Dennis Corporation

Report on Financial Statements

For the years ended December 31, 2012 and 2011

Independent Accountant's Review Report

Dennis Corporation
Columbia, South Carolina

We have reviewed the accompanying balance sheets of Dennis Corporation (the Company) as of December 31, 2012 and 2011, and the related statements of operations, stockholders' equity and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, with the exception of the matters described in the following paragraphs, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 14 to the financial statements, accounting principles generally accepted in the United States of America require consolidation of variable interest entities. Accordingly, the financial statements for the Company and a related entity (Dennis Corporation Development, LLC) should be consolidated in order to conform with these accounting standards.

As discussed in Note 10, the Company has a long-term lease with the related entity referenced above, that was treated as an operating lease rather than a capital lease as required by accounting principles generally accepted in the United States of America. If this lease had been treated as a capital lease, property and equipment and capital lease obligations on the balance sheets would have increased by $1,476,251 and $1,585,890 as of December 31, 2012 and by $1,558,290 and $1,625,155 as of December 31, 2011, respectively. Had the activities of the related entity and the long-term lease been treated as a capital lease in these financial statements, the net loss would have decreased by $207,988 and stockholders' equity would have decreased by $91,253 in the 2012 financial statements and the net loss would have decreased by $144,678 and stockholders' equity would have decreased by $887 in the 2011 financial statements.

Elliott Davis, LLC

Columbia, South Carolina
April 15, 2013

Dennis Corporation
Balance Sheets
December 31, 2012 and 2011

	2012	2011
Assets		
Current assets		
Cash and cash equivalents	$ 103,281	$ 1,870
Accounts receivable, net	754,846	1,586,869
Unbilled work-in-process	1,670	1,845
Prepaid expenses	81,500	5,000
Total current assets	941,297	1,595,584
Property and equipment, net	398,020	559,150
Due from stockholder	-	108,382
Deferred tax asset	265,979	83,361
	$ 1,605,296	$ 2,346,477
Liabilities And Stockholders' Equity		
Current liabilities		
Lines of credit	$ 887,436	$ 774,409
Current portion of notes payable	79,294	176,364
Current portion of capital lease obligations	42,988	48,897
Accounts payable	350,046	543,202
Accrued compensation	25,154	13,926
Total current liabilities	1,384,918	1,556,798
Line of credit	-	134,759
Notes payable	15,808	74,949
Capital lease obligations	49,558	87,674
Due to related company	-	45,235
Due to stockholder	2,011	-
Total liabilities	1,452,295	1,899,415
Stockholders' equity		
Class A Common stock, $1.50 stated value, 100,000 shares authorized, 87,666 shares issued	131,500	131,500
Class B Common stock, $1.50 stated value, 100,000 shares authorized, 2,300 and 3,200 shares issued at December 31, 2012 and 2011, respectively	3,450	4,800
Additional paid-in capital	85,064	55,040
Retained earnings (deficit)	(67,013)	255,722
Total stockholders' equity	153,001	447,062
	$ 1,605,296	$ 2,346,477

See Notes to Financial Statements and Independent Accountant's Review Report

Dennis Corporation

Statements of Operations

For the years ended December 31, 2012 and 2011

	2012	2011
Operating revenues	$ 4,374,941	$ 5,840,369
Operating expenses	4,754,798	6,565,877
Net operating loss	(379,857)	(725,508)
Other income (expense)		
Gain (loss) on disposal of property and equipment	(41,790)	6,926
Loss on impairment of property and equipment	-	(15,684)
Contributions	(17,404)	(35,628)
Interest expense	(63,602)	(94,683)
Total other income (expense)	(122,796)	(139,069)
Net loss before income taxes	(502,653)	(864,577)
Credit for income taxes	(182,618)	(354,610)
Net loss	$ (320,035)	$ (509,967)

