

**Tender Corporation**  
**Consolidated Balance Sheet as of OCTOBER 2000**

	OCTOBER 2000	OCTOBER 1999
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	606,449.17	127,820.22
Accounts Receivable	354,817.47	300,445.44
Inventory	1,390,565.84	1,189,456.86
Prepaid Expenses	<u>134,497.71</u>	<u>137,640.63</u>
Total Current Assets	2,486,330.19	1,755,363.15
<b>Property &amp; Equipment</b>		
Building & Property	1,005,747.75	982,456.01
Machinery	1,065,346.91	1,000,134.44
Furniture	106,752.75	97,425.36
Computer Equipment	125,620.87	200,988.55
Less: Accumulated Depreciation	<u>(1,453,852.74)</u>	<u>(1,390,645.24)</u>
Total Property & Equipment	849,615.54	890,359.12
<b>Other Assets</b>		
Prepaid Longterm Assets	46,701.49	101,682.70
Intangible Assets	29,211.46	30,976.66
Other Assets	0.00	0.00
Underapplied Overhead	<u>0.00</u>	<u>0.00</u>
Total Other Assets	75,912.95	132,659.36
Total Assets	3,411,858.68	2,778,381.63
<b>LIABILITIES &amp; STOCKHOLDERS EQUITY</b>		
<b>Current Liabilities</b>		
Reserve for Returns	174,201.49	505,966.65
Accounts Payable	545,879.32	345,304.46
Accrued Expenses	367,862.43	300,113.24
Revolving Loan	0.00	0.00
Notes Payable Current Portion	<u>27,272.74</u>	<u>64,247.23</u>
Total Current Liabilities	1,115,215.98	1,215,631.58
<b>Long Term Debt</b>		
Expansion Note to NCIC	86,534.66	99,867.98
Project Notes to NCIC & KMG	0.00	26,542.02
Mortgage	589,179.24	156,255.38
Notes to Individuals	412,999.91	430,544.86
KELP Notes to Stockholders	137,434.99	93,627.55
Notes Payable Current Portion	<u>(27,272.74)</u>	<u>(64,247.23)</u>
Deferred Income Tax	0.00	0.00
Total Long Term Liabilities	1,198,876.06	742,590.56
<b>Other Liabilities</b>		
Overapplied Overhead	<u>0.00</u>	<u>0.00</u>
Total Liabilities	2,314,092.04	1,958,222.14
<b>STOCKHOLDERS EQUITY</b>		
<b>Capital Stock- 5000 shares @ \$1 Par</b>		
Capital Stock	2,484.00	2,484.00
Additional Paid-In-Capital	389,278.14	389,278.14
Retained Earnings Prior Yrs	428,397.35	379,094.74
Retained Earnings Current Year	<u>277,607.15</u>	<u>49,302.61</u>
Total Stockholders Equity	1,097,766.64	820,159.49
Total Liabilities & Equity	3,411,858.68	2,778,381.63



Tender Corporation  
Consolidated Statement of Income and Retained Earnings  
For the Years Ending October 2000 and October 1999

	Y/E 10/31/2000	Y/E 10/31/1999
SALES	6,589,795.22	6,375,232.15
SALES SPECIAL ALLOWANCE	(10,785.15)	(15,615.21)
GROSS SALES	<u>6,579,010.07</u>	<u>6,359,616.94</u>
ESTIMATED RETURNS	(321,318.44)	(621,985.60)
NET SALES	<u>6,257,691.63</u>	<u>5,737,631.34</u>
COST OF GOODS SOLD		
COST OF GOODS SOLD ACTUAL	2,520,608.85	2,495,224.03
VARIANCE COST OF GOODS SOLD	54,842.87	13,654.84
HANDLING FEE	(117,379.39)	(67,199.01)
LABOR VARIANCE	(41,408.65)	20,987.29
PURCHASING VARIANCE (CGS)	(123.24)	(415.20)
VARIANCE - FREIGHT NOT ADDED TO GOODS	0.00	3,015.12
TEMPORARY CHANGE IN FRT PROCESSING	49,092.36	8,331.32
PURCHASING VARIANCE - OVERSHIPMENT	(4,932.78)	(887.71)
PURCHASE VARIANCE - TOOLING	43,947.25	(3,214.09)
PURCHASE VARIANCE - ARTWORK	5,145.25	4,619.32
PURCHASE VARIANCE - COSTING ISSUE	43,876.01	27,322.26
COST OF PRODUCTION REJECTS	35,525.61	29,572.50
ADJUSTMENT FOR INV. COUNTS	23,061.56	42,413.02
COST OF OBSOLETE GOODS	41,429.22	21,372.86
COST OF REPACKING INV.	(20,032.16)	2,705.18
Total Cost of Goods Sold	<u>2,633,652.76</u>	<u>2,597,501.73</u>
COST OF GOODS SOLD - PROMOTIONAL ITEMS	0.00	189.90
COST OF RETURNS		
COST OF REJECTED RETURNS	16,892.72	23,015.67
ESTIMATED COST OF GOODS SOLD FOR RETURNS	(108,912.99)	(278,778.28)
ALLOWANCE ON RETURNS	2,225.65	6,420.06
UNSALEABLES	58,318.28	22,355.67
Total Cost of Goods Returned	<u>(31,476.34)</u>	<u>(226,986.88)</u>
Total COST OF GOODS SOLD	2,602,176.42	2,370,704.75
Gross Margin	3,655,515.21	3,366,926.59
SALES EXPENSE		
TRADE SHOWS	19,311.88	31,800.38
TRADE SHOWS - TRAVEL	14,221.63	9,447.71
TRADE SHOWS INDIVIDUAL	25,860.67	13,085.70
SALES TRAVEL - GENERAL	14,182.03	10,193.71
SALES TRAVEL - CBB	0.00	1,461.09
SALES TRAVEL - JC	5,390.13	11,136.19
SALES TRAVEL - CDC	5,300.67	6,460.72
SALES TRAVEL - KMB	15,040.49	13,016.34
SALES TRAVEL - CSR	8,931.84	11,575.89
SALES TRAVEL - RF	4,658.66	7,133.20
SALES TRAVEL - DJTS	1,661.11	4,367.60
SALES TRAVEL - FM	1,212.98	0.00

