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***Inuvialuit Development Corporation -
Feasibility Study Of Country Foods Project
Expansion***

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INUVIALUIT DEVELOPMENT CORPORATION

FEASIBILITY STUDY OF

COUNTRY FOODS PROJECT EXPANSION

JULY 1981

Public Secretariat
Box 1030
Yellowknife, N.W.T.

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July 20 1981

Mr. Lloyd Binder, President,
Inuvialuit Development Corporation,
P.O. Box 2000,
INUVIK, Northwest Territories
XOE OTO

Dear Mr. Binder:

We are pleased to enclose our report concerning the
Feasibility of Country Foods Project Expansion.

Yours very truly,

Price Waterhouse Associates

INUVIALUIT DEVELOPMENT CORPORATION

Feasibility Study of
Country Foods Project Expansion

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INUVIALUIT DEVELOPMENT CORPORATION

Feasibility Study of
Country Foods Project Expansion

I INTRODUCTION

Objectives

The objectives of this study were to assess the feasibility of Country Foods as an independent business operation of the Committee for Original Peoples Entitlement (COPE) and discuss the alternatives available to COPE of attaining this goal. The feasibility analysis considers only the direct financial effects of expanded processing, retailing and restaurant operations and does not include the secondary benefits to suppliers.

For example, one of the Inuvialuit Development Corporation's (IDC) recent projects, the Musk Ox Sport Hunts - an enterprise expected to gross over \$500,000 this coming year - is dependent for its continued existence on the Country Foods organization to market the meat from the hunts. Such indirect benefits are not included in this project analysis.

Background

IDC's initial project grant in 1978 was for its Country Foods project. This project was an inter-settlement trade and development concept to provide traditional native food products to the various communities in the Northwest Territories (NWT). In the past two years of its operation, Country Foods has grown into the first major native inter-settlement trade organization in the North. In 1980 this business reported revenues of \$37,585, including Special ARDA grants, with a pretax profit of \$8,753.

The four to six seasonal employees and a part-time manager were paid from Special ARDA grants or held dual positions in the COPE

organization. Country Foods indirectly supports various occupations by providing an outlet for the products of a number of native fishing, hunting or trapping families. The cost of this indirect employment is reflected in the purchase cost of the product.

The rapid success of Country Foods, although gratifying, has created some structural problems. Presently operated on an ad hoc basis through COPE premises with IDC personnel, Country Foods has grown to the point where specific facilities, trained personnel and an appropriate organization are required to best serve COPE and the people of the NWT.

In its present form, Country Foods' primary market area is the Inuvik local region and secondly, the institutional trade in Yellowknife. Other than Yellowknife there is little inter-settlement trade with the eastern Arctic. All products sold are basically wholesaled with a minimum of labour input or value added. This lack of "processing" or packaging does not attract all potential customers and precludes extensive product movement between NWT communities.

The mainstay products for present sales are char and caribou. Other products are reindeer, fish and small amounts of other country-type foods such as muskrat and rabbit. Musk ox has been tested locally for two years and experience has shown that while it has sold, it moves slowly in whole carcass or large portion form. A market development program is presently underway through a separate General Development Agreement (GDA) grant. Preliminary results of this program indicate considerable demand for smaller and better packaged cuts of musk ox.

The COPE operated fish processing plant is scheduled to begin pilot operations this year. In conjunction with this operation, Country Foods will be able to offer a largervariety of retail packaged fish products. The successful development of the initial phase of the Country

Foods project has demonstrated that it could become economically viable and that it has community acceptance. The impetus is now toward continued development. The intention has always been to turn this project over to IDC who would put it on a self-sustaining commercial basis with proper facilities. In June 1980, IDC requested financial assistance from GDA to examine the feasibility of expanding the Country Foods operation. This assistance was granted in late March 1981 and IDC retained Foodwest Resource Consultants, now merged with the management consulting firm Price Waterhouse Associates, to undertake this assignment.

This study examines the feasibility of establishing an independent Country Foods operation with its own facilities and staff. Following discussion with IDC personnel, Price Waterhouse Associates have analyzed an expanded project with two related but distinct facets: a processing and retailing operation (butcher type store) and a country foods specialty restaurant. In both operations, however, the basic premise of encouraging wider access to country foods and economic development of the native sector has remained intact.

II CONCEPT AND OPERATIONS

The concept of Country Foods expansion through a processing/butcher/retail operation coupled with a restaurant is probably novel. As the objective of the Country Foods program is to increase the supply and availability of traditional native food products to NWT residents, the restaurant concept may be questioned by some. Many Inuvik residents are not familiar with the preparation or flavour of indigenous foods, particularly when prepared in a native fashion. A small restaurant specializing in this "native cuisine" would introduce both residents and visitors to country foods while satisfying the desires of local native people to be able to eat local traditional foods in a restaurant. The restaurant will provide job training for local people and will purchase country foods from the processing/retail establishment. If successful, this concept could be expanded to Yellowknife and other communities.

Butcher Shop

The butcher shop enterprise will be a direct extension of current Country Foods operations encompassing both a processing area and a retail shop. This butcher shop will sell both locally and to any of the communities in the Arctic desiring products. The activities of the butcher shop will include holding of whole carcasses or **primal** cuts, thawing, cutting, grinding, wrapping and storage. The butcher shop will conduct over the counter retail sales and prepare and ship products to other communities. It is expected that Country Foods' sales will increase dramatically through **improved** advertising, product handling, smaller sizes of packages and presentation of **product** in a more familiar form such as steaks or roasts.

Products carried in the butcher shop will include all of those available today through Country Foods plus a variety of additional items. Red meat products such as musk ox, caribou and reindeer will be cut and sold as roasts, steaks, stew meat and hamburger. A small portion of the meat will be sold in quarters to satisfy present customers' needs but this type of sale will be minimized. The advantage of further processing will be that far less waste will exist as heavy parts such as musk ox necks may be boned in the **field** with the meat to be processed in the plant.

Growth of fish sales will rely on the non-char species. The quota of **Paulatuk** and **Aklavik** char has been reached. It is possible that some extra char supplies may be available from Cambridge Bay. Other types of fish will be obtained from the new fish processing plant in processed form. Whitefish and other species will be sold frozen, dried or smoked. It is expected that sales for these products will increase with better **packaging** and some further preparation.

The butcher shop will also process and sell a variety of other native food products such as muskrat, rabbit (either whole or cut up) and berries.

The current Country Foods operation has received numerous requests from other communities in the NWT for products in a properly packaged form or in cut up identifiable parts. The butcher shop operation will not handle any of the domestic meat products presently sold through other food outlets in Inuvik. Existing butcher shops were interested in selling some packaged country foods but not in preparing them.

Restaurant

The concept of the Country Foods restaurant is an extension of the basic goals of the original Country Foods project: that is, country style foods should be more freely available to the community. The restaurant would sell country style foods cooked in a traditional manner thus promoting a greater awareness of traditional native culture among the southern oriented urban dwellers, whether native or white.

There are presently four full-service and three take-out or lunch-only restaurants in Inuvik. For a town based population of approximately 3,000 this is more than adequate. However, the Country Foods restaurant will be unique in its menu and presentation. This restaurant will compete, obviously, with existing ones though it will also serve a new market. Limited interviews indicate that this service is expected to have an appeal to the tourist market and to Inuvik residents.

The restaurant will operate 5 days per week serving lunch and dinner. It is expected that the restaurant will obtain a beer and wine license. There will, of course, be seasonal fluctuations in food sales reflecting tourist arrival and this has been accounted for in the financial model.

The restaurant menu has not been determined in detail at this time. However, it will contain all of the traditional country foods that would be sold through the retail outlet prepared both in the native manner and in specially developed recipes. The preparation and presentation would, of course, have to be such that it would appeal to the potential

customer base. The decor in the restaurant would be conducive to attracting tourists and local customers. An example of a restaurant similar to this that was successful in Vancouver is the Mukamuk.

III APPROACH

Data was collected through interviews with IDC and COPE personnel, Inuvik residents and merchants, NWT government officials, butchers and meat processors. A literature search was undertaken to provide technical and processing information. Financial analysis was based on a Price Waterhouse computer model that projected income statements, balance sheets and cash flows for the two alternatives over three years. Assumptions for this model were drawn from our own familiarity with the food industry and the interview data.

Data pertaining to present supply/demand factors, sales and finances came from COPE and IDC's own files. Information regarding game and fish quotas came from the NWT Department of Renewable Resources and federal Department of Fisheries and Oceans respectively. Local health and municipal officers were specifically consulted regarding regulations.

The town planning recommendations and development proposals discussed in the Inuvik General Plan, Background Report by Underwood McLellan Ltd., March 1981 were studied with care. It is obvious that a permanent Country Foods outlet would have to be centrally located if it is to effectively supply country foods to local residents and tourists. Population growth estimates for Inuvik vary considerably and we have chosen the most pessimistic (done by the NWT government) of 2,865 in 1981 rising to 3,900 in 2001.

Several alternative methods of expanding Country Foods were identified as possible, given the operational requirements and locational constraints that exist. Discussions with IDC representatives regarding financial capability and commitments, as well as COPE needs beyond this project, allowed us to concentrate on two major alternatives.

IV ALTERNATIVES

The town of Inuvik has many potential sites for a small food processing and storage plant. However, the concept of a financially successful Country Foods operation is based on considerable local sales to both residents and tourists as well as expanded inter-settlement trade. Sites that will maximize this local direct sales business are not plentiful.

According to the Underwood McLellan planning study many residents walk rather than drive about town. The majority of businesses are located in a short three block area of Mackenzie Road as shown in Figure 4.1 and Figure 4.2. The planning study offered several development alternatives, all retaining, beautifying and emphasizing this downtown core. It was, therefore, agreed with IDC that a Country Foods operation would have to be located in this downtown core.

The downtown plans recommend street widening and provision of sufficient parking, thus these were considered in site selection. If carefully marketed, the potential of tourist sales through the store and restaurant is thought to be high. The planning study estimates over 2,200 tourists in 1981 all of whom may be expected to pass through the downtown core.

Site selection also required consideration of future expansion possibilities, ease of access by customers and delivery trucks, terrain of the lot and capital costs.

