2,490,969	$ 11,688,431
Net income	—	—	—	270,668	270,668
Purchase of treasury stock	(38,018)	(38)	(62,870)	—	(62,908)
Balance at January 31, 2017	4,040,672	4,041	9,130,513	2,761,637	11,896,191
Net income	—	—	—	715,502	715,502
Purchase of treasury stock	(18,285)	(18)	(37,341)	—	(37,359)
Balance at January 31, 2018	4,022,387	4,023	9,093,172	3,477,139	12,574,334
Net income, restated	—	—	—	236,432	236,432
Purchase of treasury stock	(20,615)	(21)	(52,645)	—	(52,666)
Balance at January 31, 2019	4,001,772	$ 4,002	$ 9,040,527	$ 3,713,571	$ 12,758,100

See accompanying notes to financial statements.

BOWLIN TRAVEL CENTERS, INC.
Statements of Cash Flows

		Years ended January 31,		
		2019	Restated 2018	2017
Cash flows from operating activities:				
Net income	$	236,432	715,502	270,668
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization		1,094,498	1,006,324	985,353
Loss on sale of property and equipment		698	7,486	—
Gain on sale of cell tower leases and easements		—	(300,479)	—
Deferred income taxes (benefit) expense		104,300	(164,727)	110,703
Changes in operating assets and liabilities:				
Accounts receivable		6,735	(133)	6,862
Inventories		(222,237)	100,027	(416,719)
Prepaid expenses and other		4,238	(15,539)	(7,676)
Prepaid income taxes		89,495	(106,252)	(49,715)
Accounts payable and accrued liabilities		(116,867)	275,364	7,463
Deferred revenue		4,097	(14,869)	31,798
Net cash provided by operating activities		1,201,389	1,502,704	938,737
Cash flows from investing activities:				
Proceeds from sale of cell tower leases and easements		—	300,479	—
Purchases of property and equipment		(3,610,791)	(1,656,093)	(699,614)
Accrued interest receivable		(2,309)	(1,647)	(170)
Purchase of trademarks		(11,693)	—	—
Purchase of marketable securities		(865,000)	(964,680)	(953,030)
Proceeds from sale of marketable securities		964,680	953,030	953,832
Net cash used in investing activities		(3,525,113)	(1,368,911)	(698,982)
Cash flows from financing activities:				
Payments on long-term debt		(194,148)	(256,008)	(294,714)
Payments for capital lease obligation		(86,102)	(80,374)	(39,619)
Purchase of treasury stock		(52,666)	(37,359)	(62,908)
Retirement of long term debt		—	(2,974,601)	—
Proceeds from borrowing on long-term debt		3,068,000	3,724,787	—
Net cash provided by (used in) financing activities		2,735,084	376,445	(397,241)
Net increase (decrease) in cash and cash equivalents		411,360	510,238	(157,486)
Cash and cash equivalents at beginning of year		4,033,464	3,523,226	3,680,712
Cash and cash equivalents at end of year	$	4,444,824	4,033,464	3,523,226

(Continued)

BOWLIN TRAVEL CENTERS, INC.
Statements of Cash Flows

	Years ended January 31,		
	2019	2018	2017
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 339,840	$ 210,245	$ 179,119
Cash paid (received) for income taxes	$ (89,495)	$ 330,252	$ 148,712
Noncash investing and financing activities:			
Impairment on investment in real estate	$ —	$ —	$ 85,000
Capital lease obligation	$ —	$ 287,782	$ 261,081

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

(a) Description of Business

Bowlin Travel Centers, Inc. (BTC or the Company) is located in Albuquerque, New Mexico. The Company's principal business activities include the operation of ten travel centers and six restaurants strategically located along interstate highways in New Mexico and Arizona. Eight of the Company's travel centers offer fuel and the Company operates six full-service restaurants under the Dairy Queen/Brazier, Dairy Queen or Subway trade names. All of the Company's travel centers offer a variety of Southwestern merchandise to the traveling public in the Southwestern United States, primarily New Mexico. They also sell convenience store food such as chips, nuts, cookies and prepackaged sandwiches along with a variety of bottled and canned drinks.

