

RETAIL FINANCIAL SERVICES  
2801 DIXON STREET  
STEVENS POINT, WI 54481

SAMPLE

TO : THE HARDWARE COMPANY, INC.  
1111 HIGHWAY 15  
ANY TOWN, USA 99999

FINANCIAL REPORTS & TWO YEAR  
COMPARISONS AS OF 11/30/05

TWO YEAR COMPARISONS AS OF 11/30/05

MONTH OF NOVEMBER

	2005	2004	CHANGE	PERCENT
SALES :	102,099.52	87,950.27	14,149.25	16.09
MARGIN :	40,839.81	32,352.60	8,487.21	
MARGIN-ADJ :	7,836.54	4,942.67	2,893.87	
GROSS PROFIT :	48,676.35	37,295.27	11,381.08	
EXPENSES :	56,438.90	41,189.68	15,249.22	37.02
OTHER INCOME :	486.43	1,089.33	602.90-	
NET PROFIT :	7,276.12-	2,805.08-	4,471.04-	159.39-

YEAR TO DATE

	2005	2004	CHANGE	PERCENT
SALES :	1,018,214.99	996,757.05	21,457.94	2.15
MARGIN :	404,860.09	368,308.41	36,551.68	
MARGIN-ADJ :	90,890.15	83,730.48	7,159.67	
GROSS PROFIT :	495,750.24	452,038.89	43,711.35	
EXPENSES :	527,291.46	439,916.74	87,374.72	19.86
OTHER INCOME :	19,435.24	18,217.38	1,217.86	
NET PROFIT :	12,105.98-	30,339.53	42,445.51-	

NET SALES FOR NOVEMBER WERE \$102,099.52, UP \$14,149.25 OR 16.09% FROM LAST NOVEMBER.

YEAR-TO-DATE SALES TOTAL \$1,018,214.99, UP \$21,457.94 OR 2.15% FROM YTD SALES ON THIS DATE LAST YEAR.

NOVEMBER EXPENSES TOTALLED \$56,438.90, UP \$15,249.22 OR 37.02% FROM EXPENSES FOR LAST NOVEMBER.

YEAR-TO-DATE EXPENSES TOTALLED \$527,291.46, UP \$87,374.72 OR 19.86% FROM YTD EXPENSES AT THIS TIME LAST YEAR.

NOVEMBER PRODUCED AN ESTIMATED NET LOSS OF \$7,276.12, COMPARED TO AN ESTIMATED NET LOSS OF \$2,805.08 FOR NOVEMBER OF LAST YEAR.

THE ESTIMATED YTD LOSS IS \$12,105.98, COMPARED TO AN ESTIMATED YTD PROFIT OF \$30,339.53 ON THIS DATE LAST YEAR.

