

FRIEDMAN INDUSTRIES INC  
Form 10-K  
June 28, 2018

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 10-K**

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended March 31, 2018

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 1-7521

**FRIEDMAN INDUSTRIES, INCORPORATED**

(Exact name of registrant as specified in its charter)

<b>Texas</b>	<b>74-1504405</b>
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)
<b>1121 Judson Road Suite 124, Longview, TX</b>	<b>75601</b>
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(903) 758-3431**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$1 Par Value	NYSE American

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes \_\_\_\_\_ No  X

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes \_\_\_\_\_ No  X

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  X  No \_\_\_\_\_

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  X  No \_\_\_\_\_

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

X

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ( )      Accelerated filer ( )      Non-accelerated filer ( )      Smaller reporting company (X)  
Emerging growth company ( )

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ( )

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes \_\_\_\_\_ No  X

The aggregate market value of the Common Stock held by non-affiliates of the registrant as of September 30, 2017 (computed by reference to the closing price on such date) was approximately \$41,592,000.

The number of shares of the registrant's Common Stock outstanding at June 28, 2018 was 7,009,444 shares.

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## DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Report to Shareholders of Friedman Industries, Incorporated for the fiscal year ended March 31, 2018 — Part II.

Proxy Statement for the 2018 Annual Meeting of Shareholders of Friedman Industries, Incorporated — Part III.

## PART I

### Item 1. Business

Friedman Industries, Incorporated (the “Company”), a Texas corporation incorporated in 1965, is a manufacturer and processor of steel products and operates in two reportable segments; coil products and tubular products. Significant financial information relating to the Company’s business segments for the last two years is contained in Note 8 of the Consolidated Financial Statements included in the Company’s Annual Report to Shareholders for the fiscal year ended March 31, 2018, which financial statements are incorporated herein by reference in Item 8 hereof.

#### *Coil Products*

The coil product segment consists of the operation of two hot-roll coil processing facilities; one in Hickman, Arkansas (“Hickman”) and the other in Decatur, Alabama (“Decatur”). Each facility operates a temper mill and a cut-to-length line. The temper mill improves the flatness and surface qualities of the coils and the cut-to-length line levels the steel and cuts the coils into sheet and plate of prescribed lengths. Combined, the facilities are capable of cutting sheet and plate with thicknesses ranging from 14 gauge to ½” thick. The coil product segment sells its prime grade inventory under the Friedman Industries name but also maintains an inventory of non-standard coil products, consisting primarily of mill secondary and excess prime coils, which are sold through the Company’s XSCP division. The coil product segment also processes customer-owned coils on a fee basis.

The Hickman and Decatur facilities are substantially similar with respect to machinery, equipment and products produced. The Company makes shipments of coil products based on which facility offers the desired product or, if the product is available at both facilities, based on other factors, such as customer location, freight conditions and the ability of the facility to fulfill the order on a timely basis. Coil products are sold on a wholesale, rapid-delivery basis in

competition with other processors of hot-rolled steel coils. Shipments are made via unaffiliated truckers or by rail.

The coil segment purchases its inventory from a limited number of suppliers. Loss of any of these suppliers could have a material adverse effect on the Company's business.

### *Tubular Products*

The tubular product segment consists of the Company's Texas Tubular Products division ("TTP") located in Lone Star, Texas. TTP operates two electric resistance welded pipe mills with a combined outside diameter ("OD") size range of 2 3/8" OD to 8 5/8" OD. Both pipe mills are American Petroleum Institute ("API") licensed to manufacture line pipe and oil country pipe and also manufacture pipe for structural purposes that meets other recognized industry standards. TTP has a pipe finishing facility that threads and couples oil country tubular goods and performs other services that are customary in the pipe finishing process. The pipe finishing facility is API licensed and focuses on threading semi-premium connections. TTP's inventory consists of raw materials and finished goods. Raw material inventory consists of hot-rolled steel coils that TTP will manufacture into pipe. Finished goods inventory consists of pipe TTP has manufactured and new mill reject pipe that TTP purchases from U.S. Steel Tubular Products, Inc.

TTP purchases its inventory from a limited number of suppliers. Loss of any of these suppliers could have a material adverse effect on the Company's business.

### *Marketing*

The following table sets forth the approximate percentage of total sales contributed by each group of products and services during each of the Company's last two fiscal years:

<b>Product and Service Groups</b>	<b>2018</b>	<b>2017</b>
Coil Products	74%	83%
Tubular Products	26%	17%

*Coil Products.* The Company sells coil products and processing services to approximately 165 customers located primarily in the midwestern, southwestern and southeastern regions of the United States. The Company's principal customers for these products and services are steel distributors and customers manufacturing steel products such as steel buildings, railroad cars, barges, tanks and containers, trailers, component parts and other fabricated steel products. During the fiscal years ended March 31, 2018 and 2017, sales of coil products to Trinity Industries, Inc. accounted for approximately 16% and 28% of the Company's total sales, respectively.