Using the above criteria, two alternative sites on Mackenzie Road in the downtown area were identified (Figure 4.1 and 4.2).

Alternative 1

This alternative is based on the purchase of the section of land (Lots 1-5, Block 20, Plan 228) adjoining the Northern Images Craft Shop. The lot is approximately 18,000 square feet with a significant

embankment. The property would require extensive land fill to bring it to grade. An appropriate building would be constructed.

COPE has had an unofficial option on this undeveloped land for several years and would be able to obtain the property at a price of \$102,000. According to local sources, the amount of fill needed for this property would cost approximately \$25,000. Recent building costs in Inuvik are estimated at \$90 per square foot thus the proposed 5,000 square foot building would cost \$450,000.. The total cost of land and building (fully serviced) would be \$577,000.

A significant advantage of this location is that it lies beside the Northern Images Craft Shop and across the street from the Territorial Liquor Store, placing it in a major traffic flow pattern for both tourists and local residents. Other advantages are that new building construction will allow maximum freedom of planning in operation layouts and the total cost would be lower than that of the second alternative.

Increased inter-settlement trade is a key goal of Country Foods thus an expanded operation will require good facilities for movement of incoming goods and outgoing products. This site does not lend itself well to truck access nor does it have sufficient level road parking for local customers. It would be useful to have expansion capability in future in case the fishing, or other projects, become feasible.

Alternative 2

In the midst of this study COPE was offered the option to buy the existing theatre building (Lot 41-6, Block 20, Plan 565). Consideration of the costs involved in the purchase and renovation of this option near the Mackenzie Hotel showed it to be a viable alternative.

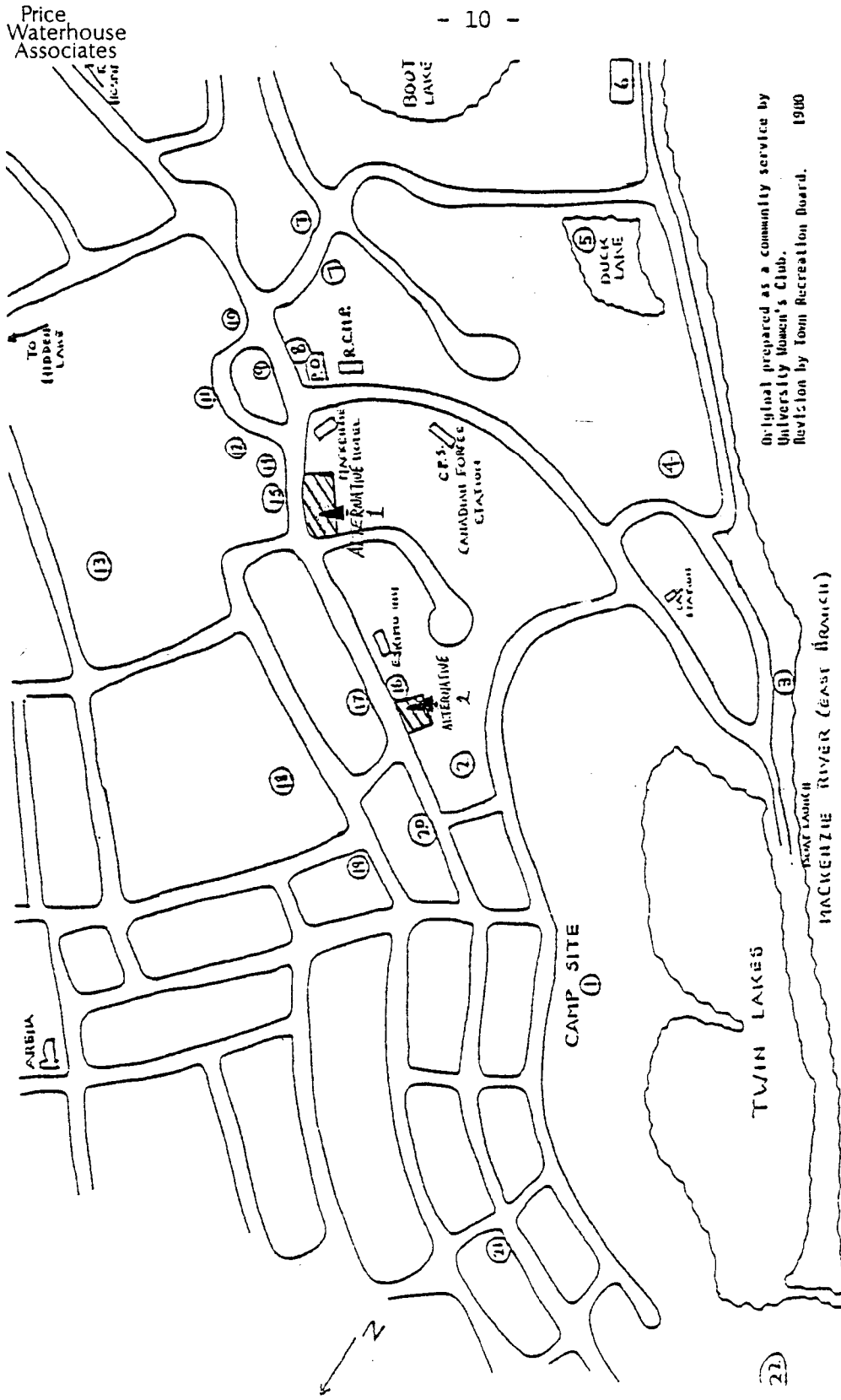
There are approximately 42,000 square feet of fairly level terrain on the property with access from two roads to the building,

which is just over 5,000 square feet as it stands. Significant renovations are necessary to convert the 20 year old structure from a **theatre** to a butcher shop and restaurant. Although not yet engineer approved, local contractors who have looked at the building and its plans agree that this is possible and that in the renovation process a second **storey** (rather than a false ceiling) could be built at a minimal extra cost. The basic building itself appears structurally sound. Therefore, after renovations are completed the building would be a **two-storey** structure containing 9,000-10,000 square feet of **useable** space. The expanded Country Foods project would use a maximum of 5,000 square feet and the remainder could be rented as office space. In this regard, secured rental agreements can be obtained for office space from **IDC, COPE, Delta Taxi Services**, and other businesses. Part of the building is presently rented to retail establishments.

The present owner of the property, **Mr. Bennet**, has offered it to COPE at \$370,000. Complete renovation costs have been estimated by local contractors at **approximately** \$450,000. If this alternative is **chosen**, engineering studies will be required to confirm the building's structural soundness. At that time detailed drawings would be prepared and precise conversion costs would be documented by the engineers. For purposes of this preliminary analysis, \$450,000 for conversion has been used. The total cost, therefore, would be \$820,000.

This location has several advantages. Freight access is excellent. Being across from the "Igloo Church" and other attractions, and having the Tourist Advisory Committee presently renting office space by the **theatre** should make this a good tourist site. The initial costs are somewhat higher, but the added income from office space will compensate for assuming a building larger than Country Foods' initial needs. This site is ideally located at the eastern entrance to downtown and **cannot** be missed by the 1,000 plus tourists who arrive via the **Dempster Highway** annually. Parking is a real asset at this site.

Location of Alternative Sites



Original prepared as a community service by University Women's Club. Revision by Tom Recreation Board. 1980

1. HAPPY VALLEY - Presently the Town's camp-site for tourists, this is one of the sites of early Inuvik settlement. People roved here from the delta and lived in frame tents.
2. C.O.a.--- Headquarters Of the Committee for Original Peoples Entitlement. Country foods are sold here.
3. FIRST DOCK - Site of the first Inuvik dock. Northern Transportation Co. Ltd. (NTCL) barges now load and unload 3 miles down north along the East Channel.
4. POWER PLANT & STORAGE TANKS - Northern Canada Power Commission (NCPC) diesel generating plant. The utilidor (above ground pipes) originates here, providing water, heat and sewage services to most homes in Inuvik.
5. DUCK LAKE - Muskrats live all year round in this lake, while ducks may be seen here during the summer.
6. BOAT RENTALS and MARINA - Take time out to travel our myriad waterways.
7. APARTMENTS - Boat Lake Apartments on the right, built by Inuit Taperisat of Canada (ITC) are leased to the Territorial Government. On the left are units built by the Federal Government.
8. RESEARCH LABORATORY - This facility was established in 1964 as a base for scientists working in the north. Under the teepee roof, a cosmic ray counter transfers information to Chalk River, Ontario. Many northern books are in the reference library and if you are interested in data about this region you should inquire here.
9. SCULPTURE - John Diefenbaker, then Prime Minister of Canada, dedicated this sculpture, symbolic of the three resident cultures, in 1961.
10. CHURCH OF THE ASCENSION - This Anglican Church, in addition to regular services, holds a service in Eskimo every Sunday at 3:00 PM. The special altar cloth was headed by Elizabeth Green and. Across the field behind the church is STRINGER HALL. Until 1975, this hostel accommodated students, but higher grades have now been established in many of the settlement schools. Frank Peake has written a biography of Bishop Stringer entitled "The Bishop Who Ate His Boots".
11. SIR ALEXANDER MACKENZIE SCHOOL - built by the Government of Canada, and opened in 1959. Approximately 450 students attend classes from kindergarten to grade six.
12. BROTHER'S GARDEN - affi - that gardening north of the Arctic Circle is possible. Despite the short growing season, forty-seven days of possible 24-hour sunshine encourages rapid growth.
13. GROLLIER HALL - a student residence, named after an early Catholic Bishop. Up to 250 students can be accommodated here.
14. FAMILY HALL - built by the Roman Catholic Church as a facility for public social gatherings.
15. OUR LADY OF VICTORY CHURCH - designed and built by the late Father Adam, this structure of unusual design rests firmly on a gravel pad. Most buildings are on tiles to be above the permafrost.
16. NORTHERN IMAGES - is a craft store offering a wide selection of Inuit and Indian arts and crafts from across the Northwest Territories.
17. THE CENTENNIAL LIBRARY - was opened in 1967 and circulates over 1,000 books monthly. Tourist information is available here.
18. SAMUEL HEARNE SECONDARY SCHOOL - serves approximately 400 students in grades 7-12. Students are encouraged to continue their education through fully sponsored programs.
19. TOW HALL - Opened in 1976, this complex houses the Town offices, with Council Chambers upstairs. Also located here is the Fire Hall, manned by a full time Fire Chief, with a crew of volunteer firefighters.
20. SEMMER'S STORE - an interesting store that resembles a trading post. Slim is a free trader, still buying and selling furs.
21. INGAMO HALL - Friendship Centre, built by log craftsman Alan Crich. Visitors welcome.
22. TOWN AIRSTRIP - Charter flights and private aircraft use this strip for trips to and from surrounding settlements.