INCOME SUMMARY FOR THE MONTH OF 11/30/05

INCOME SUMMARY FOR THE PERIOD 01/01/05 TO 11/30/05

	MONTH	PCT OF NET SALES	LAST YEAR	INCREASE DECREASE	PCT DIFF	THIS YEAR	PCT OF NET SALES	LAST YEAR	INCREASE DECREASE	PCT DIFF
<b>SALES</b>										
GIFTS & GIFT WARE	5,157.63	5.05	5,592.18	434.55-	7.77-	15,275.66	1.50	16,870.31	1,594.65-	9.45-
BUILDING MATERIAL	824.12	.81	1,027.39	203.27-	19.79-	11,934.62	1.17	13,054.54	1,119.92-	8.58-
WHEEL GOODS	1,006.99	.99	71.94	935.05		20,430.16	2.01	31,845.91	11,415.75-	35.85-
ELECTRICAL	12,598.35	12.34	11,557.00	1,041.35	9.01	88,073.01	8.65	84,926.97	3,146.04	3.70
PLUMBING & HEATING	9,627.09	9.43	9,323.43	303.66	3.26	92,724.11	9.11	91,414.44	1,309.67	1.43
AUTOMOTIVE	3,156.02	3.09	3,886.84	730.82-	18.80-	37,547.86	3.69	36,765.00	782.86	2.13
HARDWARE	12,395.76	12.14	12,189.30	206.46	1.69	122,059.32	11.99	125,226.30	3,166.98-	2.53-
LAWN & GARDEN	12,655.73	12.40	8,654.85	4,000.88	46.23	186,553.56	18.32	168,684.11	17,869.45	10.59
MAJOR APPLIANCES	895.63	.88	1,009.24	113.61-	11.26-	5,233.08	.51	5,916.88	683.80-	11.56-
SMALL APPLIANCE & ELECTRONIC	3,385.61	3.32	257.71	3,127.90		5,837.72	.57	1,643.62	4,194.10	255.17
PAINT	13,508.85	13.23	10,539.42	2,969.43	28.17	144,365.12	14.18	138,172.91	6,192.21	4.48
TOOLS	11,175.94	10.95	8,707.03	2,468.91	28.36	87,178.66	8.56	90,256.27	3,077.61-	3.41-
SPORTING GOODS	1,689.53	1.65	1,578.84	110.69	7.01	34,793.75	3.42	34,326.24	467.51	1.36
TOYS & X-MAS						174.50	.02	157.94	16.56	10.48
MISCELLANEOUS	2,736.60	2.68	3,799.72	1,063.12-	27.98-	29,553.98	2.90	34,637.84	5,083.86-	14.68-
HOUSEWARES	5,484.40	5.37	4,871.65	612.75	12.58	58,592.66	5.75	58,009.55	583.11	1.01
FARM HARDWARE						3.57		24.99	21.42-	85.71-
SERVICE PARTS	550.80	.54	221.76	329.04	148.38	5,102.31	.50	5,341.86	239.55-	4.48-
SERVICE LABOR	3,467.99	3.40	2,449.42	1,018.57	41.58	29,783.26	2.93	20,341.54	9,441.72	46.42
WINDOW TREATMENTS						2,300.00	.23	3,450.00	1,150.00-	33.33-
FURNITURE & OUTDOOR LIVING	2,758.13	2.70	1,763.96	994.17	56.36	47,447.08	4.66	38,733.33	8,713.75	22.50
GIFT CARDS	504.00-	.49-		504.00-	100.00-	3,407.99-	.33-		3,407.99-	100.00-
GROSS SALES	102,571.17		87,501.68			1021,556.00		999,800.55		
RETURNS	471.65	.46	748.59-	1,220.24		3,027.20	.30	1,681.25	1,345.95	80.06
DISCOUNTS			300.00	300.00-	100.00-	313.81	.03	1,362.25	1,048.44-	76.96-
NET SALES	102,099.52	100.00	87,950.27	14,149.25	16.09	1018,214.99	100.00	996,757.05	21,457.94	2.15
<b>COST OF GOODS SOLD</b>										
BEGINNING INVENTORY	262,951.50		223,882.72			247,894.75		223,901.18		
PURCHASES	71,619.40	70.15	40,274.31	31,345.09	77.83	629,569.54	61.83	605,295.47	24,274.07	4.01
FREIGHT IN	812.86	.80	690.91	121.95	17.65	10,014.66	.98	8,502.26	1,512.40	17.79
TOTAL AVAILABLE FOR SALE	335,383.76		264,847.94			887,478.95		837,698.91		
ENDING INVENTORY	274,124.05		209,250.27			274,124.05		209,250.27		
COST OF GOODS SOLD	61,259.71	60.00	55,597.67	5,662.04	10.18	613,354.90	60.24	628,448.64	15,093.74-	2.40-
GROSS MARGIN ON SALES	40,839.81	40.00	32,352.60	8,487.21	26.23	404,860.09	39.76	368,308.41	36,551.68	9.92
PATRONAGE DIVIDEND	1,563.33	1.53	1,380.07	183.26	13.28	17,013.37	1.67	15,180.77	1,832.60	12.07
RENTAL DEPARTMENT INCOME (NET)	6,273.21	6.14	3,562.60	2,710.61	76.09	73,876.78	7.26	68,549.71	5,327.07	7.77
GROSS PROFIT	48,676.35	47.68	37,295.27	11,381.08	30.52	495,750.24	48.69	452,038.89	43,711.35	9.67
<b>EXPENSES</b>										
<b>PAYROLL AND EMPLOYEE EXPENSE</b>										
OWNERS SALARIES	5,764.24	5.65	4,323.18	1,441.06	33.33	54,087.66	5.31	48,275.41	5,812.25	12.04
EMPLOYEES SALARIES	21,491.20	21.05	13,573.63	7,917.57	58.33	201,056.84	19.75	154,185.29	46,871.55	30.40
PAYROLL TAXES	2,041.08	2.00	1,273.52	767.56	60.27	27,199.60	2.67	21,167.20	6,032.40	28.50
DISABILITY INSURANCE	183.34	.18	183.34			733.36	.07	733.36		
EMPLOYEES INSURANCE	1,959.06	1.92	1,703.55	255.51	15.00	10,761.22	1.06	4,640.73	6,120.49	131.89