See Notes to Financial Statements and Independent Accountant's Review Report

Dennis Corporation

Statements of Stockholders' Equity

For the years ended December 31, 2012 and 2011

	Common Stock - Class A		Common Stock - Class B		Additional	Retained	
	Shares	**Amount**	**Shares**	**Amount**	**Paid-in Capital**	**Earnings**	**Total**
Balance, December 31, 2010, Restated	87,666	$ 131,500	2,000	$ 3,000	$ 34,400	$ 765,689	$ 934,589
Stock issued	-	-	2,200	3,300	37,840	-	41,140
Stock retired	-	-	(1,000)	(1,500)	(17,200)	-	(18,700)
Net loss	-	-	-	-	-	(509,967)	(509,967)
Balance, December 31, 2011	87,666	131,500	3,200	4,800	55,040	255,722	447,062
Stock issued	-	-	100	150	1,990	-	2,140
Stock retired	-	-	(1,000)	(1,500)	(17,200)	(2,700)	(21,400)
Contributed capital	-	-	-	-	45,234	-	45,234
Net loss	-	-	-	-	-	(320,035)	(320,035)
Balance, December 31, 2012	**87,666**	**$ 131,500**	**2,300**	**$ 3,450**	**$ 85,064**	**$ (67,013)**	**$ 153,001**

See Notes to Financial Statements and Independent Accountant's Review Report

Dennis Corporation

Statements of Cash flows

For the years ended December 31, 2012 and 2011

		2012		2011
Cash flows from operating activities				
Net loss	$	(320,035)	$	(509,967)
Adjustments to reconcile net loss to net cash provided by operating activities				
Increase (decrease) in allowance for doubtful accounts		(81,092)		107,599
Depreciation		121,813		180,110
Loss (gain) on disposal of property and equipment		41,790		(6,926)
Deferred income taxes		(182,618)		(354,610)
Common stock issued as compensation		-		41,140
Interest accrued on notes payable to former stockholders		480		180
Changes in deferred and accrued amounts				
Accounts receivable		913,115		395,933
Unbilled work-in-process		175		38,039
Prepaid expenses		(76,500)		20,463
Accounts payable and accrued expenses		(182,408)		116,791
Net cash provided by operating activities		234,720		28,752
Investing activities				
Purchases of property and equipment		-		(587)
Proceeds from sale of property and equipment		-		24,690
Repayments from (advances to) stockholder, net		110,393		(193,408)
Net cash provided by (used for) investing activities		110,393		(169,305)
Financing activities				
Advances from (to) related company		-		(28,784)
Lines of credit, net		(21,732)		296,168
Principal payments on notes payable and capital leases		(224,110)		(266,578)
Repurchase of common stock		-		(3,740)
Issuance of common stock		2,140		-
Net cash used for financing activities		(243,702)		(2,934)
Net change in cash and cash equivalents		101,411		(143,487)
Cash and cash equivalents, beginning of year		1,870		145,357
Cash and cash equivalents, end of year	$	103,281	$	1,870
Cash paid during the year for				
Interest	$	189,070	$	94,683
Noncash investing and financing activities				
Common stock issued as compensation to employees	$	-	$	41,140
Repurchase of common stock and issuance of notes payable to former stockholders	$	21,400	$	14,960
Intercompany balance converted to contributed capital	$	45,234	$	-
Equipment and notes payable transferred to related entity at note value	$	-	$	65,450

See Notes to Financial Statements and Independent Accountant's Review Report

Note 1. Organization and Summary of Significant Accounting Policies

Description of business:

Dennis Corporation (the Company) is a Southeastern licensed engineering, surveying and construction management firm specializing in a wide range of projects. Dennis Corporation's divisions include accounting, business development, civil infrastructure, construction management, construction services, expert witness services, information technology, intelligent transportation systems (ITS), marketing, roadway design, special inspections, structural engineering, building construction management, environmental inspections, steel inspections, aviation, surveying and traffic engineering.