Original prepared as a community service by the University Women's Club.
Revision by Town Recreation Board.

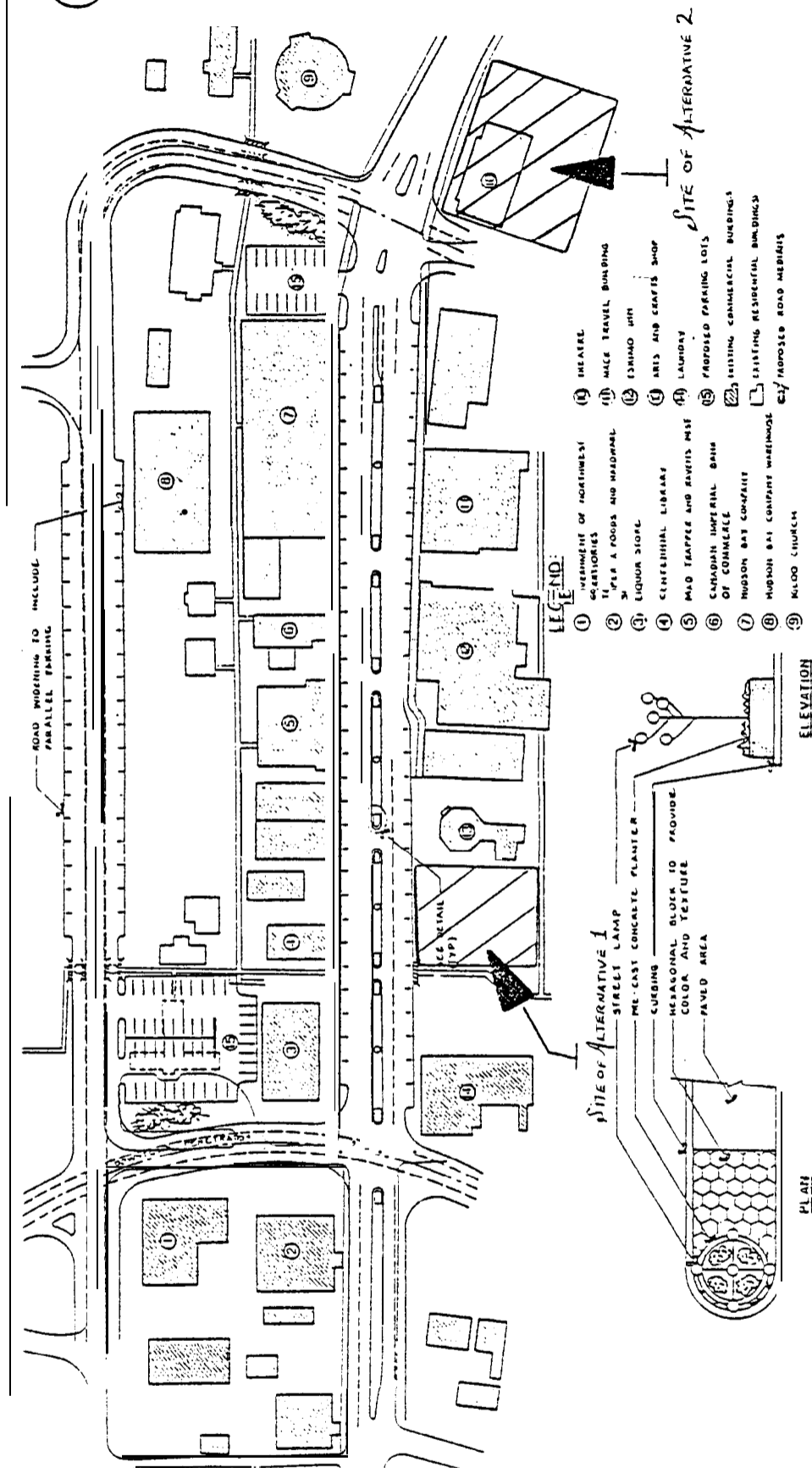


FIGURE 4.2

INUUVIK -
Downtown Plan by
Underwood Mciellan
Associates

V PLANT AND RESTAURANT REQUIREMENTS

Although plant production is phased in over three years, the facilities and equipment recommended are sufficient to process with ease the 155,000 lbs. of product in year 3.

Processing steps to be performed include:

- . Receiving - whole or part carcasses
 - frozen or fresh
- . Freezing
- . Frozen and refrigerated storage
- . Cutting frozen or thawed product
- . Slicing, tenderizing, patty making, grinding, stuffing
- . Smoking
- . Packaging
- . Retail display

A suggested plant layout is shown in Figure 5.1. A list of major equipment is shown below. Items shown with an asterik are already owned by COPE and have not been included in the cost estimate of \$40,400. This cost includes freight to Inuvik from Edmonton.

- . 12' Self-contained service meat case
- . Cylinder scale
- . Receiving scale
- . Walk-in cooler
- . Walk-in freezer
- . Tenderizer
- . Grinder*
- . Slicer
- . Sausage stuffer
- . Patty machine
- . Smoker
- . Band Saw*

- . Heat seal machine
- . Cash register
- . Preparation table
- . Double stainless steel sink
- . Accessories - i.e., trays, cutlery, handsaws, scrapers, thermometers, etc.

The restaurant will have a capacity of 40 seats and sufficient accessories for that many customers. All normal activities of a full service restaurant are accounted for and will require the following:

- . Gas range and hood
- . Two deep-fry sets
- . Steam table
- . Two soup warmers
- . Dishwasher
- . Commercial size refrigerator
- . Cash register
- . Fire extinguisher system
- . Tables and Chairs (40 seats)
- . Place settings - i.e., cutlery, plates, glasses, etc.
- . Accessories - i.e., pots, pans, kettles, cooking utensils, coffee machines, linen, etc.

The restaurant layout is shown in Figure 5.1. The cost of restaurant equipment is estimated at \$39,600 FOB Inuvik.

VI ASSUMPTIONS FOR THE MODEL

Based on interviews, review of previous country food sales and costs, discussion with meat processors and our own food industry experience, a set of assumptions for the financial model were developed. These assumptions were critiqued by IDC personnel experienced in Country Foods operations. In all cases, we have chosen to use the most conservative estimates of markets, yields and growths.

Market

The market has been interpreted as all of the Northwest Territories although it will be concentrated in the Western Arctic region and Yellowknife. It is assumed that the market will expand due to better product presentation and packaging. Sales have been predicted by extrapolating the present sales and the unfulfilled demand as determined by the present Country Foods operations. Except for musk ox and non-char fish products, we expect the demand to always exceed supply.

Pricing

The raw product and retail prices are FOB Inuvik. Prices and costs are held in constant 1981 dollars for the model and are based on May 1981 Inuvik retail prices for country foods and comparable beef or fish products. All sales prices are set at less than comparable domestic meat products such as beef or chicken.

Restaurant

Assumptions for the restaurant are as follows:

- . Open 5 days weekly (based on advice of client and local restaurateurs) .
- . Will be licensed to sell beer and wine, which will be served only with meals.

- . **Average daily sales will be 25** lunches at \$5.00 each and 30 dinners at \$17.00 each (there will be seasonal fluctuations). These prices are well in line with restaurant prices in Inuvik.
- . There will be a 10% increase in volume per year.
- . There will be seasonal fluctuations which are shown in the monthly income statements in Appendix 2.
- . The dollar value of restaurant purchases as shown in the Appendix are based on 38% of sales which is a reasonably accepted figure for a small restaurant of this type.

Individual Products

As illustrated in Tables 6.1 and 6.2, the Country Foods operation will sell a variety of products including: musk ox, caribou, char, trout, whitefish and rabbit. Small amounts of muskrat and berries will also be marketed. The seasonal fluctuations in supply and inventory, as shown in Appendix 1, were accounted for in the financial model.

Variations in supply and sales are critical to the financial success of the Country Foods enterprise. Supply is fixed by quota for some products such as char and trout but could have wide variations for musk ox and caribou, the two most important items to be sold through Country Foods.

Price Waterhouse did not conduct a market demand analysis but relied on information from IDC who estimated demand based on current sales, their own discussions with various communities and comments from present customers. Prior to investment in Country Foods expansion, IDC will require assurances from the NWT Department of Renewable Resources that it can maintain the harvest of 500 musk ox and 270 caribou required from year 3 onwards.

At the present time musk ox and caribou are sold in **limited** quantities as either whole or quartered product. The demand for such **large** size meat items is limited and the majority of area residents are interested in buying consumable size quantities that will fit their methods of storage. It is also more suitable to limited budgets to be able to buy on a weekly need basis.

The marketing mix of the products is most important in dealing with musk ox and caribou as the sales **value** and costs of operation must be calculated on a combination of cut-up and whole product. Table 6.3 presents, in the case of musk ox, the calculation of the cut up percentages and total value of the carcasses. A **similar** calculation was conducted for caribou which **will be** sold in both the cut-up and whole or quartered form.

It **should be noted that**, by comparison with beef, musk ox and caribou will have more waste and a lower percent of fancy cuts due, in part, to the smaller carcass size. Musk ox average 180 lbs. dressed because of the mix of mature and immature animals. Table 6.4 illustrates the sales assumptions for the three years. This gives a blended value of musk ox sales in the **large** and smaller cuts. Table 6.5 illustrates the sales assumptions for caribou.

Quantities of char from both Paulatuk and Aklavik are fixed by quo ta. The trout referred to are lake trout and the 11,000 pounds reached in year 3 is less than 50% of the area quota. **Whitefish** is used as a generic term to encompass all non-char or trout species but will consist mainly of broad and humpback whitefish. The whitefish will be sold as frozen whole, filleted dried or smoked product.