The Company sells substantially all of its coil products through its own sales force. At March 31, 2018, the sales force was comprised of the Vice President – Coil Sales and three professional sales personnel. Sales personnel are paid on a salary and commission basis.

*Tubular Products.* The Company sells its tubular products nationally to approximately 125 customers. The Company's principal customers for these products are steel and pipe distributors. In fiscal years 2018 and 2017, no individual tubular customer accounted for 10% or more of the Company's total sales.

The Company sells substantially all of its tubular products through its own sales force. At March 31, 2018, the sales force was comprised of the Vice President – Tubular Sales and two professional sales personnel. Sales personnel are paid on a salary and commission basis.

#### *Competition*

The Company is engaged in a non-seasonal, highly-competitive business. The Company competes with other processors of hot-rolled steel coils. The steel industry, in general, is characterized by a small number of extremely large companies dominating the bulk of the market and a large number of relatively small companies, such as the Company, competing for a limited share of such market.

The Company believes that, generally, its ability to compete is dependent upon its ability to offer products at prices competitive with or below those of other steel suppliers, as well as its ability to provide products meeting customer specifications on a rapid-delivery basis.

#### *Employees*

At March 31, 2018, the Company had 89 full-time employees and 2 part-time employees.

*Executive Officers of the Company*

The following table sets forth as of March 31, 2018, for each executive officer of the Company, the name, age, officer positions and arrangements with other persons regarding his selection as an officer, if any, and the period during which such officer has served in such capacity:

Name	Age	Position, Offices with the Company and Other Arrangements, if any
Robert Sparkman	62	President and Chief Executive Officer since April 2017; formerly President and Chief Operating Officer since 2016; formerly Senior Vice President — Operations since 2015; formerly Vice President of Sales — Coil Division since 2002 Chief Financial Officer – Secretary and Treasurer since March 2018; formerly Vice
Alex LaRue	32	President — Secretary and Treasurer since 2014; formerly Assistant Vice President — Secretary and Treasurer since 2013; formerly Controller — Texas Tubular Products since 2011

**Item 1A. Risk Factors**

Not required.

**Item 1B. Unresolved Staff Comments**

Not required.

**Item 2. Properties**

The principal real properties of the Company are described in the following table:

<u>Location</u>	Approximate Size	Ownership
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Lone Star, Texas

Plant — Texas Tubular Products	161,000 sq. feet	Owned(1)
Offices — Texas Tubular Products	12,200 sq. feet	Owned(1)
Land — Texas Tubular Products	122.4 acres	Owned(1)
Longview, Texas Offices	2,600 sq. feet	Leased(2)

Hickman, Arkansas

Plant and Warehouse — Coil Products	2,600 sq. feet	Owned(1)
Offices — Coil Products	2,500 sq. feet	Owned(1)
Land — Coil Products	26.2 acres	Owned(1)

Decatur, Alabama

Plant and Warehouse — Coil Products	48,000 sq. feet	Owned(1)
Offices — Coil Products	2,000 sq. feet	Owned(1)
Land — Coil Products	47.3 acres	Owned(1)

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(1) All of the Company's owned real properties, plants and offices are held in fee and are not subject to any mortgage or deed of trust.

The office lease is with a non-affiliated party. The lease was scheduled to expire on April 30, 2018 but the (2) Company executed a lease addendum to extend the term for an additional 36 months resulting in an amended expiration date of April 30, 2021. The lease requires a monthly rental payment by the Company of \$2,728.

### Item 3. Legal Proceedings

The Company is a class member of steel antitrust class action litigation brought against certain steel manufacturers in the United States District Court for the Northern District of Illinois. The litigation was initiated by several complaints filed in September and October of 2008 alleging the defendants conspired, in violation of the U.S. antitrust laws, to restrict their output and therefore raise or fix the prices for steel products sold for delivery in the United States between April 1, 2005 and December 31, 2007. The plaintiffs sought monetary and other relief on behalf of themselves and the class. A portion of the defendants reached settlements in 2014 totaling \$163,900,000 and the Company received settlement proceeds of \$316,310 in fiscal 2016 related to this settlement. A settlement was reached with the remaining defendants in February 2017 totaling \$30,000,000. Subsequent to March 31, 2018, the Company received settlement proceeds of \$56,500. The Company does not expect to receive any additional proceeds from this legal matter.

The Company is not a party to, nor is its property the subject of, any other material pending legal proceedings.