(b) Significant Accounting Policies

The following summary of significant accounting policies is presented to assist in the understanding of the Company's financial statements. The financial statements and notes are the representation of the Company's management who are responsible for their integrity and objectivity. The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for established accounting and financial reporting principles. The more significant of the Company's accounting policies are described below.

In May of 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606). The core principle of the new standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The ASU will replace most existing revenue recognition guidance in U. S. GAAP when it becomes effective. The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented and the cumulative effect of applying the standard would be recognized at the earliest period shown, or the modified retrospective method, in which case the cumulative effect of applying the standard would be recognized at the date of initial application. The Company has adopted the new standard using the modified retrospective method beginning February 1, 2018. In preparation for implementation of the standard and to evaluate its impact on the Company's financial statements, key accounting assessments were analyzed and the Company concluded that there will not be a significant impact to the way revenue is recognized. The Company's distribution channel is retail point of sale with fixed transaction prices; therefore the timing of revenue recognition is straight forward and will not change. The risks and rewards of ownership are transferred to the customer at the time of the transaction. The Company does not participate in gift certificates and there are no variable consideration or loyalty programs.

(c) Cash and Cash Equivalents

The Company considers all liquid investments with an original maturity of three months or less to be cash equivalents. The Company places its temporary cash investments with a local financial institution. Funds in excess of the $250,000 insured by the Federal Deposit Insurance Corporation (FDIC) are invested in overnight US Treasuries. The Company believes that there is not a significant risk with respect to these deposits.

The Company also considers receivables from credit card transactions that are typically reimbursed within three business days as cash and cash equivalents. Receivables from credit card transactions included in cash and cash equivalents at January 31, 2019 and 2018 were $103,987 and $131,266 respectively.

(d) Marketable Securities

Marketable securities consist of certificates of deposits with maturity dates greater than three months and less than one year. All are fully insured by the Federal Deposit Insurance Corporation (FDIC), as they do not exceed their $250,000 limit. Certificates of deposit are measured at cost plus accrued interest.

(e) Inventories

Inventories consist primarily of merchandise and gasoline for resale and are stated at the lower of cost or net realizable value, with cost being determined using the first-in, first-out (FIFO) method. The Company capitalized $165,035 and $167,821 of direct and indirect costs incurred during the years ended January 31, 2019 and 2018, respectively.

(f) Construction in process

Construction in process is carried at cost plus capitalized interest and will not be depreciated until placed in service.

(g) Property and Equipment

Property and equipment are carried at cost. Maintenance and repairs, including the replacement of minor items, are expensed as incurred, and major additions to property and equipment are capitalized. Depreciation is calculated by the Company using primarily straight-line methods.

(h) Sales and Cost Recognition

The Company recognizes revenue based on the consideration specified in the contract with the customer, excluding any sales incentives (such as military and repeat customer discounts) and amounts collected on behalf of third parties (such as sales and excise taxes). The majority of the Company's revenue is generated at the point of sale in its retail locations. Revenues consist of nonfuel revenues, fuel revenues and food and convenience store revenues. Discounts are accounted for at the time of the transaction and are not transferrable.

Nonfuel Revenues. The Company recognizes nonfuel revenues and the related costs at the time of sale to customers. The Company sells a variety of nonfuel products and services at stated retail prices in its travel centers. Goods may be sold at discounted prices with certain customers, some of which include military and repeat customers.

Fuel Revenues. The Company recognizes fuel revenues and the related costs at the time of sale to customers at its operated locations. The Company sells diesel fuel and gasoline to its customers at prices that the Company establishes daily or are indexed to market prices and reset daily.