It is estimated that rabbit should sell at below chicken prices and should have a ready acceptance through the country foods operation. There has been a steady demand for rabbit but **lack** of proper facilities has not encouraged purchase of the product by Country Foods.

TABLE 6.1

PURCHASES OF RAW PRODUCT

Product	\$/lb.	Year 1		Year 2		Year 3	
		lbs.	Value\$	lbs.	Value\$	lbs.	Value\$
Musk OX	1.17	36,000	42,120	72,000	84,240	90,000	105,300
Caribou	.90	13,680	12,312	21,360	19,224	32,400	29,160
Rabbit	.90	3,000	2,700	4,400	3,950	6,750	6,075
Char (Paulatuk)	2.00	10,000	20,000	10,000	20,000	10,000	20,000
Char (Aklavik)	1.50	2,000	3,000	2,000	3,000	2,000	3,000
Trout	2.00	5,000	10,000	8,000	16,000	11,000	22,000
Whitefish	.75	10,000	7,500	12,000	9,000	15,000	11,250
Other			8,000		12,000		16,000
TOTAL			<u>\$105,632</u>		<u>\$167,414</u>		<u>\$212,785</u>

TABLE 6.2

SALES OF FINISHED PRODUCT

Product	\$/lb.	Year 1		Year 2		Year 3	
		lbs.	Value\$	lbs.	Value\$	lbs.	Value\$
Musk OX	2.02-2.07	36,000	72,720	63,000	129,780	85,500	176,905
Caribou	2.25-2.44	14,400	32,400	16,800	40,992	27,000	63,990
Rabbit	1.97	3,060	6,028	4,080	8,038	6,375	12,559
Char (Paulatuk)	3.46	10,000	34,600	10,000	34,600	10,000	34,600
Char (Aklavik)	2.47	2,000	4,940	2,000	4,940	2,000	4,940
Trout	3.46	5,000	17,300	6,875	23,787	9,875	34,167
whitefish	.95	10,000	9,500	11,250	10,687	13,875	13,181
Other			9,960		11,940		19,320
Services			-9,960		11,952		13,944
TOTAL			<u>\$197,408</u>		<u>\$267,716</u>		<u>\$364,206</u>
			187,448		255,762		380,802
					655		603

SOURCE : Quantity of purchases and potential sales based on information from IDC.

TABLE 6.3

MUSK OX TO BEEF COMPARISON
(Cut out estimates and retail prices FOB Inuvik)

	Beef		Musk Ox			
Carcass Weight	500 lbs.		180 lbs.			
Front/Hind %	53/47		60/40			
Retail Cuts:						
		\$/lb.		lbs .	\$/lb.	Total
<u>Hind</u>	<u>%</u>	<u>Retail Price(1)</u>	<u>%</u>	<u>Yield</u>	<u>Retail Price</u>	<u>Value</u>
Roasts (round, rump)	26.1	4.15	20	14.4	3.75	\$ 54.00
Sirloin	16.8	5.29	} 25	18.0	4.50	81.00
Steaks (porterhouse, T-bone)	13.0	5.49		25	18.0	1.89
Stewing, Ground	20.1	2.65	30	21.6		
Waste	24.0					
	<u>00.0</u>		<u>100</u>	<u>72.0</u>		<u>\$169.02</u>
<u>Front</u>						
Rib Roast	10.8	5.50	10	10.8	4.90	52.92
Braising Ribs	3.7	3.00	4	4.3	1.50	6.45
Roasts(crossrib ,chuck	26.3	3.59	25	27.0	2.70	72,90
Brisket	5.3	1.79	} 35		(boned)	
Shank	1.9	1.79		35	37.8	1.89
Stewing, Ground	29.8	2.65	26	28.1		
Waste	22.2					
	<u>.00.0</u>		<u>100</u>	<u>108.0</u>		<u>\$203.71</u>
Heart, Liver edible offal	2.4		3.5	6.25	1.00	\$ 6.25
Total Cut-up Value				180	2.11	<u>\$378.98</u>
Whole or Quarters:						
Hind			40	72	2.20	\$158.40
Front			60	108	1.48	159.84
Total Side Value				180	1.77	<u>\$318.24</u>

(1) Beef retail prices May, 1981 Inuvik.

Source: beef cut outs - Beef Information Centre

TABLE 6.4

SALES ASSUMPTIONS - MUSK OX

<u>Year</u>	<u>Type of Sales</u>	<u>Number Sold</u>	<u>Carcass Value</u>	<u>Annual Revenue</u>
1	Whole or Quarters	50	\$318.24	\$ 15,912
	Retail Cuts	150	378.98	56,847
		200		<u>\$ 72,759</u>
2	Whole or Quarters	50	.\$318 .24	\$ 15,912
	Retail Cuts	350	378.98	132,643
		400		<u>\$148,555</u>
3	Whole or Quarters	50	\$318.24	\$ 15,912
	Retail Cuts	450	378.98	170,541
		500		<u>\$186,453</u>

TABLE 6.5

SALES ASSUMPTIONS - CARIBOU

<u>Year</u>	<u>Type of Sales</u>	<u>Number Sold</u>	<u>Carcass Value</u>	<u>Annual Revenue</u>
1	Whole or Quarters:		\$235.80	
	Hinds	100	140.00	\$14,000
	Fronts	75	92.80	6,960
	Retail Cuts:		327.28	
	Hinds	20	152.28	3,046
	Fronts	45	175.00	7,875
	Necks (ground)	75	7.50	562
				<hr/>
	Total	120		\$32,443
				<hr/> <hr/>
2	Whole or Quarters:		\$235.80	
	Hinds	100	140.00	44,000
	Fronts	75	92.80	6,960
	Retail Cuts:		327.28	
	Hinds	100	152.28	15,228
	Fronts	125	175.00	21,875
	Necks (ground)	75	7.50	562
				<hr/>
	Total	200		\$58,625
				<hr/> <hr/>
3	Whole or Quarters:		\$235.80	
	Hinds	100	140.00	14,000
	Fronts	75	92.80	6,960
	Retail Cuts:		327.28	
	Hinds	200	152.28	30,456
	Fronts	225	175.00	33,375
	Necks (ground)	75	7.50	562
				<hr/>
	Total	300		\$85,353
				<hr/> <hr/>

Labour Costs

Labour costs have been calculated on the basis of the following:

- Annual salaries are based on a five-day work-week with any positions over eight hours per day assumed to be one full-time worker and one part-time worker.
- A Manager at \$10 per hour for seven hours per day would be hired in year one, and allocated 60% to the butcher shop and 40% to the restaurant.
- An Assistant Manager at \$6.50 per hour for eight hours per day would be hired in year three to take over direct management of the butcher shop.
- An Apprentice Butcher at \$6.50 per hour for seven hours per day would be hired in year one.
- A Clerk for the butcher shop at \$5.50 per hour for seven hours per day would be hired in year three.
- A Cook for the restaurant at \$10 per hour for ten hours per day would be hired in year one. Duties would include day-to-day management.
- A Waitress at \$5 per hour for ten hours per day would be hired in year one.
- A clean-up person at \$5 per hour for seven hours per day would be hired in year two. Time would be allocated 67% to the butcher shop and 33% to the restaurant.
- In summary, total staff would be as follows:

	<u>Full-time</u>	<u>Part-time</u>
Year 1	4	2
Year 2	5	2
Year 3	7	2

Operating and Maintenance Costs

The figures used in the model are based on a charge of \$2.24 per square foot for operating costs, including power and fuel requirements, and \$1.34 per square foot for maintenance costs. These costs are based on figures published by the NWT Department of Economic Development, adjusted to 1981 price levels. Random checks in the Inuvik business community have confirmed these estimates.

Depreciation

Buildings are depreciated on a straight line basis over 20 years and equipment is depreciated similarly over 10 years.

Municipal Taxes

Taxation on the enterprise was based on the 1980 mill rate of 26 for all three years of the projection. In each case, the mill rate was applied to the cost of acquisition, not the present assessed value as a new assessment would have to take place when construction was completed. This format necessarily, to some extent, overestimates annual taxes.

Miscellaneous

Office supplies, advertising and promotion and transportation costs have been estimated on a percentage of sales basis taken from current operations of the Country Foods project. The cost of packing materials and supplies for the butcher shop is based on the percentage of such costs to sales as reported by other meat processors.

Contribution from Office Rental

Rental of excess office space in Alternative 2 has been costed at \$10.00 per square foot as "other income" in the model. In order to make the alternative comparable, the maintenance, operating and depreciation costs of the rental space was subtracted from the rental income prior to its inclusion in the model.

Project Capital Costs and Source of Funds

In both alternatives working capital was initially set at \$75,000. The following cost and funding assumptions were used.

Project Costs

	<u>Alternative 1</u>	<u>Alternative 2</u>
Building	\$450,000	\$220,000(1)
Fill	25,000	
Renovations		450,000
Engineering and Design	40,000.	40,000
Equipment	<u>80,000</u>	<u>80,000</u>
Total Building and Equipment Cost	595,000	790,000
Land (4)	102,000	150,000(1)
Working Capital	<u>75,000</u>	<u>75,000</u>
TOTAL FUNDS REQUIRED	<u>\$772,000</u>	<u>\$1,015,000</u>

Source of Funds

	<u>Alternative 1</u>	<u>Alternative 2</u>
Equity: Land(5)	\$102,000	\$150,000(1)
Cash	54,400	53,000
Shareholder Loan(2)	452,429	445,079
Mortgage(3)		155,000
Grant(6)	<u>163,171</u>	<u>211,921</u>
	<u>\$772,000</u>	<u>\$1,015,000</u>

- (1) In Alternative 2 the price quoted was \$370,000 for the land and building. We have assigned \$150,000 of this to land value for the purpose of this exercise.
- (2) Shareholder loans would be made by COPE at 16% interest.
- (3) The theatre building has a \$155,000 mortgage at 6% interest assumable by new purchaser.
- (4) Land is separate for purposes of grant calculation.
- (5) Equity has been set at 20%. Land is considered part of equity for this purpose thus COPE will contribute \$156,400 and \$203,000 equity in Alternatives 1 and 2 respectively, as well as the required shareholder loans.
- (6) Grant calculation (G.D.A. or Special ARDA funds):
.25 (capital cost) + .15 (average wages and salaries year 1 and 2).

