

Dallas Crown, Inc.
Income and Deductions
Reported on Federal Tax Returns
Tax Years 2000 - 2004

	2000	2001	2002	2003	2004	Total	% Sales (1)
Gross Sales	\$ 9,231,413	\$ 7,679,546	\$ 8,640,516	\$ 11,062,069	\$ 12,007,611	\$ 48,621,155	100.0%
Cost of Goods Sold	\$ (6,649,323)	\$ (6,429,390)	\$ (5,611,435)	\$ (6,684,784)	\$ (7,780,181)	\$ (33,155,113)	-68.2%
Gross Profit	\$ 2,582,090	\$ 1,250,156	\$ 3,029,081	\$ 4,377,285	\$ 4,227,430	\$ 15,466,042	31.8%
Other Income	\$ 20,895		\$ 5	\$ 386	\$ 52,543	\$ 73,829	0.2%
Total Income	\$ 2,602,985	\$ 1,250,156	\$ 3,029,086	\$ 4,377,671	\$ 4,279,973	\$ 15,539,871	32.0%
Officers Compensation	\$ 68,462	\$ 98,493	\$ 47,354	\$ 74,361	\$ 104,550	\$ 393,220	0.8%
Salaries and Wages	\$ 1,232,077		\$ 1,510,394	\$ 1,848,205	\$ 1,877,264	\$ 6,467,940	13.3%
Repairs & Maintenance	\$ 238,467	\$ 307,439	\$ 134,840	\$ 198,582	\$ 321,347	\$ 1,200,675	2.5%
Bad Debts	\$ 347	\$ 440		\$ 14,981		\$ 15,768	0.0%
Rents	\$ 120,000	\$ 100,200	\$ 96,000	\$ 97,143	\$ 72,510	\$ 485,853	1.0%
Taxes and Licenses	\$ 7,822		\$ 3,190	\$ 9,651	\$ 8,677	\$ 29,340	0.1%
Interest		\$ 599	\$ 1,191	\$ 1,009	\$ 4,784	\$ 7,583	0.0%
Charitable Contributions	\$ 549		\$ 1,892	\$ 7,573	\$ 3	\$ 10,017	0.0%
Depreciation	\$ 4,418			\$ 169,952	\$ 87,239	\$ 261,609	0.5%
Advertising	\$ 2,839	\$ 19,459	\$ 10,330	\$ 5,372	\$ 4,931	\$ 42,931	0.1%
Other Deductions	\$ 871,205	\$ 800,489	\$ 1,109,114	\$ 1,547,643	\$ 1,798,637	\$ 6,127,088	12.6%
Total Deductions	\$ 2,546,186	\$ 1,327,119	\$ 2,914,305	\$ 3,974,472	\$ 4,279,942	\$ 15,042,024	30.9%
Net Income (Loss) before Taxes	\$ 56,799	\$ (76,963)	\$ 114,781	\$ 403,199	\$ 31	\$ 497,847	1.0%
Less: NOL Deduction	\$ 37,005		\$ 57,169			\$ 94,174	0.2%
Taxable Income (Loss)	\$ 19,794	\$ (76,963)	\$ 57,612	\$ 403,199	\$ 31	\$ 403,673	0.8%
Income Taxes and Penalties	\$ 3,131	\$ -	\$ 9,403	\$ 137,349	\$ 5	\$ 149,888	0.3%
Net Income (Loss)	\$ 53,668	\$ (76,963)	\$ 105,378	\$ 265,850	\$ 26	\$ 347,959	0.7%
See footnote (2)							
Net Income before Taxes	\$ 56,799	\$ (76,963)	\$ 114,781	\$ 403,199	\$ 31	\$ 497,847	1.0%
Less: 1/3 of USDA Inspection Fees	\$ (1,666,667)	\$ (1,666,667)	\$ (1,666,667)	\$ (1,666,667)	\$ (1,666,667)	\$ (8,333,335)	-17.1%
Net Loss	\$ (1,609,868)	\$ (1,743,630)	\$ (1,551,886)	\$ (1,263,468)	\$ (1,666,636)	\$ (7,835,488)	-16.1%

Footnotes:

(1) Percentages of Sales in this column are an average for the five years.

(2) If Dallas Crown, Inc. had been required to pay 1/3 of the USDA inspection cost, estimated to be \$5 million, they would have generated net losses of \$7,835,488 for the five year period.