Food and Convenience Store Revenues. The Company recognizes food and convenience store revenues and the related costs at the time of sale to customers at its operated locations. The Company sells food in its Dairy Queen and Subway restaurants contained within its travel centers.

Net sales disaggregated by product line presented by year are as follows:

	Years ended January 31,		
Net sales by product line	2019	2018	2017
Nonfuel	$ 10,859,457	$ 10,589,789	$ 10,436,079
Fuel	13,901,187	11,888,000	10,300,167
Food and convenience stores	5,111,158	4,946,094	4,768,581
Total net sales	29,871,802	27,423,883	25,504,827

(i) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Tax Cuts and Jobs Act (TCJA) was passed on December 22, 2017, which significantly changed the U.S. tax law. The TCJA lowered the U.S. statutory federal income tax rate from 34% to 21% effective January 1, 2018.

In prior years, the Company used the effective tax rate of 34% to calculate deferred tax assets and liabilities. Beginning January 31, 2018, the net deferred tax liability was calculated using the 21% rate which resulted in a $240,927 reduction to the estimated beginning net deferred tax liability. This change in estimate was included in income tax expense for the year ended January 31, 2018.

(j) Taxes Imposed on Revenue Transactions

The Company collects and remits various federal and state excise taxes on petroleum products. Gasoline sales and cost of goods sold included excise taxes of $1,641,872, $1,663,099 and $1,614,457 for the years ended January 31, 2019, 2018 and 2017, respectively.

The Company also collects and remits transaction privilege taxes on sales. New Mexico and Arizona gross receipts taxes of approximately $1,009,102, $976,539 and $950,818 were collected and remitted for the years ended January 31, 2019, 2018 and 2017, respectively. Gross sales and cost of goods sold are presented net of gross receipts taxes.

(k) Impairment on Investment in Real Estate and Assets Held for Sale

The Company reviews its long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(l) Financial Instruments

The Company's financial instruments are cash and cash equivalents, marketable securities, accounts receivable, accounts payable, accrued liabilities, and long-term debt. The carrying amounts of these financial instruments approximate fair value.

(m) Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting and disclosure of assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles in the United States of America. The Company has identified the estimated useful lives of its long-lived assets and the valuation of deferred income taxes as its significant estimates. Actual results could differ from those estimates.

(n) Net Income per Share

Net income per share is computed by dividing net income by the weighted average common shares outstanding.

(o) Treasury Stock

The Company repurchased 20,615 of its outstanding common shares, as treasury stock, in the year ended January 31, 2019 at an average price per share of approximately $2.555, for a total repurchase of approximately $52,666. The common shares issued and outstanding were reduced by 20,615 shares or approximately $21 (20,615 shares at $0.001 per value per share), and additional paid in capital was reduced by approximately $52,645. The reduction in shares issued and outstanding and additional paid in capital is reflected in the accompanying balance sheet.

The Company repurchased 18,285 of its outstanding common shares, as treasury stock, in the year ended January 31, 2018 at an average price per share of approximately $2.043, for a total repurchase of approximately $37,359. The common shares issued and outstanding was reduced by 18,285 shares or approximately $18 (18,285 at $0.001 par value per share), and additional paid in capital was reduced by approximately $37,341. The reduction in shares issued and outstanding and additional paid in capital is reflected in the accompanying balance sheet.

The Company repurchased 38,018 of its outstanding common shares, as treasury stock, for fiscal year ended January 31, 2017 at an average price per share of approximately $1.6547, for a total repurchase of $62,908. The common shares issued and outstanding were reduced by 38,018 shares or $38 (38,018 shares times the par value of $0.001), and additional paid in capital was reduced by $62,870. The reduction in shares issued and outstanding and additional paid in capital is reflected in the accompanying balance sheet.