SEE ACCOUNTANTS COMPILATION REPORT

INCOME SUMMARY FOR THE MONTH OF 11/30/05

INCOME SUMMARY FOR THE PERIOD 01/01/05 TO 11/30/05

	MONTH	PCT OF NET SALES	LAST YEAR	INCREASE DECREASE	PCT DIFF	THIS YEAR	PCT OF NET SALES	LAST YEAR	INCREASE DECREASE	PCT DIFF
TOTAL	31,438.92	30.79	21,057.22	10,381.70	49.30	293,838.68	28.86	229,001.99	64,836.69	28.31
OCCUPANCY EXPENSE										
RENT	5,000.00	4.90	4,000.00	1,000.00	25.00	55,500.00	5.45	57,000.00	1,500.00-	2.63-
REPAIRS & MAINTENANCE	35.85-	.04-	477.00	512.85-		2,231.43	.22	6,632.68	4,401.25-	66.36-
UTILITIES	1,363.24	1.34	908.72	454.52	50.02	15,313.74	1.50	13,689.81	1,623.93	11.86
REAL ESTATE TAXES						9,106.50	.89	9,034.94	71.56	.79
TOTAL	6,327.39	6.20	5,385.72	941.67	17.48	82,151.67	8.07	86,357.43	4,205.76-	4.87-
OTHER EXPENSES										
ADVERTISING	3,829.38	3.75	2,076.44	1,752.94	84.42	18,768.25	1.84	18,422.73	345.52	1.88
DONATIONS	279.00	.27	129.00	150.00	116.28	981.00	.10	989.00	8.00-	.81-
STORE & SHOP SUPPLIES	977.26	.96	244.49	732.77	299.71	6,314.70	.62	3,558.91	2,755.79	77.43
OFFICE SUPPLY, POSTAGE, BANK FEE	868.25	.85	217.06	651.19	300.00	5,739.77	.56	4,996.76	743.01	14.87
COMPUTER EXPENSES	527.00	.52	450.00	77.00	17.11	5,853.38	.57	3,461.93	2,391.45	69.08
TELEPHONE	443.12	.43	379.40	63.72	16.79	4,967.23	.49	4,718.31	248.92	5.28
DELIVERY EXPENSE	329.99	.32	355.01	25.02-	7.05-	6,780.38	.67	5,617.92	1,162.46	20.69
LEASED EQUIPMENT	1,350.00	1.32		1,350.00	100.00	1,983.54	.19		1,983.54	100.00
EQUIPMENT REPAIRS	155.93	.15	1,346.14	1,190.21-	88.42-	3,634.51	.36	5,157.57	1,523.06-	29.53-
MISCELLANEOUS EXPENSE				100.00		100.00	.01		100.00	100.00
WHOLESALE/OUTSIDE SERVICES	1,509.24	1.48	2,319.29	810.05-	34.93-	23,284.99	2.29	17,308.77	5,976.22	34.53
USE TAX	23.54	.02	13.36	10.18	76.20	247.30	.02	165.85	81.45	49.11
INTEREST EXPENSE	2,488.73	2.44	205.04	2,283.69		9,606.31	.94	2,018.91	7,587.40	375.82
CREDIT CARD DISCOUNTS	715.92	.70	556.86	159.06	28.56	7,845.05	.77	7,148.56	696.49	9.74
LIFE INSURANCE	555.00	.54	555.00			2,694.39	.26	2,220.00	474.39	21.37
GENERAL INSURANCE	1,434.00	1.40	856.48	577.52	67.43	13,429.90	1.32	12,769.04	660.86	5.18
LEGAL & ACCOUNTING	369.33	.36	1,026.27	656.94-	64.01-	5,172.03	.51	5,793.37	621.34-	10.73-
DUES SUBSCRIPTION EDUCATIONAL	16.90	.02	16.90			1,398.20	.14	985.90	412.30	41.82
TRAVEL & ENTERTAINMENT						3,274.20	.32	1,523.79	1,750.41	114.87
THEFT LOSS						174.02-	.02-		174.02-	100.00-
DEPRECIATION	2,800.00	2.74	4,000.00	1,200.00-	30.00-	29,400.00	2.89	27,700.00	1,700.00	6.14
TOTAL	18,672.59	18.29	14,746.74	3,925.85	26.62	151,301.11	14.86	124,557.32	26,743.79	21.47
TOTAL OPERATING EXPENSES	56,438.90	55.28	41,189.68	15,249.22	37.02	527,291.46	51.79	439,916.74	87,374.72	19.86
OPERATING PROFIT OR LOSS	7,762.55-	7.60-	3,894.41-	3,868.14-	99.33-	31,541.22-	3.10-	12,122.15	43,663.37-	
OTHER INCOME										
PURCHASE DISCOUNTS						33.60-			33.60-	100.00-
OTHER INCOME						8,000.00	.79	1,419.73	6,580.27	
SERVICE INCOME	470.98	.46	1,000.35	529.37-	52.92-	11,155.49	1.10	18,951.70	7,796.21-	41.14-
CASH OVER OR SHORT	83.90-	.08-	1.34	85.24-		671.74-	.07-	201.24-	470.50-	233.80-
COMMISSIONS	99.35	.10	87.64	11.71	13.36	985.09	.10	982.07	3.02	.31
GAIN/LOSS ON DISPOSED ASSETS								687.65-	687.65	100.00
INTEREST & DIVIDENDS								82.77	82.77-	100.00-
BAD DEBT WRITE-OFFS								2,330.00-	2,330.00	100.00
TOTAL OTHER INCOME	486.43	.48	1,089.33	602.90-	55.35-	19,435.24	1.91	18,217.38	1,217.86	6.69
NET PROFIT OR LOSS	7,276.12-	7.13-	2,805.08-	4,471.04-	159.39-	12,105.98-	1.19-	30,339.53	42,445.51-	