VII RESULTS OF THE FINANCIAL ANALYSIS

Operating Profits

The assumptions described in the preceding chapter were used to develop the financial model for which details are set out in Appendix 2. The Appendix shows the monthly balance sheets and income statements for Alternative 1 and 2 for each of the first three years of operation. These details are briefly summarized in Tables 7.1 and 7.2. All of the information is set out in 1981 dollars and no allowance is made for inflation.

Alternative 1 shows an operating loss in years 1 and 2 of \$39,000 and \$20,000 respectively. In year 3 an operating profit of \$15,000 is achieved. Alternative 2 indicates operating losses of \$31,000 and \$11,000 in years 1 and 2 and a profit of \$30,000 in year 3.

Thus based on the assumptions made, both alternatives appear to have the potential to make a profit contribution, but not until the third year of operations.

Return on Investment

As a guide to the investment decision, the level of earnings must be related to the amount of the initial investment. This requires a calculation of cash profits, as opposed to accounting profits which are net of non-cash items. The calculation relates the annual cash return to the initial cash investment and expresses the result as a "return-on-investment". The concept of return on investment is similar to the concept of interest on a savings account, and is expressed identically, as an annual percentage rate.

Both alternatives were analyzed from the viewpoint of return-on-investment. In each case the cash returns were adjusted to reflect inflation at the rate of 12% per year. The cash returns for year 4 and beyond were assumed to be identical to that of year 3. The calculations were performed for 20 years. Income taxes were not included in the calculation as their impact would not be substantial because of the effect of capital cost allowances.

TABLE 7.1

ALTERNATIVE 1

SUMMARY INCOME STATEMENT
(In \$000's)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Total Sales	\$ 362	\$ 462	\$ 574
Cost of Sales	254	335	415
Gross Margin	\$ 108	\$ 127	\$ 159
Operating Costs	\$ 147	\$ 147	\$ 144
Operating Profit (Loss)	(39)	-(20)	15
Other Income			
Total Profit (Loss)	\$ (39)	\$ (20)	\$ 15

SUMMARY BALANCE SHEET
(In \$000's)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Total Net Assets	\$ 738	\$ 704	\$ 691
Capital:			
Short Term Debt (COPE)	\$ 458	\$ 444	\$ 416
Mortgage			
Grant	163	163	163
Equity	156	156	156
Retained Earnings	(39)	(59)	(44)
	\$ 738	\$ 704	\$ 691

TABLE 7.2

ALTERNATIVE 2

SUMMARY INCOME STATEMENT
(In \$000's)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Total Sales	\$ 362	\$ 462	\$ 574
Cost of Sales	254	335	415
Gross Margin	\$ 108	\$ 127	\$ 159
	<u> </u>	<u> </u>	
Operating Costs	\$ 148	\$ 147	\$ 143
Operating Profit (Loss)	(40)	(20)	16
Other Income	9	<u>9</u>	14
Total Profit	\$ (31)	\$ (11)	\$ 30
	<u> </u>	<u> </u>	<u> </u>

SUMMARY BALANCE SHEET
(In \$000's)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Total Net Assets	\$ 971	\$ 928	\$ 904
			<u> </u>
Capital:			
Short Term Debt (COPE)	\$ 455	\$ 448	\$ 421
Mortgage	131	106	79
Grant	212	212	212
Equity	203	203	203
Retained Earnings	<u>(30)</u>	<u>(41)</u>	<u>(11)</u>
	\$ 971	\$ 928	\$ 904
		<u> </u>	<u> </u>

Tables 7.3 and 7.4 show the summary cash flow data for each of **Alternatives 1** and **2** respectively. The calculations indicate that the before tax return-on-investment would be over 30% for each of the two alternatives. In both cases these returns are higher than the annual rate of interest required to finance the projects.

While both alternatives appear to be capable of producing an attractive return on the capital invested, the return-on-investment approach does not result in a marked preference for either one.

TABLE 7.3

SUMMARY CASH FLOW

Alternative 1
(In \$000's)

	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Years 3-20(1)</u>
Profit (Loss) per income statement	\$ -	\$ (39)	\$ (20)	\$ 15
Add : Depreciation		34	34	34
Interest		73	72	70
Cash flow from operations before financing charges -		68	86	119
Investment:				
Equity and loans	\$(772)	-		
Less: Grant	<u>163</u>			<u> </u>
Net Cash Flow	\$(609)	\$ 68	\$ 86	\$ 119
Inflated at 12%	<u>\$(609)</u>	<u>\$ 76</u>	\$ 108	<u>\$ 167</u>
Before Tax Return on Investment:		<u>.30.8%</u>		

(1) It is assumed that operations will stabilize in year 3. The only changes in Net Cash Flow thereafter will be inflationary increases, which are assumed to affect revenues and expenditures evenly.

TABLE 7.4

SUMMARY CASH FLOW

Alternative 2
(In \$000's)

	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3-20(1)</u>
Profit (Loss) per income statement	\$ -	\$ (30)	\$ (11)	\$ 30
Add: Depreciation		43	43	43
Interest		81	80	76
Cash flow from operations before financing charges -		94	112	149
Investment:				
Equity and loans	\$(1,015)	-		
Less: Grant	<u>212</u>			
Net Cash Flow	\$ (803)	\$ 94	\$ 112	\$ 149
Inflated at 12%	\$ (803)	\$ 105	<u>\$ 140</u>	\$ 212
Before Tax Return on Investment:		<u>30.2%</u>		

(1) It is assumed that operations will stabilize in year 3. The only changes in Net Cash Flow thereafter will be inflationary increases, which are assumed to affect revenues and expenditures evenly.

VIII CONCLUSIONS AND RECOMMENDATIONS

The conclusions are based on the assumptions used in the model which are set out in Section VI and the results of the financial analysis contained in the preceding chapter. These assumptions were discussed with IDC prior to use in the model to insure that they were consistent with the experience of the operators of Country Foods and the objectives of IDC. In summary the key qualifying assumptions are:

- . Product supplies and sales as forecast by IDC can be achieved. These supplies are particularly critical for musk ox (500 per year) and caribou (270 per year).
- . The theatre building, Alternative 2, is structurally sound and renovations do not exceed \$450,000.
- . That secured agreements can be obtained for space rental in Alternative 2.
- . That COPE is prepared to invest sufficient funds to provide equity capital and to make the necessary short-term loans as shareholders that each of the alternatives requires.
- . Inflationary changes will affect revenues and expenditures evenly.

Conclusions

Based on the above assumptions the most significant conclusion is that expansion of Country Foods through either alternative is feasible. Examination of the pro forma financial statements shows that both alternatives make an operating profit by year 3, although on first glance, Alternative 2 appears to be more attractive. Further analysis of returns on investment indicates that the before tax return would be over 30% for each alternative. The return on investment approach does not indicate a preference for either alternative.

Because the general conclusion is that the expansion of Country Foods is feasible under either alternative, the decision between them must be based on non-financial measures of which the undernoted appear to be the most significant:

<u>Alternative 1</u>	<u>Alternative 2</u>
. Limited road access.	. Good road access to 3 sides.
. Limited parking.	. Ample parking.
. Good location in town.	. Excellent location as it is more visible, particularly to tourists.
. Feasibility based only on country foods.	. Feasibility based on country foods and rental of space to other businesses.
. Only satisfies the country food objectives but has no scope for use for other IDC/COPE projects.	. Satisfies a variety of needs beyond country foods - could consolidate present IDC/COPE operations and provide space for further projects.
. New building - present cost estimates reasonably certain.	. An older building - costs are less assured and are subject to engineering inspection.

Subject to engineering studies on structure and conversion costs, we conclude that Alternative 2, purchase and conversion of the theatre building, will best serve the needs of IDC because:

- . It will provide a centre for all IDC/COPE activities.
- . It has the potential for future expansion and adaptation to include expanded fish or meat processing if required.
- . The location is excellent relative to the traffic flow and public prominence.

Recommendations

The following recommendations outline the key steps to be taken by IDC in confirming the feasibility study and in future actions.

- . IDC should carefully review the information contained in the feasibility report in conjunction with the detailed assumptions. If IDC does not agree with all of the assumptions, the model should be re-run on a different basis.
- . If IDC decides to apply for funding assistance for this project, they should request that their application be considered subject to engineering confirmation of capital costs.
- . Prior to investing in either alternative, qualified engineering advice is required on site suitability, layout and design, and capital cost of construction or renovation. In the case of Alternative 2 the structural soundness of the building must be determined before any commitment to purchase is made.
- . IDC should consider constructing any processing facilities to federal meat inspection standards in anticipation that, at some time, Country Food supplies might exceed NWT demand thus necessitating shipment of product out of the Territories.
- . If Country Foods is expanded to include a restaurant and butcher shop as described, operational procedures, financial controls and structure should be documented and start-up assistance retained.

APPENDIX 1

PRODUCT PURCHASES, SALES & INVENTORY

COUNTRY FOODS
PURCHASES IN POUNDS
(YEAR 1)

REPORT NO. 7
DATE: 6/17/01 9147
DATA BASE 1 2
RUN NO. 1 9

2 LBS. BOUGHT-MUSKOX
4 LBS. BOUGHT-CARIBOU
6 LBS. BOUGHT-RABBIT
8 LBS. BOUGHT-CHAR(P)
10 LBS. BOUGHT-CHAR(A)
12 LBS. BOUGHT-TROUT
14 LBS. BOUGHT-WHITEFISH

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	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
	600	300	1,440	720	36,000		4,000	4,000	300	600	5,760	5,760	36,000
							1,000	1,000	2,000		600	600	13,680
							2,500	2,000	500				3,000
							5,000	4,000	1,000				10,000
													2,000
													5,000
													10,000

PURCHASES IN DOLLARS
(YEAR 1)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
	540	270	1,296	648	42,120		8,000	8,000	270	540	5,104	5,104	42,120
							1,500	1,500	4,000		540	540	12,312
							5,000	4,000	1,000				2,700
							3,750	3,000	750				3,000
							9,405	6,270	4,389				10,000
													7,500
													62,705
	740	670	2,096	1,048	42,520	200	18,250	18,100	8,020	2,140	6,124	5,724	105,632

2 PURCH.-MUSKOX
4 PURCH.-CARIBOU
6 PURCH.-RABBIT
8 PURCH.-CHAR(P)
10 PURCH.-CHAR(A)
12 PURCH.-TROUT
14 PURCH.-WHITEFISH
16 PURCH.-REST.