(p) Deferred Revenue

Deferred revenue consists of advertising revenue received in advance for billboards that the Company rents as well as an advance from Excelsior Mining Company, Inc. to lease a portion of the Company's property and for a non-exclusive access and utilities easement in Benson, Arizona. These amounts are recognized in rental income as services are provided over the terms of the billboard contracts and the lease.

(q) Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was approximately $194,828, $174,138, and $167,522 for the years ended January 31, 2019, 2018, and 2017, respectively.

(r) Concentration in Suppliers

The Company is an authorized ExxonMobil retailer. On April 1, 2015, the Company entered into a Marketer PMPA (Petroleum Marketing Practices Act) agreement with Western Refining Wholesale, LLC ("Western"). Western will provide ExxonMobil branded motor fuels to the Company for resale at five of the Company's ExxonMobil branded locations. The agreement has a ten-year term expiring March 31, 2025, and requires the Company to purchase 1,370,520 gallons of fuel annually at a distributor's markup price of $0.015 per gallon.

The Company renewed its retail supply agreement with Arizona Fuel Distributors, L.L.C. to purchase Shell brand fuels for the Company's three Arizona locations. The Company will pay the daily published rates, applicable taxes, plus freight. The retail supply agreement is for a period of ten years beginning on August 22, 2017 and ending on August 22, 2027. At expiration the agreement will continue on a month to month basis until the parties either execute a new agreement or Arizona Fuel Distributors, LLC terminates the agreement. There are no minimum or maximum gallon purchase requirements for the Company.

(2) Property and Equipment

Property and equipment consist of the following at January 31:

	Estimated life (years)	2019	2018
Land		$ 1,999,591	$ 1,999,591
Buildings and improvements	10 - 40	13,811,600	10,899,933
Machinery and equipment	3 - 10	13,104,194	11,626,147
Autos, trucks and mobile homes	3 - 10	2,383,627	2,280,943
Billboards	15 - 20	2,924,815	2,807,986
Construction in progress		51,867	990,385
		34,275,694	30,604,985
Less accumulated depreciation		(21,612,726)	(20,546,399)
Property and equipment, net		$ 12,662,968	$ 10,058,586

Construction in progress consists of inventory in the amount of $26,222 that the Company has on hand to repair and maintain its billboards as well as for the occasional building of billboards and $25,645 that the Company has on hand to repair, maintain and replace various computer and security related components.

	2019	2018	2017
Depreciation expense:	$ 1,094,498	$ 1,006,324	$ 985,353

(3) Investment in Real Estate

Approximately twelve acres of previously undeveloped land in Alamogordo, New Mexico was sub-divided into thirty-five approximately quarter-acre residential lots. The carrying value of this investment in real estate was $334,389. The subdivision includes paved roads, fencing, water, sewer and electricity. Two manufactured homes were purchased and installed. One lot and manufactured home was sold in December 2003. In December 2005, two lots were sold. The other manufactured home was moved for the Company's use to the facility in Picacho, Arizona. The thirty-two lots that remain are for sale. At January 31, 2019 and 2018, in accordance with FASB ASC 205-20-45 – Accounting for Impairment or Disposal of Long-Lived Assets, the Company reviewed the carrying value of the property and determined that the property was not impaired.

The Company's Edgewood, New Mexico location was closed October 31, 2007. The Company continues to list the property for sale. The property carrying value of $486,807 is recorded as investment in real estate in the January 31, 2019 and 2018 balance sheets.