The Company’s significant accounting policies are summarized as follows:

Cash and cash equivalents:

For purposes of reporting cash flows, the Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts receivable:

Trade receivables are carried at their estimated collectible amounts. They are periodically evaluated for collectability based on management's review of outstanding receivables, historical collection information and existing economic conditions. An allowance for doubtful accounts is established as losses are estimated to have occurred through recognition of bad debt expense. Specific receivables that are determined to be uncollectible, based on particular circumstances of the customer, are written off as bad debts once all reasonable means to collect the receivable have been exhausted.

Property and equipment:

Property and equipment is stated at cost. Maintenance and repairs which do not improve or extend the useful lives of the assets are charged to expense as incurred. For financial statement purposes, depreciation is computed using accelerated and straight-line methods over the estimated useful lives of the respective assets, which range from five to ten years. The gain or loss on the disposal of property and equipment is recognized in the year of disposition. For income tax purposes, depreciation is calculated principally using accelerated methods.

Property and equipment are reviewed on an ongoing basis for impairment based on comparison of carrying value against fair value. If an impairment is identified, the assets’ carrying amounts are adjusted to fair value in the year identified.

Revenue recognition:

Revenue on fixed fee and cost-plus contracts is recognized primarily as work progresses and as labor hours and expenses are incurred on engineering, construction management, and consulting engagements. This method is used because management considers this to be the best measure of progress on these contracts.

Changes in contract performance, contract conditions, and profitability, including those arising from contract penalty provisions, and final contract settlements may result in revisions to revenue and costs, and are recognized in the year in which such revisions are determined. Provisions for estimated losses on work-in-progress, if any, are recognized in the year when such losses are determined.

Note 1. Organization and Summary of Significant Accounting Policies, Continued

Revenue recognition, continued:

The asset “unbilled work-in-progress” represents revenue recognized in excess of amounts billed.

For income tax purposes, the Company reports revenue and costs using the cash method, whereby revenue is recognized when collected and costs are recognized when paid.

Use of estimates:

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates made by management relate primarily to the recognition of revenue. Due to the nature of the Company’s contracts, it is reasonably possible that the estimates included in the financial statements may change in the near term.

Advertising:

The Company expenses advertising costs as they are incurred. The Company’s marketing and advertising costs were $1,767 and $46,267 for the years ended December 31, 2012 and 2011, respectively.

Income taxes:

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently payable plus the change during the period in deferred tax assets and liabilities. Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Deferred taxes may also be recognized for operating losses that are available to offset future taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Management has reviewed potential tax uncertainties in accordance with applicable financial accounting standards and management believes that there are no uncertainties that would have a material impact on the Company’s results of operations or financial condition as of and for the years ended December 31, 2012 and 2011. With few exceptions, the Company is no longer subject to income tax examinations by the United States federal, state, or local tax authorities for years ended prior to December 31, 2009.

Subsequent events:

These financial statements have not been updated for events occurring after April 15, 2013, which is the date these financial statements were available to be issued.

Note 2. Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments and trade receivables. The Company places temporary cash investments with banks located in South Carolina. At times, such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insured limits.

The Company sells its services to customers throughout the Southeast and extends credit based on an evaluation of the customer's financial condition, generally without requiring collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure to credit losses and writes off uncollectible accounts as needed.

The Company derives a substantial portion of its gross revenues from services to a major customer. Following is a summary of the operating revenues and accounts receivable with this customer at and for the years ended December 31, 2012 and 2011:

	Operating revenues for the year ended December 31, 2012		December 31, 2012	Operating revenues for the year ended December 31, 2011		December 31, 2011
	Amount	Percent of revenues	Accounts receivable	Amount	Percent of revenues	Accounts receivable
Customer 1	$ 988,165	23%	$ 87,201	$ 2,126,894	36%	$ 667,527

Note 3. Accounts Receivable

Accounts receivable consists of the following at December 31:

	2012	2011
Accounts receivable	$ 897,648	$ 1,810,763
Allowance for doubtful accounts	(142,802)	(223,894)
	$ 754,846	$ 1,586,869

Note 4. Property and Equipment

Property and equipment consists of the following at December 31:

	2012	2011
Software, telephone, and office equipment	$ 358,385	$ 475,101
Equipment	290,503	335,043
Furniture	273,468	276,624
Leasehold improvements	94,089	94,089
	1,016,445	1,180,857
Less accumulated depreciation	618,425	621,707
	$ 398,020	$ 559,150

Depreciation expense totaling $121,813 and $180,110 was charged to operations for the years ended December 31, 2012 and 2011, respectively.