20 PURCH.-BUTCHER

COUNTRY FOODS
PURCHASES IN POUNDS
(YEAR 2)

REPORT NO. 7
DATE 6/17/81 9148
DATA-BASE 1 2
RUN NO. 1 9

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 LBS. BOUGHT--MUSKOX					54,000						18,000		72,000
4 LBS. BOUGHT--CARIBOU	400	300	1,440	720							9,600	9,600	21,360
5 LBS. BOUGHT--RABBIT									500	1,000	1,000	1,000	4,400
8 LBS. BOUGHT--CHAR(CF)							4,000	4,000	2,000				10,000
10 LBS. BOUGHT--CHAR(A)						1,000	1,000						2,000
12 LBS. BOUGHT--TROUT						4,000	3,200		800				8,000
14 LBS. BOUGHT--WHITEFISH						5,000	4,800	1,200					12,000

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IN DOLLARS
(YEAR 2)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 PURCH.--MUSKOX					63,100						21,060		84,240
4 PURCH.--CARIBOU	540	270	1,296	648							8,640	8,640	19,224
5 PURCH.--RABBIT									450	900	900	900	3,960
8 PURCH.--CHAR(CF)							8,000	8,000	4,000				20,000
10 PURCH.--CHAR(A)							1,500	1,500					3,000
12 PURCH.--TROUT						8,000	6,400		1,600				16,000
14 PURCH.--WHITEFISH	4,150	4,150	4,842	4,842	6,916	0,374	10,374	6,916	4,842	4,150	4,150	3,458	9,000
16 PURCH.--REST.													69,165
20 PURCH. BUTCHER	840	870	2,496	1,248	63,780	300	22,800	21,900	9,950	3,300	31,200	9,540	67,424

REPORT NO. 7
 DATE: 6/17/01 9:50
 DATA-BASE: 2
 RUN NO. 19

COUNTRY FOODS
 PURCHASES IN POUNDS
 (YEAR 3)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 LBS. BOUGHT-MUSKOX					67,500						22,500		90,000
4 LBS. BOUGHT-CARIBOU	1,000	500	2,400	2,200			4,000	4,000	750	1,500	14,400	14,400	32,400
6 LBS. BOUGHT-RABBIT							1,000	1,000	2,000		1,500	1,500	6,750
8 LBS. BOUGHT-CHAR (F)							1,000	1,000					2,000
10 LBS. BOUGHT-CHAR (A)							5,500	4,400	1,100				11,000
12 LBS. BOUGHT-TROUT							7,500	6,000	1,500				15,000
14 LBS. BOUGHT-WHITEFISH													

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PURCHASES IN DOLLARS
 (YEAR 3)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 PURCH.-MUSKOX					78,975						26,325		105,300
4 PURCH.-CARIBOU	900	450	2,160	1,000			8,000	8,000	675	1,350	12,960	12,960	29,160
6 PURCH.-RABBIT							1,500	1,500	4,000		1,350	1,350	6,075
8 PURCH.-CHAR (F)							1,000	1,500					3,000
10 PURCH.-CHAR (A)							11,000	8,800	2,200				22,000
12 PURCH.-TROUT							5,625	4,500	1,125				11,250
14 PURCH.-WHITEFISH	4,560	4,560	5,320	5,320	7,600	11,400	11,400	7,600	5,320	4,560	4,560	3,800	76,005
16 PURCH.-REST.													
20 PURCH.-BOGHER	1,300	1,250	3,760	1,880	79,775	400	26,125	26,000	12,000	4,550	41,435	14,310	222,785

COUNTY FOODS
SALES IN POUNDS
(YEAR 1)

REPORT NO. 5
DATE: 6/17/81 9 37
DATA BASE: 2
RUN NO. 19

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 LBS. SOLID-MUSKOX	2,250	2,250	2,250	2,250	2,250	4,500	4,500	4,500	4,500	2,250	2,250	2,250	36,000
4 LBS. SOLID-CARIBOU	1,800	1,800	900	900	900	900	900	900	900	900	1,800	1,800	14,400
6 LBS. SOLID-RABBIT	255	255	255	255	255	255	255	255	255	255	255	255	3,060
8 LBS. SOLID-CHAR (F)	625	625	625	625	625	625	1,250	1,250	1,250	1,250	625	625	10,000
10 LBS. SOLID-CHAR (A)	125	125	125	125	125	125	250	250	250	250	125	125	2,000
12 LBS. SOLID-TROUT	313	313	313	313	313	313	625	625	625	625	313	313	5,000
14 LBS. SOLID-WHITEFISH	625	625	625	625	625	1,250	1,250	1,250	1,250	1,250	625	625	10,000

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SALES IN DOLLARS
(YEAR 1)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 SALES-MUSKOX	4,545	4,545	4,545	4,545	4,545	9,090	9,090	9,090	9,090	4,545	4,545	4,545	72,720
4 SALES-CARIBOU	4,050	4,050	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	4,050	4,050	32,400
6 SALES-RABBIT	502	502	502	502	502	502	502	502	502	502	502	502	6,028
8 SALES-CHAR (F)	2,162	2,162	2,162	2,162	2,162	2,162	4,325	4,325	4,325	4,325	2,162	2,162	34,600
10 SALES-CHAR (A)	309	309	309	309	309	309	617	617	617	617	309	309	4,940
12 SALES-TROUT	1,081	1,081	1,081	1,081	1,081	1,081	2,162	2,162	2,162	2,162	1,081	1,081	17,300
14 SALES-WHITEFISH	594	594	594	594	594	594	1,187	1,187	1,187	1,187	594	594	9,500
16 SALES-OTHER	830	830	830	830	830	830	830	830	830	830	830	830	9,960
18 SALES-SERVICES	830	830	830	830	830	830	830	830	830	830	830	830	9,960
22 BUTCHER SHOP SALES	14,904	14,904	12,879	12,879	12,879	17,424	21,570	21,570	21,570	17,025	14,904	14,904	197,408
28 RESTAURANT SALES	9,900	9,900	11,550	11,550	16,500	24,750	24,750	16,500	11,550	9,900	9,900	8,250	65,000

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 DATE: 6/17/81 9139
 DATA-BASE: 2
 RUN NO. 1 9

COUNTRY FOODS
 SALES IN POUNDS
 (YEAR 2)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 LBS. SOLD-MUSKOX	2,250	2,250	2,250	2,250	4,500	9,000	9,000	9,000	9,000	4,500	4,500	4,500	63,000
4 LBS. SOLD-CARIBOU	1,800	1,800	900	900	900	900	900	900	900	900	3,000	3,000	16,800
6 LBS. SOLD-RABBIT	255	255	255	255	255	255	425	425	425	425	425	425	4,080
8 LBS. SOLD-CHAR(P)	625	625	625	625	625	625	1,250	1,250	1,250	1,250	625	625	10,000
10 LBS. SOLD-CHAR(A)	125	125	125	125	125	125	250	250	250	250	125	125	2,000
12 LBS. SOLD-TROUT	313	313	313	313	313	313	1,000	1,000	1,000	1,000	500	500	6,875
14 LBS. SOLD-WHITEFISH	625	625	625	625	625	625	1,500	1,500	1,500	1,500	750	750	11,250

9.39.33 06/17/81

SALES IN DOLLARS
 (YEAR 2)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 SALES-MUSKOX	4,635	4,635	4,635	4,635	9,270	18,540	18,540	18,540	18,540	9,270	9,270	9,270	129,780
4 SALES-CARIBOU	4,392	4,392	2,196	2,196	2,196	2,196	2,196	2,196	2,196	2,196	7,320	7,320	40,992
6 SALES-RABBIT	502	502	502	502	502	502	837	837	837	837	837	837	8,038
8 SALES-CHAR(P)	2,162	2,162	2,162	2,162	2,162	2,162	4,325	4,325	4,325	4,325	2,162	2,162	34,600
10 SALES-CHAR(A)	309	309	309	309	309	309	617	617	617	617	309	309	4,940
12 SALES-TROUT	1,081	1,081	1,081	1,081	1,081	1,081	3,460	3,460	3,460	3,460	1,730	1,730	23,787
14 SALES-WHITEFISH	594	594	594	594	594	594	1,425	1,425	1,425	1,425	712	712	10,687
16 SALES-OTHER	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245	14,940
18 SALES-SERVICES	996	996	996	996	996	996	996	996	996	996	996	996	11,952
22 BUTCHER SHOP SALE 5	15,917	15,917	13,721	13,721	18,356	27,626	33,642	33,642	33,642	24,372	24,582	24,582	219,717
28 RESTAURANT SALES	10,920	10,920	12,740	12,740	18,200	27,300	27,300	18,200	12,740	10,920	10,920	9,100	182,000

9.34.36 06/17/81

COUNTRY FOODS
SALES IN POUNDS

(YEAR 3)

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
4,500	4,500	4,500	4,500	5,625	11,250	11,250	11,250	11,250	5,625	5,625	5,625	85,500
3,000	3,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	4,500	4,500	27,000
425	425	425	425	425	425	638	638	638	638	638	638	6,375
625	625	625	625	625	625	1,250	1,250	1,250	1,250	625	625	10,000
125	125	125	125	125	125	250	250	250	250	125	125	2,000
500	500	500	500	500	500	1,375	1,375	1,375	1,375	688	688	9,875
750	750	750	750	750	750	1,875	1,875	1,875	1,875	938	938	13,875

SALES IN DOLLARS

(YEAR 3)