## **PART II**

### **Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

The Company's Common Stock is traded principally on the NYSE – American (Symbol: FRD).

Reference is hereby made to the sections of the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2018, entitled "Description of Business — Range of High and Low Sales Prices of Common Stock" and "Description of Business — Cash Dividends Declared Per Share of Common Stock", which sections are hereby incorporated herein by reference.

The approximate number of shareholders of record of Common Stock of the Company as of May 25, 2018 was 205. Because many of the Company's common shares are held by brokers and other institutions on behalf of shareholders, the Company is unable to estimate the total number of individual shareholders represented by these record holders.

### **Item 6. Selected Financial Data**

Not required.

### **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

Information with respect to Item 7 is hereby incorporated herein by reference from the section of the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2018, entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations".

### **Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

Not required.

## **Item 8. Financial Statements and Supplementary Data**

The following financial statements and notes thereto of the Company included in the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2018, are hereby incorporated herein by reference:

Consolidated Balance Sheets — March 31, 2018 and 2017

Consolidated Statements of Operations — Years ended March 31, 2018 and 2017

Consolidated Statements of Stockholders' Equity — Years ended March 31, 2018 and 2017

Consolidated Statements of Cash Flows — Years ended March 31, 2018 and 2017

Notes to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firms

Information with respect to supplementary financial information relating to the Company appears in Note 9 — Summary of Quarterly Results of Operations (Unaudited) of the Notes to Consolidated Financial Statements incorporated herein by reference above in this Item 8 from the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2018.

The following supplementary schedule for the Company for the year ended March 31, 2018, is included elsewhere in this report:

Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the U.S. Securities and Exchange Commission (the “SEC”) are not required under the related instructions or are inapplicable and, therefore, have been omitted.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

## **Item 9A. Controls and Procedures**

### *Evaluation of Disclosure Controls and Procedures*

The Company's management, with the participation of the Company's principal executive officer ("CEO") and principal financial officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on this evaluation, the CEO and principal financial officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective to ensure that information that is required to be disclosed by the Company in the reports it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to the Company's management, including the CEO and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

### *Internal Control Over Financial Reporting*

Management's report on internal control over financial reporting appears on page 20 of the Company's Annual Report to Shareholders for the year ended March 31, 2018, which is incorporated herein by reference. This Annual Report on Form 10-K does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to the rules of the SEC that permit the Company to provide only management's report in this Annual Report.

There were no changes in the Company's internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **Item 9B. Other Information**

None.



## **PART III**

### **Item 10. Directors, Executive Officers and Corporate Governance**

Except as otherwise set forth below, information with respect to Item 10 is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2018 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2018 fiscal year.

Information with respect to Item 10 regarding executive officers is hereby incorporated by reference from the information set forth under the caption "Executive Officers of the Company" in Item 1 of this Annual Report on Form 10-K.

The Company has adopted the Friedman Industries, Incorporated Code of Conduct and Ethics (the "Code"), which applies to the Company's employees, directors and officers, including its principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. A copy of the Code is filed as an exhibit hereto.

### **Item 11. Executive Compensation**

Information with respect to Item 11 is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2018 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2018 fiscal year.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

#### *Equity Compensation Plan Information*

The disclosure required pursuant to Item 201(d) of Regulation S-K is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2018 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2018 fiscal year.

Additional information with respect to Item 12 regarding equity compensation plan information relating to the Company is hereby incorporated herein by reference from Note 2 — Equity Compensation Plans and Capital Stock included in the Notes to Consolidated Financial Statements of the Company included in the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2018.

#### *Security Ownership Information*

The additional information with respect to Item 12 regarding the security ownership of certain beneficial owners and management, and related matters, is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2018 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2018 fiscal year.

#### **Item 13. Certain Relationships, Related Transactions and Director Independence**

Information with respect to Item 13 is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2018 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2018 fiscal year.

#### **Item 14. Principal Accountant Fees and Services**

Information with respect to Item 14 is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2018 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2018 fiscal year.