(4) Long-term Debt

Long-term debt consists of the following at January 31:

	2019	2018
Due to WestStar Bank, maturity June 2024, interest at 4.75%, monthly installments of $10,940, secured by two properties with a total carrying value of $1,121,496	$ 1,197,104	$ 1,269,022
Due to WestStar Bank, maturity March 2029, interest at 4.95%, monthly installments of $7,600 plus interest for the first eighteen months, secured by two properties with a total carrying value of $619,040	6,471,187	3,694,387
Due to WestStar Bank, maturity May 2023, interest at 5.45%, monthly installments of $3,823, secured by fuel equipment with a carrying value of $156,432	176,389	—
	7,844,680	4,963,409
Less: unamortized debt issuance costs	(63,053)	(55,634)
Long-term debt, less unamortized debt issuance costs	7,781,627	4,907,775
Less current maturities	(282,152)	(157,854)
Total long-term debt, less current maturities	$ 7,499,475	$ 4,749,921

Future maturities of long-term debt for the years ending January 31 are as follows:

2020	$ 282,152
2021	321,098
2022	337,398
2023	354,526
2024	341,002
Thereafter	6,208,504
Total	$ 7,844,680

On June 30, 2014, the Company entered into a commercial loan agreement with WestStar Bank in the amount of $1,500,000 with an interest rate of 4.75% for the first five years, then subject to adjustment June 30, 2019. The Company's real property in Bernalillo County, New Mexico and one property in Dona Ana County, New Mexico serve as security for the loan. The commercial loan agreement matures June 30, 2024. A portion of the proceeds were used to pay off an existing loan with Bank of the West, which released the Company's real property in Cochise County, Arizona that was serving as collateral for the debt.

On September 25, 2017, the Company entered into a commercial loan agreement with WestStar Bank in the amount of $5,000,000 with an interest rate of 4.95%. The Company's real property in Cibola County, New Mexico and in Torrance County, New Mexico serve as security for the loan. The commercial loan agreement matures March 25, 2029. A portion of the proceeds were used to pay off an existing loan with Bank of the West. The remaining proceeds are being used to complete a major remodel at The Thing

DQ Travel Center in Benson, Arizona. On February 19, 2018 the commercial loan agreement was modified to include an additional amount borrowed of $1,600,000.

On May 31, 2018, the Company renewed a commercial loan agreement with WestStar Bank in the amount of $200,000 with an interest rate of 5.45%. The proceeds were used for fuel equipment. The commercial loan agreement matures May 30, 2023. The balance of the loan was $176,389 as of January 31, 2019.

At January 31, 2019 and 2018, respectively, the Company was in compliance with the annual debt covenant of debt to tangible net worth not to exceed 1.5:1 as well as other restrictive covenants.

(5) Capital Lease Obligation

Capital lease obligation consists of the following at January 31:

	2019	2018
Due YESCO LLC, maturity August 31, 2022, interest at 7.50%, monthly installments of $4,837.	$ 181,884	$ 224,531
Due YESCO LLC, maturity October 31 2021, interest at 7.50%, monthly installments of $4,630.	137,684	181,138
	319,568	405,669
Less current maturities	(92,786)	(86,102)
Capital lease obligation, less current maturities	$ 226,782	$ 319,567

Future maturities of capital lease obligations for the years ending January 31 are as follows:

2020	$ 92,786
2021	99,989
2022	93,766
2023	33,027
Total	$ 319,568

(6) Income Taxes

Income taxes consist of the following for the years ended January 31:

	Current	Deferred	Total
2019:			
U.S. Federal	$ —	$ 78,800	$ 78,800
State	—	25,500	25,500
	$ —	$ 104,300	$ 104,300
2018 **Restated**:			
U.S. Federal	$ 186,600	$ (137,273)	$ 49,327
State	37,400	(27,454)	9,946
	$ 224,000	$ (164,727)	$ 59,273
2017:			
U.S. Federal	$ 108,689	$ 66,011	$ 174,700
State	(9,692)	44,692	35,000
	$ 98,997	$ 110,703	$ 209,700

Income tax expense differed from the amounts computed by applying the U.S. federal income tax rate of 21%, 34% and 34% to pre-tax income for the years ended January 31, 2019, 2018 and 2017, respectively as a result of the following:

	2019	Restated 2018	2017
Computed "expected" tax expense	$ 71,544	$ 263,424	$ 163,325
Tax benefit due to TCJA	—	(240,927)	—
State income tax expense net of federal tax benefit	20,173	33,052	23,093
Other non-deductible expenses	12,583	3,724	23,282
Total	$ 104,300	$ 59,273	$ 209,700

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are as follows at January 31:

	2019	Restated 2018
Deferred income tax assets –		
Deferred revenue	$ 11,048	14,648
Compensated absences	32,860	44,183
Net operating losses	236,994	—
Total gross deferred income tax assets	280,902	58,831
Deferred income tax liabilities:		
Property and equipment, principally due to differences in depreciation	900,496	574,125
Total gross deferred income tax liabilities	900,696	574,125
Net deferred income tax liabilities	$ 619,594	$ 515,294

The Company adopted the provisions of FASB ASU 2015-17 "Balance Sheet Classification of Deferred Taxes (Topic 740)" on January 31, 2018. Upon adoption, the Company presents all deferred tax assets and liabilities, along with any related valuation allowance, as noncurrent on the balance sheet.

In the normal course of business, the Company's income tax returns are subject to examination by various taxing authorities. Such examinations may result in future income tax and interest assessment by these taxing authorities. There are no uncertain tax positions as of January 31, 2019 and 2018.

The Company is not under examination for open tax years as of January 31, 2019, 2018 and 2017.

(7) Profit-Sharing Plan

The Company maintains a qualified defined contribution profit-sharing plan that covers substantially all employees. The plan year end is December 31. The elected salary reduction is subject to limits as defined by the Internal Revenue Code. The Company provides a matching contribution and additional discretionary contributions as determined by resolution of the board of directors. Legal and accounting expenses related to the plan are absorbed by the Company. The Company's contributions to the profit-sharing plan were $103,561, $75,452 and $75,192 for the years ended January 31, 2019, 2018 and 2017, respectively.

(8) Commitment and Contingencies

The Company leases land at several of its retail operating locations. Included in general and administrative expenses in the accompanying statements of income is rental expense for these land leases of $159,752, $163,372 and $163,460 for the years ended January 31, 2019, 2018 and 2017, respectively. The Company also leases land where several of its retail billboards are located and rent expense for these leases was $231,112, $231,721 and $229,990 for the years ended January 31, 2019, 2018 and 2017, respectively.

The leasing agreements for the various locations include 5 to 35 year leases with remaining lives on those leases ranging from approximately 4 to 20 years at January 31, 2019. One of the contingent rentals has a fixed payment amount of $10,800 plus 3% of merchandise sold plus $0.02 of gasoline gallons sold. One of the contingent leases has a fixed annual payment of $28,861 adjusted every five years according to the consumer price index (CPI) plus 2.5% of merchandise sales and $0.0025 of gasoline gallons sold. One of the contingent rentals is $34,500 adjusted every year by $500 plus 2.5% of merchandise sales and $0.0025 of gasoline gallons sold. In most cases, the Company is responsible for certain repairs and maintenance, insurance, property taxes or property tax increases, and utilities. Future minimum rental payments under these leases are as follows:

Year ending January 31:		
2020	$	315,211
2021		173,428
2022		116,213
2023		101,883
2024		96,957
Thereafter		1,019,073
Total	$	1,822,765

The Company is periodically subject to claims and lawsuits that arise in the ordinary course of business. It is in the opinion of management that the disposition or ultimate resolution of any such claims and lawsuits will not have a material adverse effect on the financial position of the Company.

(9) Sale of Cell Tower Leases and Easements

In March 2017, the Company sold three cell tower leases and easements located in Luna County, New Mexico to Global Signal Acquisitions IV LLC for $300,479 cash, which is recorded as a gain in other non-operating income for the year ended January 31, 2018.

(10) Restatement of Deferred Income Tax Assets and Liabilities

The Tax Cuts and Jobs Act (TCJA) was passed on December 22, 2017. The most significant provisions of this legislation on the Company was to change the effective federal income tax rates of Corporations from a graduated rate system to a flat 21%.