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	Y/E 10/31/2000	Y/E 10/31/1999
SALES TRAVEL - T. HUTTON - CANADA IN US\$	696.09	3,246.38
SALES MEALS - GENERAL	1,149.13	315.32
MEALS & ENTERTAINMENT - CBB	0.00	383.66
MEALS & ENTERTAINMENT - JC	923.23	271.72
MEALS & ENTERTAINMENT - CDC	843.54	391.32
MEALS & ENTERTAINMENT - KMB	1,729.83	1,828.40
MEALS & ENTERTAINMENT - CSR	899.40	1,097.90
MEALS & ENTERTAINMENT - RF	289.20	608.16
MEALS & ENTERTAINMENT - DJTS	26.43	11.25
MEALS & ENTERTAINMENT - FM	181.05	0.00
SALES MEALS TERRI HUTTON - CANADA IN US \$	13.91	1.94
SALES MEETING EXPENSE	0.00	0.00
SALES SALARIES	300,319.21	301,319.40
SALES AUTO EXPENSE	18,628.24	27,789.76
SALES MATERIAL	15,372.07	45,094.56
PRODUCT DESIGN	9,040.00	8,298.50
AFTER BITE JUNIOR EXPENSES	495.00	0.00
CUSTOMER MAILING EXPENSE	5,414.55	112.23
ADVERTISING PRODUCTION	812.99	6,277.01
ADVERTISING PRINT	84,912.17	42,801.26
ADVERTISING PRINT - TRADE PUBLICATIONS	2,500.00	0.00
ADVERTISING RADIO & TV	106.00	35,938.34
ADVERTISING ON TELEVISION	32,511.75	55,803.79
ADVERTISING PRINT - GOLF & AHS	7,946.54	15,824.58
PUBLIC RELATIONS	1,244.90	6,846.56
MARKETING EXPENSE	34,074.61	36,392.80
MARKETING PROMOTION	0.00	1,350.00
SALES COMMISSIONS	414,059.76	452,271.14
SALES BONUS	35,949.76	53,914.22
DECA COMMISSIONS	436.60	1,428.22
DECA MARK-UP OFFSET BY 7062	(497.82)	(2,702.20)
SALES PROMOTION	35,178.65	1,296.92
SALESREP PROMOTION	10,201.42	14,517.61
CUSTOMER SUPPORT CURRENT YEAR	195,121.62	205,805.35
CUSTOMER SUPPORT FROM PRIOR YEAR	31,514.68	18,160.36
OVER AND ABOVE AD MONEY	264.69	129.87
FREE GOODS SHIPPED	43,152.80	45,083.69
FREE GOODS FOR GOLF AND AHS	0.00	0.00
COUPONS REDEEMED	370.14	612.85
SALES DATA	6,520.00	9,779.34
MISCELLANEOUS SALES EXPENSE	698.75	522.15
<b>Total Sales Expenses</b>	<b>1,408,872.98</b>	<b>1,512,502.89</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSE</b>		
SALARY & WAGES	277,183.64	248,485.70
BONUS	355,350.00	0.00
SALARY - OWNERS	220,720.80	415,387.52
EMPLOYER PAYROLL TAXES	69,497.63	70,301.40
EMPLOYEE MEDICAL INSURANCE	34,608.27	55,742.74
MEDICAL DEPENDENT FOR BUSH	1,068.46	0.00
FIRST AID TREATMENT	894.59	1,279.56