## **PART IV**

### **Item 15. Exhibits and Financial Statement Schedules**

(a) Documents included in this report

#### **1. Financial Statements**

The following financial statements and notes thereto of the Company are included in the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2018, which is incorporated herein by reference:

Consolidated Balance Sheets — March 31, 2018 and 2017

Consolidated Statements of Operations — Years ended March 31, 2018 and 2017

Consolidated Statements of Stockholders' Equity — Years end March 31, 2018 and 2017

Consolidated Statements of Cash Flows — Years ended March 31, 2018 and 2017

Notes to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firms

#### **2. Financial Statement Schedules**

The following financial statement schedule of the Company is included in this report at page S-1:

Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

3. Exhibits

**Exhibit**

**Description**

**No.**

- |        |   |
|--------|---|
| 3.1    | <u>Articles of Incorporation of the Company, as amended (incorporated by reference from Exhibit 3.1 to the Company's Form S-8 filed on December 21, 2016).</u>  |
| 3.2    | <u>Articles of Amendment to the Articles of Incorporation of the Company, as filed with the Texas Secretary of State on September 22, 1987 (incorporated by reference from Exhibit 3.1 to the Company's Form S-8 filed on December 21, 2016).</u> |
| 3.3    | <u>Amended and Restated Bylaws of the Company (incorporated by reference from Exhibit 3.2 to the Company's Form S-8 filed on December 21, 2016).</u>  |
| 10.1   | <u>Revolving Line of Credit Loan Agreement, dated December 11, 2017 (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on December 15, 2017).</u>                                       |
| 10.2   | <u>Promissory Note, dated December 11, 2017 (incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on December 15, 2017).</u>   |
| 10.3   | <u>Commercial Security Agreement, dated December 11, 2017 (incorporated by reference from Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on December 15, 2017).</u>   |
| **13.1 | <del><u>The Company's Annual Report to Shareholders for the fiscal year ended March 31, 2018.</u></del>   |
| **14.1 | <del><u>Friedman Industries, Incorporated Code of Conduct and Ethics.</u></del>   |
| **21.1 | <del><u>List of Subsidiaries.</u></del>   |
| **23.1 | <del><u>Consent of Moss Adams LLP.</u></del>  |
| **23.2 | <del><u>Consent of Hein &amp; Associates LLP.</u></del>   |

- \*\*31.1 ~~Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed by Robert Sparkman.~~
- \*\*31.2 ~~Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed by Alex LaRue.~~
- \*\*32.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by Robert Sparkman.

**Exhibit**

**No.                      Description**

\*\*32.2                      Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by Alex LaRue.

\*\*101.INS    ~~XBRL~~ Instance Document.

\*\*101.SCH    ~~XBRL~~ Taxonomy Schema Document.

\*\*101.CAL    ~~XBRL~~ Calculation Linkbase Document.

\*\*101.DEF    ~~XBRL~~ Definition Linkbase Document.

\*\*101.LAB    ~~XBRL~~ Label Linkbase Document.

\*\*101.PRE    ~~XBRL~~ Presentation Linkbase Document.

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\*\* Filed herewith.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Friedman Industries, Incorporated has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FRIEDMAN INDUSTRIES,  
INCORPORATED

By: /S/ ROBERT SPARKMAN  
Robert Sparkman  
*President and Chief Executive Officer*

Dated: June 28, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Friedman Industries, Incorporated in the capacities and on the dates indicated.

Signature	Title	Date
/S/ ROBERT SPARKMAN Robert Sparkman	President and Chief Executive Officer and Director (Principal Executive Officer)	June 28, 2018
/S/ ALEX LARUE Alex LaRue	Chief Financial Officer — Secretary and Treasurer (Principal Financial Officer)	June 28, 2018
/S/ DURGA D. AGRAWAL Durga D. Agrawal	Director	June 28, 2018
/S/ CHARLES W. HALL Charles W. Hall	Director	June 28, 2018
/S/ MAX REICHENTHAL Max Reichenthal	Director	June 28, 2018
/S/ JOEL SPIRA	Director	June 28, 2018

Joel Spira

/S/ MIKE TAYLOR      Director  
Mike Taylor

June 28, 2018

/S/ JOE L. WILLIAMS      Director  
Joe L. Williams

June 28, 2018

10

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**SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS****FRIEDMAN INDUSTRIES, INCORPORATED**

<b>Column A</b>	<b>Column B</b>	<b>Column C</b>	<b>Column D</b>	<b>Column E</b>
<b>Description</b>	<b>Balance at Beginning of Period</b>	<b>Additions Charged to Other Accounts—Costs and Expenses (A)</b>	<b>Deductions—Describe (B)</b>	<b>Balance at End of Period</b>
Year ended March 31, 2018				
Allowance for doubtful accounts receivable and cash discounts (deducted from related asset account)	\$ 27,276	\$—\$ 425,140	\$ 431,364	\$21,052
Year ended March 31, 2017				
Allowance for doubtful accounts receivable and cash discounts (deducted from related asset account)	\$ 22,276	\$—\$ 307,932	\$ 302,932	\$27,276

(A) Cash discounts allowed on sales and charged against revenue.

(B) Accounts receivable written off of \$1,224 and \$0 and cash discounts taken on sales of \$430,140 and \$302,932 during fiscal years 2018 and 2017, respectively.

S-1