Note 5. Line-of-Credit

The Company had an $800,000 line-of-credit with a local financial institution at December 31, 2012 and 2011. Borrowings on the line accrue interest at prime interest rate or 4.25%, whichever is greater. The line is secured by a blanket first lien on all accounts receivable and is guaranteed by the Company's majority stockholder and by Dennis Corporation Development, LLC, an entity owned by the Company's majority stockholder. The maturity date for this line of credit is April 15, 2013. The line-of-credit contains various financial covenants including tangible net worth and a debt service coverage ratio. The Company was not in compliance with these covenants as of and for the year ended December 31, 2012, however subsequent to December 31, 2012, the financial institution extended this line of credit until July 15, 2013. Management anticipates being able to renew or restructure this line of credit under similar terms and conditions at its scheduled maturity date. As of December 31, 2012 and 2011, the balances due on this line-of-credit were $755,713 and $761,000, respectively.

The Company has a working line-of-credit of $300,000 with the City of Columbia, originally maturing January 22, 2013. On July 1, 2012, the Company renewed the working line-of-credit and line matures July 1, 2013. Management anticipates being able to renew this line-of-credit under similar terms and conditions at its scheduled maturity date. Borrowings on the line accrued interest at 3.5% and 5.95% at December 31, 2012 and 2011, respectively, which must be paid monthly with minimum monthly principal payments of $1,932. The line is secured by a blanket second lien on all accounts receivable of the Company and guaranteed by the Company's majority stockholder. As of December 31, 2012 and 2011, the balances due on this line-of-credit were $131,723 and $148,168, respectively.

Note 6. Notes Payable

Notes payable consist of the following at December 31:

	2012	2011
Note payable, secured by survey equipment, interest at 6%, due in monthly installments of $1,581, maturing June 2013.	$ 7,913	$ 25,898
Note payable to the Business Development Corporation, secured by a blanket third lien on certain real estate owned by the Company's majority stockholder and Dennis Corporation Development, LLC and a second lien on other real estate owned by these parties, guaranteed by the majority stockholder and by Dennis Corporation Development, LLC, interest at prime rate (3.25% at December 31, 2012) plus 2.25%, due in monthly installments of $5,010 and maturing on May 23, 2013.	23,413	78,965
Note payable to a bank with an initial principal balance of $300,000, secured by accounts receivable and guaranteed by the Company's majority stockholder and by Dennis Corporation Development, LLC. Interest accrues at a fixed rate of 6.5% until April 15, 2013, due in monthly payments of $9,208.	26,568	131,310

Note 6. Notes Payable, Continued

	2012	2011
Notes payable to former stockholders including accrued interest of $847 at December 31, 2012; interest accrues at a rate of 3.25% per annum; all unpaid principal and accrued interest is due at various dates through July 2014.	37,208	15,140
	95,102	251,313
Less current maturities	79,294	176,364
Long-term portion	$ 15,808	$ 74,949

Maturities of notes payable for the years following December 31, 2012 are as follows:

2013	$ 79,294
2014	15,808
	$ 95,102

The Company is also a guarantor of four separate notes payable for Dennis Corporation Development, LLC. The balance of the notes payable totaled $3,060,330 and $3,147,766 at December 31, 2012 and 2011, respectively. These notes payable mature at various dates through August 2030.

Note 7. Capital Leases

The Company leases certain equipment under capital leases expiring at various times through 2015. The leased assets are recorded at the net present value of future minimum lease payments based on interest rates ranging from 5.75% to 17.87%. The equipment had an original cost of $226,273 and a current net book value of $140,836.