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	Y/E 10/31/2000	Y/E 10/31/1999
W/C INSURANCE	4,689.30	2,397.35
GROUP LIFE INSURANCE	2,138.00	1,753.00
DISABILITY INSURANCE	6,253.30	6,116.23
ACTIVITIES COMMITTED	923.47	428.93
OTHER EMPLOYEE BENEFITS	2,875.02	1,900.48
PROFESSIONAL SERVICES - ADMIN	20,508.96	27,024.92
EDI TRANSMISSION FEES	1,633.30	3,382.61
HUMAN RESOURCES	2,141.23	2,452.03
PROFESSIONAL DEVELOPMENT	825.63	2,809.10
MEETINGS, SHOWS NOT FOR SALES	0.00	1,162.77
TRAVEL	1,881.33	976.36
MEALS & ENTERTAINMENT	3,440.24	3,285.88
PENSION PLAN EXPENSE	2,198.00	4,262.00
401K MATCHING CONTRIBUTIONS	19,390.09	18,928.70
PACKAGE INSURANCE	36,555.92	28,322.99
LIABILITY INSURANCE	2,500.00	1,920.00
VEHICLE EXPENSE	11,830.40	9,191.73
AUTO REIMBURSEMENT	14,167.50	14,537.46
VEHICLE LEASE EXPENSE	10.00	9.00
AUTO REPAIR & MAINTENANCE	201.00	0.00
CAR REPAIR - B. BUSH	1,500.00	1,500.00
CAR REPAIR - S. BUSH	1,500.00	1,500.00
CAR REPAIR - E. GROUT	1,500.00	1,500.00
CAR REPAIR - L. GROUT	1,500.00	1,500.00
CAR REPAIR - J. CARTWRIGHT	516.27	657.53
CAR REPAIR - V. SCHRUM	1,032.75	530.57
OFFICE SUPPLIES	11,661.63	13,802.90
POSTAGE	16,323.91	18,913.57
TELEPHONE & FAX	40,482.86	41,656.54
DUES & SUBSCRIPTIONS	2,328.68	2,952.97
COMPUTER EXPENSE	25,082.12	6,322.30
RENT	11,447.89	10,805.95
DOMAIN EXPENSES	430.00	430.00
DONATIONS	10,782.40	6,980.25
REPAIRS & MAINTENANCE	12,153.90	10,098.58
FUEL	10,876.71	10,828.57
UTILITIES	4,522.85	4,602.58
OTHER SUPPLIES	17.47	14.71
EQUIPMENT RENTAL	7,248.32	5,546.67
DEPRECIATION	32,328.21	47,103.70
CUSTOMER FREIGHT	202,314.30	169,422.43
LEGAL SERVICES	32,836.30	16,372.50
ACCOUNTING SERVICES & EXPENSES	29,902.41	34,038.11
CREDIT MANAGEMENT	2,469.35	3,462.59
BANK CHARGES	5,845.55	6,553.99
R & D EXPENSE	24,127.42	30,890.74
LONG TERM STABILITY TESTING	1,033.76	2,618.71
PRODUCT REGISTRATION	86,661.65	106,260.22
TRADEMARKS	11,878.62	9,311.27
FOREIGN RESIDENCE	1,758.69	2,935.28
LABORATORY-CONSULTING FEE	11,412.61	1,270.57

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	Y/E 10/31/2000	Y/E 10/31/1999
IN-HOUSE LABORATORY	5,539.05	69.92
REAL ESTATE TAX	3,221.06	3,972.00
OTHER TAXES	170.00	192.29
Total General & Administrative Expenses	1,705,892.82	1,496,676.47
OTHER EXPENSE		
INTEREST EXPENSE	151,755.18	144,106.00
LOSS ON DISPOSAL OF ASSETS	3,098.84	0.00
DISCOUNTS GRANTED	47,096.63	44,829.14
BAD DEBT EXPENSE	178.08	1,551.69
TRANSLATION LOSS	11,422.70	(17,953.07)
LICENSE FEE	22,545.62	85,243.85
OTHER EXPENSES	0.00	0.00
MANAGEMENT FEE	80,945.97	68,050.47
Cumulative Change in Accounting Principle	0.00	33,981.05
Total Other Expenses	317,043.02	359,809.13
Total EXPENSES	3,431,808.82	3,368,988.49
Net Income from Operations	223,706.39	(2,061.90)
OTHER INCOME		
DISCOUNTS TAKEN	550.58	4.24
INTEREST INCOME	1,296.08	234.44
LICENSE NET INCOME - INTL	482.21	1,175.48
RECOVERY OF BAD DEBT	272.02	186.28
GAIN ON SALE OF EQUIPMENT	0.00	1.00
INVESTMENT INCOME	20,415.82	373.75
OTHER INCOME	8,027.82	59.97
MANAGEMENT INCOME	80,945.97	68,050.72
Total OTHER INCOME	111,990.50	70,085.88
NET INCOME BEFORE TAXES	335,696.89	68,023.98
FEDERAL & STATE INCOME TAX	92,277.74	25,285.37
Deferred Tax Provision	(34,188.00)	(6,564.00)
Total TAXES	58,089.74	18,721.37
NET INCOME AFTER TAXES	277,607.15	49,302.61
RETAINED EARNINGS - BEGINNING OF YEAR	428,397.35	379,094.74
RETAINED EARNINGS - END OF YEAR	706,004.50	428,397.35