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
9,315	9,315	9,315	9,315	11,644	23,288	23,288	23,288	23,288	11,644	11,644	11,644	176,985
7,110	7,110	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	10,665	10,665	63,990
837	837	837	837	837	837	1,256	1,256	1,256	1,256	1,256	1,256	12,559
2,162	2,162	2,162	2,162	2,162	2,162	4,325	4,325	4,325	4,325	2,162	2,162	34,600
309	309	309	309	309	309	617	617	617	617	309	309	4,940
1,730	1,730	1,730	1,730	1,730	1,730	4,757	4,757	4,757	4,757	2,379	2,379	34,167
712	712	712	712	712	712	1,781	1,781	1,781	1,781	891	891	13,181
1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	19,920
1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	13,944
24,990	24,990	21,443	21,443	23,772	35,415	42,402	42,402	42,402	30,758	32,127	32,127	374,286
12,000	12,000	14,000	14,000	20,000	30,000	30,000	20,000	14,000	12,000	12,000	10,000	200,000

COUNTRY FOODS
INVENTORY IN DOLLARS

REPORT NO. 0
DATE: 6/17/01 9154
DATA-BASE: 2
RUN NO. 19

(YEAR 1)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2 LBS. - MUSKOX	0,750	6,500	4,250	2,000	35,750	31,250	26,750	22,250	17,750	15,500	13,250	11,000
4 LBS. - CARIBOU	9,200	7,400	7,940	7,760	6,860	5,960	5,060	4,160	3,260	2,360	6,320	10,200
6 LBS. - RABBIT	2,445	2,490	2,235	1,980	1,725	1,470	1,215	960	1,005	1,350	1,695	2,040
8 LBS. - CHAK(F)	3,875	3,250	2,625	2,000	1,375	750	3,500	6,250	7,000	5,750	5,125	4,500
10 LBS. - CHAK(A)	1,075	950	825	700	575	450	1,200	1,950	1,700	1,450	1,325	1,200
12 LBS. - TROU	2,108	1,875	1,563	1,250	930	625	2,500	3,875	3,750	3,125	2,012	2,500
14 LBS. - WHITEFISH	4,375	3,750	3,125	2,500	1,875	1,250	5,000	7,750	7,500	6,250	5,625	5,000

(YEAR 2)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2 LBS. - MUSKOX	8,750	6,500	4,250	2,000	51,500	42,500	33,500	24,500	15,500	11,000	24,500	20,000
4 LBS. - CARIBOU	8,480	6,680	7,220	7,040	6,140	5,240	4,340	3,440	2,540	1,640	8,240	14,840
6 LBS. - RABBIT	2,385	2,430	2,175	1,920	1,665	1,410	985	560	635	1,210	1,785	2,360
8 LBS. - CHAK(F)	3,875	3,250	2,625	2,000	1,375	750	3,500	6,250	7,000	5,750	5,125	4,500
10 LBS. - CHAK(A)	1,075	950	825	700	575	450	1,200	1,950	1,700	1,450	1,325	1,200
12 LBS. - TROU	2,187	1,875	1,562	1,250	937	625	3,625	5,825	5,625	4,625	4,125	3,625
14 LBS. - WHITEFISH	4,375	3,750	3,125	2,500	1,875	1,250	5,750	9,050	8,750	7,250	6,500	5,750

(YEAR 3)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2 LBS. - MUSKOX	15,500	11,000	6,500	2,000	63,875	52,625	41,375	30,125	18,875	13,250	30,125	24,500
4 LBS. - CARIBOU	11,840	8,840	9,740	9,440	7,940	6,440	4,940	3,440	1,940	440	10,340	20,240
6 LBS. - RABBIT	2,935	3,010	2,585	2,160	1,735	1,310	672	35	147	1,010	1,872	2,735
8 LBS. - CHAK(F)	3,875	3,250	2,625	2,000	1,375	750	3,500	6,250	7,000	5,750	5,125	4,500
10 LBS. - CHAK(A)	1,075	950	825	700	575	450	1,200	1,950	1,700	1,450	1,325	1,200
12 LBS. - TROU	3,125	2,625	2,125	1,625	1,125	625	4,750	7,775	7,500	6,125	5,437	4,750
14 LBS. - WHITEFISH	5,000	4,250	3,500	2,750	2,000	1,250	6,875	11,000	10,625	8,750	7,812	6,875

APPENDIX 2

PRO FORMA INCOME STATEMENTS & BALANCE SHEETS

DATE: 7/31/01 10:03
 DATA-BASE: 3
 RUN NO.: 12

COUNTRY FOODS
 INCOME STATEMENT
 ALTERNATIVE
 Year 1

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 RESTAURANT SALES	9,900	9,900	11,550	11,550	16,500	24,750	24,750	16,500	11,550	9,900	9,900	8,250	165,000
3 BUTCHER SHOP SALES	14,904	14,904	12,879	12,879	12,879	17,424	21,570	21,570	21,570	17,025	14,904	14,904	197,408
10 TOTAL SALES	24,804	24,804	24,429	24,429	29,379	42,174	46,320	38,070	33,120	26,925	24,804	23,154	362,408
12 PURCH.-REST.	3,762	3,762	4,389	4,389	6,270	9,405	9,405	6,270	4,389	3,762	3,762	3,135	62,705
13 PURCH.-BUTCHER	740	740	2,096	1,040	42,520	200	18,250	18,100	8,020	2,140	6,124	5,724	108,632
14 LABOUR-REST.	4,488	4,488	4,488	4,488	4,488	4,488	4,488	4,488	4,488	4,488	4,488	4,488	53,856
15 LABOUR-BUTCHER	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	22,056
16 SUPPLIES-BUTCHER	745	745	644	644	644	871	1,078	1,078	1,078	851	745	745	9,870
20 TOTAL COST OF SALES	11,574	11,504	13,455	12,407	55,760	16,803	35,060	31,775	19,814	13,080	16,958	15,931	254,119
21 GROSS MARGIN	13,230	13,300	10,973	12,021	-26,382	25,371	11,260	6,295	13,306	13,845	7,846	7,223	108,289
24 TRANSPORT-BUTCHER	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
25 ADVERTISING-REST.	133	133	133	133	133	133	133	133	133	133	133	133	1,598
26 ADVERTISING-BUTCHER	200	200	200	200	200	200	200	200	200	200	200	200	2,398
30 TOTAL SELLING EXPENSE	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	15,996
32 OPERATING-REST.	467	467	467	467	467	467	467	467	467	467	467	467	5,598
33 OPERATING-BUTCHER	467	467	467	467	467	467	467	467	467	467	467	467	5,598
34 MAINTENANCE-REST.	279	279	279	279	279	279	279	279	279	279	279	279	3,348
35 MAINTENANCE-BUTCHER	279	279	279	279	279	279	279	279	279	279	279	279	3,348
36 OFFICE-REST.	173	173	173	173	173	173	173	173	173	173	173	173	2,078
37 OFFICE-BUTCHER	260	260	260	260	260	260	260	260	260	260	260	260	3,118
40 TOTAL G e A	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	23,008
56 DEPREC.-BUTCHER BLDG.	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	12,885
57 DEPREC.-REST. BLDG.	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	12,885
58 DEPREC-BUTCHER EQUIP	337	337	337	337	337	337	337	337	337	337	337	337	4,038
59 DEPREC-REST.EQUIP	330	330	330	330	330	330	330	330	330	330	330	330	3,958
60 TOTAL DEPRECIATION	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	33,747
61 OPERATING INCOME	7,159	7,229	4,902	5,950	-32,453	19,300	5,189	224	7,235	7,774	1,775	1,152	35,439
69 INTEREST; S-T DEBT	6,017	5,986	5,932	5,908	5,870	6,343	6,133	6,108	6,149	6,097	6,037	6,056	72,636
70 EARNINGS BEFORE TAXES	1,142	1,243	-1,030	42	-38,323	12,957	-944	-5,884	1,086	1,677	-4,262	-4,904	-37,198
72 OTHER TAXES	1,604												1,604
73 NET INCOME	-462	1,243	1,030	42	-38,323	12,957	-944	-5,884	1,086	1,677	-4,262	-4,904	30,002
77 ADJUST TO I&E	-462	1,243	1,030	42	-38,323	12,957	-944	-5,884	1,086	1,677	-4,262	-4,904	-30,802

DATE: 7/31/81 10:17
 BALANCE: 3
 RUN NO.: 12

COUNTRY FOODS
 INCOME STATEMENT
 ALTERNATIVE 1
 Year 2

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 RESTAURANT SALES	10,920	10,920	12,740	12,740	18,200	27,300	27,300	18,200	12,740	10,920	10,920	9,100	182,000
3 BUTCHER SHOP SALES	15,917	15,917	13,721	13,721	18,356	27,626	33,642	33,642	33,642	24,372	24,582	24,582	279,717
10 TOTAL SALES	26,837	26,837	26,461	26,461	36,556	54,926	60,942	51,842	46,382	35,292	35,502	33,682	461,717
12 PURCH.-REST.	4,150	4,150	4,042	4,042	6,916	10,374	10,374	6,916	4,042	4,150	4,150	3,450	69,165
13 PURCH.-BUTCHER	840	870	2,496	1,248	63,780	300	22,000	21,900	9,950	3,300	31,200	9,540	167,424
14 LABOUR-REST.	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	56,767
15 LABOUR-BUTCHER	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	27,965
16 SUPPLIES-BUTCHER	796	796	686	686	918	1,381	1,682	1,682	1,682	1,219	1,229	1,229	13,986
20 TOTAL COST OF SALES	12,847	12,877	15,085	13,837	70,675	19,117	41,117	37,559	23,535	15,730	43,640	21,208	335,306
21 GROSS MARGIN	13,990	3,960	1,376	12,624	-42,120	35,809	19,824	14,282	22,847	19,562	-8,138	12,394	126,410
24 TRAVEL-BUTCHER	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
25 ADVERTISING-REST.	133	133	133	133	133	133	133	133	133	133	133	133	1,598
26 ADVERTISING-BUTCHER	200	200	200	200	200	200	200	200	200	200	200	200	2,398
30 TOTAL SELLING EXPENSE	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	15,996
32 OPERATING-REST.	467	467	467	467	467	467	467	467	467	467	467	467	5,598
33 OPERATING-BUTCHER	467	467	467	467	467	467	467	467	467	467	467	467	5,598
34 MAINTENANCE-REST.	279	279	279	279	279	279	279	279	279	279	279	279	3,348
35 MAINTENANCE-BUTCHER	279	279	279	279	279	279	279	279	279	279	279	279	3,348
36 OFFICE-REST.	173	173	173	173	173	173	173	173	173	173	173	173	2,078
37 OFFICE-BUTCHER	260	260	260	260	260	260	260	260	260	260	260	260	3,118
40 TOTAL G e A	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	23,088
56 DEPREC.-BUTCHER BLDG	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	12,885
57 DEPREC-REST.BLDG.	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	12,885
58 DEPREC-BUTCHER EQUIP	337	337	337	337	337	337	337	337	337	337	337	337	4,038
59 DEPREC-REST.EQUIP	330	330	330	330	330	330	330	330	330	330	330	330	3,958
60 TOTAL DEPRECIATION	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	33,767
61 OPERATING INCOME	7,999	7,889	5,305	6,553	-48,911	29,738	3,753	8,211	16,776	3,491	-14,209	6,323	53,559
69 INTEREST S-T DEF	6,084	6,084	5,582	5,953	5,908	6,590	6,245	6,107	6,042	5,862	5,723	5,951	72,491
70 EARNINGS BEFORE TAXES	1,835	1,805	-677	600	-54,099	23,148	7,508	2,104	10,734	7,629	-19,932	372	-18,932
72 OTHER TAXES	1,604												1,604
73 NET INCOME	231	1,805	677	600	-54,099	23,148	7,508	2,104	10,734	7,629	-19,932	372	-20,536
77 ADDITIONS TO NET	231	1,805	677	600	-54,099	23,148	7,508	2,104	10,734	7,629	-19,932	372	-20,536