Future minimum lease payments for years following December 31, 2012, are as follows:

2013	$ 51,483
2014	38,785
2015	15,358
Total minimum lease payments	105,626
Less amounts representing interest	13,080
Present value of minimum lease payments	92,546
Less current portion	42,988
Long-term portion	$ 49,558

Note 8. Retirement Plans

The Company has a 401(k) plan covering substantially all employees with no waiting period. The Company may make discretionary matching or profit sharing contributions to the plan subject to certain limitations. The Company did not make any discretionary contributions to the plan for the years ended December 31, 2012 and 2011.

Note 9. Related Party Transactions

As of December 31, 2012, the Company owed its majority stockholder $2,011. As of December 31, 2011, the Company's majority stockholder owed the Company $108,382.

The Company leases office space in Ridgeland, South Carolina from Dennis Corporation Development, LLC, on a month-to-month contract. Lease payments were $4,500 and $4,284 per month during the years ended December 31, 2012 and 2011, respectively. Rents paid totaled $54,000 and $51,408 for 2012 and 2011, respectively.

The Company also leases office space from Dennis Corporation Development, LLC. Details regarding the method used to account for this lease and a summary of future minimum lease payments relating to the lease are presented in Note 10.

During 2011, the Company transferred vehicles with a net book value of $59,317 and related notes payable totaling $65,450 to Dennis Corporation Development, LLC. The Company recognized a gain of $6,133 on this transfer of vehicles. The Company leases these and other vehicles under a month-to-month lease agreement with Dennis Corporation Development, LLC. Lease payments paid to Dennis Corporation Development, LLC in connection with this agreement totaled $276,500 and $273,797 during the years ended December 31, 2012 and 2011, respectively.

Note 10. Leases

The Company has entered into various operating leases for office space and equipment, including some with related parties (see Note 9.) These leases expire at various times through October 2014.

Future minimum lease commitments under non-cancelable operating leases for equipment, with remaining terms greater than one year at December 31, 2012, are as follows:

2013	$	73,524
2014		59,414
2015		2,200
	$	**135,138**

Note 10. Leases, Continued

The Company also has a long-term lease with a related company for office space. In accordance with accounting principles generally accepted in the United States of America, a portion of this lease should be treated as a capital lease. However, the Company has elected to treat the entire lease as an operating lease. If a portion of this lease had been treated as a capital lease, property and equipment and capital lease obligations on the balance sheet would have increased by $1,476,251 and $1,585,890, as of December 31, 2012 and by $1,558,290 and $1,625,155 as of December 31, 2011, respectively. In addition, operating expenses would have decreased by $82,694 and $88,878 and interest expense would have increased by $125,468 and $128,689 for the years ending December 31, 2012 and 2011, respectively, if a portion of this lease was treated as a capital lease. The future minimum lease commitments for this entire lease at December 31, 2012 are as follows:

2013	$ 381,600
2014	381,600
2015	381,600
2016	381,600
2017	381,600
2018 and thereafter	3,610,800
	$ 5,518,800

Note 11. Income Taxes

The credit for income taxes consists of the following for the years ended December 31:

	2012	2011
Benefit due to federal empowerment zone credits	$ -	$ (3,000)
Benefit due to South Carolina new jobs credits, net	-	(490)
Deferred income tax benefit	(182,618)	(351,120)
	$ (182,618)	$ (354,610)

The Company files tax returns on the cash basis of accounting. The tax effects of temporary differences that give rise to significant portions of the deferred tax accounts are as follows at December 31:

	2012	2011
Deferred tax (assets) liabilities applicable to:		
Depreciation	$ 95,071	$ 108,224
Net operating loss and contribution carryforwards	(280,127)	(392,101)
Accrued items	126,352	408,151
Deferred tax liability (asset) before credits	(58,704)	124,274
Federal empowerment zone credits	(44,725)	(50,725)
South Carolina new jobs credit, net	(242,550)	(206,910)
Deferred tax asset	(345,979)	(133,361)
Valuation allowance	80,000	50,000
	$ (265,979)	$ (83,361)

Note 11. Income Taxes, Continued

The deferred tax amounts presented above have been classified on the accompanying balance sheets as a non-current asset at December 31, 2012 and 2011.