The company adjusted the deferred income tax assets and liabilities using the 21% rate as of the first quarter of 2019. Management has determined that the TCJA adjustment was recorded in the incorrect period and should have been recorded as of and for the year ended January 31, 2018.

The Company, in reviewing its financial reporting process, has determined that a correction was required and as such, has restated its previously reported financial statements as of and for the year ended January 31, 2018 using the 21% rate to calculate the deferred income tax assets and liabilities and resulting income tax benefit. The impact of the correction is as follows:

	January 31, 2018		
Balance Sheet	**As restated**	**As previously Reported**	**Restatement**
Liabilities and Stockholders' Equity			
Total current liabilities	$ 2,145,045	$ 2,145,045	$ —
Net deferred income tax liabilities	515,294	756,221	(240,927)
Capital lease obligations, less current maturities	319,567	319,567	—
Long term debt, less current maturities	4,749,921	4,749,921	—
Total liabilities	$ 7,729,827	$ 7,970,754	$ (240,927)
Common stock	$ 4,023	$ 4,023	$ —
Additional paid-in-capital	9,093,172	9,093,172	—
Retained earnings	3,477,139	3,236,212	240,927
Total stockholders' equity	$ 12,574,334	$ 12,333,407	$ 240,927

	January 31, 2018		
Statement of Stockholders' Equity	**As restated**	**As previously Reported**	**Restatement**
Balance January 31, 2017			
Total Stockholders' Equity	$ 11,896,191	$ 11,896,191	$ —
Purchase of treasury stock	(37,359)	(37,359)	—
Net income	715,502	474,575	240,927
Balance January 31, 2018	$ 12,574,334	$ 12,333,407	$ 240,927

Restatement of Deferred Income Tax Assets and Liabilities (continued)

	Year Ended January 31, 2018		
Statement of Income	**As restated**	**As previously Reported**	**Restatement**
Income before income tax expense	$ 774,775	$ 774,775	$ —
Income tax expense	(59,273)	(300,200)	240,927
Net income	$ 715,502	$ 474,575	$ 240,927
Net income per share	$ 0.18	$ 0.12	$ 0.06
Statement of Cash Flows			
Cash flow from operating activities:			
Net income	$ 715,502	$ 474,575	$ 240,927
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,006,324	1,006,324	—
Loss on sale of property and equipment	7,486	7,486	—
Gain on sale of cell tower leases and easements	(300,479)	(300,479)	—
Deferred income taxes (benefit) expense	(164,727)	76,200	240,927
Change in operating assets and liabilities:			
Accounts receivable	(133)	(133)	—
Inventories	100,027	100,027	—
Prepaid expenses and other	(15,539)	(15,539)	—
Prepaid income taxes	(106,252)	(106,252)	—
Accounts payable and accrued liabilities	275,364	275,364	—
Deferred revenue	(14,869)	(14,869)	—
Net cash provided by operating activities	$ 1,502,704	$ 1,502,704	$ —

(11) Subsequent Pronouncements

Leases: In February 2016, the Financial Accounting Standards Board (FASB), issued Accounting Standards Update No. 2016-02, Leases (Topic 842). The amendments in this update were issued to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities for those leases classified as operating leases under previous GAAP. The amendments in this update are effective for fiscal years beginning after December 15, 2018. Early application is permitted, however, the Company has not yet adopted.

(12) Subsequent Events

The Company has evaluated events subsequent to January 31, 2019, the balance sheet date, for events that would possibly require adjustment or disclosures in these financial statements, through April 29, 2019, the date that these statements were available to be issued.

In March 2019, the Company entered into an agreement with YESCO, LLC to replace two electronic message centers at Picacho, AZ at a cost of $310,733. The installation date is May 2019, and financing has been secured with WestStar Bank.