THE HARDWARE COMPANY, INC.  
 1111 HIGHWAY 15 ANY TOWN USA 99999

BALANCE SHEET AS OF 11/30/05 11/30/04

ASSETS

CURRENT ASSETS

CASH ON HAND-REGISTERS	600.00		500.00	
CASH IN BANK-CHECKING	5,271.34		10,296.00	
ACCOUNTS RECEIVABLE	47,713.17		35,443.48	
BANK CARD RECEIVABLE	31,419.73		24,163.00	
COUPON RECEIVABLE	449.34		865.44	
MERCHANDISE INVENTORY	274,124.05		209,250.27	
PREPAID EXPENSES			17,130.44	
PREPAID RENT	5,000.00			
PREPAID TAXES	6,300.00		7,700.00	
NSF CHECKS HELD	595.62		1,007.21	
TOTAL CURRENT ASSETS		371,473.25		306,355.84

OTHER ASSETS AND INVESTMENTS

NOTES RECEIVABLE	18,586.85		22,706.85	
NOTE RECEIVABLE-SHAREHOLDER	6,077.33		3,259.26	
WHOLESALE STOCK	14,500.00		5,000.00	
GOODWILL	1,000.00		1,000.00	
TOTAL OTHER ASSETS AND INVESTMENTS		40,164.18		31,966.11

FIXED ASSETS

LEASEHOLD IMPROVEMENTS	145,480.38		108,313.34	
FIXTURES & EQUIPMENT	137,474.85		98,819.59	
COMPUTER EQUIPMENT	91,366.58		85,295.66	
DELIVERY EQUIPMENT	27,214.55		27,214.55	
RENTAL EQUIPMENT	156,547.11		146,729.04	
TOTAL	558,083.47		466,372.18	
ACCUMULATED DEPRECIATION	372,950.76-		308,620.36-	
TOTAL FIXED ASSETS		185,132.71		157,751.82

TOTAL ASSETS		596,770.14		496,073.77
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LIABILITIES AND OWNERS EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE-MERCHANDISE	53,597.48		27,947.68	
GIFT CERTIFICATES PAYABLE			4,060.63	
GIFT CARDS			25.00-	
MISCELLANEOUS PAYABLE	2,730.37			
PAINT MAKER PAYABLE	2,602.05			
LINE OF CREDIT - GOOD GUY BANK	78,696.40		26,500.25	
ACCOUNTS PAYABLE-EXPENSES	2,847.06		3,103.16	
PAYROLL ACCRUAL	9,954.24		6,725.29	
SALES TAX PAYABLE	6,332.34		5,285.12	
TOTAL CURRENT LIABILITIES		156,759.94		73,597.13

LONG TERM DEBT

NOTES DUE OFFICERS	48,268.90			
GOOD GUY BANK-VEHICLE LOAN	12,276.10		18,950.00	
COMPUTER LOAN			11,419.10	
TOTAL LONG TERM DEBT		60,545.00		30,369.10

TOTAL LIABILITIES		217,304.94		103,966.23
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SEE ACCOUNTANTS COMPILATION REPORT

THE HARDWARE COMPANY, INC.  
1111 HIGHWAY 15 ANY TOWN USA 99999

	BALANCE SHEET AS OF 11/30/05	11/30/04
OWNERS EQUITY		
CAPITAL STOCK	1,000.00	1,000.00
RETAINED EARNINGS	388,824.56	369,935.83
DEFERRED REBATE INCOME	1,746.62	9,167.82-
TOTAL	391,571.18	361,768.01
CURRENT PERIOD PROFIT OR LOSS	12,105.98-	30,339.53
NET EQUITY	379,465.20	392,107.54
TOTAL LIABILITIES AND EQUITY	596,770.14	496,073.77