The Company has federal and state net operating loss carryforwards totaling approximately $755,000 and $713,000 at December 31, 2012, respectively. These net operating loss carryforwards expire on various dates through 2030. The Company also has federal and state tax credits at December 31, 2012 totaling $44,725 and $242,550, respectively. The federal credits will expire in 2031 and the state credits will expire in 2026. During the year ended December 31, 2012, Company management increased its valuation allowance by $30,000 for state tax credits that the Company is not likely to use before the credits expire.

Note 12. Employee Stock Ownership Plan

On July 1, 2010, the Company adopted a non-qualified stock ownership plan which allows certain key employees, as approved by the Company's Board of Directors, an opportunity to purchase Class B Common Stock. The purchase price for each share of common stock is determined pursuant to a formula based on the Company's financial results for the three immediately preceding fiscal years. The value of the shares were $21.40 and $18.70 per share for 2012 and 2011 transactions, respectively, and management of the Company feels these values approximate fair value. If an employee terminates employment with the Company, the Company will be required to repurchase the employee's stock in accordance with the provisions outlined in the stock ownership plan.

During the year ended December 31, 2011, the Company was required to repurchase 1,000 shares of common stock from two stockholders for $18,700. In accordance with provisions of the stock ownership plan, the Company paid $3,740 in cash and issued notes payable for $14,960 to the former stockholders (see Note 6). During 2012, another stockholder who owned 1,000 shares of common stock terminated his employment with the Company. As of December 31, 2012, the Company recorded a note payable of $21,400 for this stock repurchase.

Note 13. Commitments and Contingencies

The Company is involved in other various claims and legal actions arising in the ordinary course of business. In the opinion of management, the final disposition or settlement of such matters will not have a material adverse effect on the Company's financial position or results of operations.

Note 14. GAAP Departure of Consolidation of Variable Interest Entities

The Company's majority stockholder owns one-hundred percent of Dennis Corporation Development, LLC, which is considered to be a variable interest entity, which leases real property and vehicles to the Company as described in Notes 9 and 10. In addition, the Company serves as a guarantor and certain of its assets are pledged as collateral for bank debt owed by the entity, as described in Note 6. The variable interest in this entity relates to the stockholder's investment and Company's guarantees associated with notes payable of the entity.

Note 14. GAAP Departure of Consolidation of Variable Interest Entities, Continued

The Company has not consolidated the entity in the accompanying financial statements as required by accounting principles generally accepted in the United States of America. Had the activities of the related entity been recorded in these financial statements, the net loss for 2012 would have decreased by $207,988 and stockholders' equity as of December 31, 2012 would have decreased by $91,253 and the net loss would have decreased by $144,678 for 2011 and stockholder's equity would have decreased by $887 as of December 31, 2011. Summary information of Dennis Corporation Development, LLC at December 31, 2012 and 2011, and for the years then ended is presented below:

	2012	2011
Assets	$ 3,449,719	$ 3,848,383
Liabilities	3,391,023	3,736,662
Member's equity	$ 58,696	$ 111,721
Net income	$ 245,328	$ 166,564

Note 15. Other Matters

At December 31, 2012, the Company had a working capital deficit of $443,621. Furthermore, the Company's $800,000 bank line-of-credit matures in July 2013. This line-of-credit balance at December 31, 2012 was $755,713. Management anticipates being able to renew or restructure this line of credit under similar terms and conditions at its scheduled maturity.

The Company also had a net loss of $320,035 and $509,967 for the years ended December 31, 2012 and 2011, respectively. Management is aggressively pursuing new contracts and closely monitoring expenses in order to return the Company to profitability.

These conditions may require the Company to obtain additional capital to support current operations.