COUNTRY FOODS
 INCOME STATEMENT
 ALTERNATIVE 1
 Year 3

DATE: //31/81 12:20
 DATA-BASE: 3
 RDR NO.: 12

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 RESTAURANT SALES	12,000	12,000	14,000	14,000	20,000	30,000	30,000	20,000	14,000	12,000	12,000	10,000	200,000
3 BUTCHER SHOP SALES	24,998	24,998	21,443	21,443	23,772	35,415	42,402	42,402	42,402	30,758	32,127	32,127	374,206
10 TOTAL SALES	36,998	36,998	35,443	35,443	43,772	65,415	72,402	62,402	56,402	42,758	44,127	42,127	574,206
12 PURCH.-REST.	4,560	4,560	5,320	5,320	7,600	11,400	11,400	7,600	5,320	4,560	4,560	3,000	76,000
13 PURCH.-BUTCHER	1,300	1,250	3,760	1,000	7,775	400	25,125	25,000	12,000	4,550	41,435	14,310	212,705
14 LABOR-REST.	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	56,767
15 LABOR-BUTCHER	4,231	4,231	4,231	4,231	4,231	4,231	4,231	4,231	4,231	4,231	4,231	4,231	50,777
16 SUPPLIES-BUTCHER	1,250	1,250	1,072	1,072	1,189	1,771	2,120	2,120	2,120	1,530	1,605	1,605	18,714
20 TOTAL COST OF SALES	16,072	16,072	19,115	17,235	22,535	40,567	40,567	44,682	30,402	19,610	55,564	28,679	415,048
21 GROSS MARGIN	20,926	20,926	16,328	18,208	21,237	24,848	31,835	17,719	27,999	23,148	12,436	13,449	159,239
24 TRANSFERT-BUTCHER	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
25 ADVERTISING-REST.	133	133	133	133	133	133	133	133	133	133	133	133	1,598
26 ADVERTISING-BUTCHER	200	200	200	200	200	200	200	200	200	200	200	200	2,398
30 TOTAL SELLING EXPENSE	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	15,996
32 OPERATING-REST.	467	467	467	467	467	467	467	467	467	467	467	467	5,598
33 OPERATING-BUTCHER	467	467	467	467	467	467	467	467	467	467	467	467	5,598
34 MAINTENANCE-REST.	279	279	279	279	279	279	279	279	279	279	279	279	3,348
35 MAINTENANCE-BUTCHER	279	279	279	279	279	279	279	279	279	279	279	279	3,348
36 OFFICE-REST.	173	173	173	173	173	173	173	173	173	173	173	173	2,078
37 OFFICE-BUTCHER	260	260	260	260	260	260	260	260	260	260	260	260	3,110
40 TOTAL G e A	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	23,000
56 DEPREC.-BUTCHER BLDG.	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	12,885
57 DEPREC.-REST. BLDG.	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	12,885
58 DEPREC.-BUTCHER EQUIP	337	337	337	337	337	337	337	337	337	337	337	337	4,038
59 DEPREC.-REST. EQUIP	330	330	330	330	330	330	330	330	330	330	330	330	3,958
60 TOTAL DEPRECIATION	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	33,767
61 OPERATING INCOME	14,855	14,905	10,258	12,130	18,325	36,811	17,723	11,648	21,928	17,077	10,507	7,378	86,387
62 INTEREST: S-T DEBT	5,908	6,039	5,884	5,788	5,665	6,500	6,059	5,867	5,753	5,500	5,409	5,588	69,861
70 EARNINGS BEFORE TAXES	8,947	8,866	4,374	6,350	12,660	30,311	11,664	5,781	16,175	11,577	5,098	1,790	16,526
72 OTHER TAXES	1,604												1,604
73 NET INCOME	7,343	8,866	4,374	6,350	12,660	30,311	11,664	5,781	16,175	11,577	5,098	1,790	14,922
77 AM ORS TO R/E	7,343	8,866	4,374	6,350	12,660	30,311	11,664	5,781	16,175	11,577	5,098	1,790	14,922

DATE: 7/31/8 10107
 DATA-BASE: 3
 RUN NO. 3-12

COUNTRY FOODS
 BALANCE SHEET
 ALTERNATIVE
 Year 1

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
101 TOTAL INVENTORY	37,737	30,993	26,086	20,531	56,448	47,612	54,495	59,628	54,281	46,086	44,797	43,500
102 ADD'L WORKING CAP.	37,263	44,007	48,914	54,469	18	27,388	20,505	15,372	20,719	28,914	30,203	31,492
105 TOTAL CURRENT ASSETS	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
107 IN CLERK EUI DIRS	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500
108 RESTAURAN BUILDING	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500
109 BUTCHER EQUIP	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400
110 RESTAURAN EQUIP	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600
112 CASH	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000
117 ACC.DEF-BUTCHER EUI	1,074	2,148	3,221	4,295	5,369	6,443	7,516	8,590	9,664	10,738	11,812	12,885
118 ACC.DEF-REST.BUILD	1,074	2,148	3,221	4,295	5,369	6,443	7,516	8,590	9,664	10,738	11,812	12,885
119 ACC.DEF-BUTCHER EQUIP	337	673	1,010	1,346	1,683	2,019	2,356	2,692	3,029	3,365	3,702	4,038
120 ACC.DEF-REST.EQUIP	330	660	990	1,319	1,649	1,979	2,309	2,639	2,969	3,299	3,629	3,958
126 TOTAL DEFR RESERVE	2,014	5,628	8,442	1,256	14,070	16,884	19,698	22,512	25,326	28,139	30,953	33,767
127 TOTAL NET DEF ASSETS	694,186	691,372	688,558	685,744	682,930	680,116	677,302	674,488	671,674	668,861	666,047	663,233
135 TOTAL ASSETS	769,816	766,372	763,558	760,744	757,930	755,116	752,302	749,488	746,674	743,861	741,047	738,233
14 SHOR RM DEBT	450,077	446,020	444,236	441,380	476,888	461,117	247	462,317	458,477	453,926	455,374	457,464
150 CURRENT LIAB	450,077	446,020	444,236	441,380	476,888	461,117	459,247	462,317	458,477	453,926	455,374	457,464
160 TOTAL LIAB	450,077	446,020	444,236	441,380	476,888	461,117	459,247	462,317	458,477	453,926	455,374	457,464
162 EQUITY	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400
164 GRANT	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171
165 RETAINED EARNINGS	-462	781	-249	-206	-38,529	-25,572	-26,516	-32,400	-31,314	-29,637	-33,898	-38,802
166 TOTAL EQUITY	319,109	320,352	319,322	319,365	281,042	293,999	293,055	287,171	288,257	289,934	285,673	280,769
167 TOTAL LIAB & EQUITY	769,186	766,372	763,558	760,744	757,930	755,116	752,302	749,488	746,674	743,861	741,047	738,233

COUNTRY FOODS
BALANCE SHEETDATE: 7/31/81 10:11
DATA-BASE: 3
RUN NO.: 12ALTERNATIVE 1
Year 2

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
101 TOTAL INVENTORY	37,035	30,291	25,384	19,829	74, 73	60,072	64,350	66, 27	55,355	43,797	63,050	61,242
102 ADD'L WORKING CAP.	37,965	44,709	49,616	55,171	027	14,928	10,650	8,873	19,645	31,203	11,950	13,758
105 TOTAL CURRENT ASSETS	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
107 BUTCHER BUILDING	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500
108 RESTAURANT BUILDING	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500
109 BUTCHER EQUIP	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400
110 RESTAURANT EQUIP	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600
112 LAND	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000
117 ACC. DEP.-BUTCHER BLDG.	13,959	15,033	16,107	17,180	18,254	19,328	20,402	21,475	22,549	23,623	24,697	25,771
118 ACC. DEP.-REST. BLDG.	13,959	15,033	16,107	17,180	18,254	19,328	20,402	21,475	22,549	23,623	24,697	25,771
119 ACC. DEP.-BUTCHER EQUIP	4,375	4,711	5,048	5,385	5,721	6,058	6,394	6,731	7,067	7,404	7,740	8,077
120 ACC. DEP.-REST. EQUIP	4,288	4,618	4,948	5,278	5,608	5,938	6,267	6,597	6,927	7,257	7,587	7,917
126 TOTAL DEPR RESERVE	36,581	39,395	42,209	45,023	47,837	50,651	53,465	56,279	59,093	61,907	64,721	67,535
127 TOTAL NET DEF ASSETS	660,419	657,605	654,791	651,977	649,163	646,349	643,535	640,721	637,907	635,093	632,279	629,465
135 TOTAL ASSETS	735,419	732,605	729,791	726,977	724,163	721,349	718,535	715,721	712,907	710,093	707,279	704,465
14 SHORT TERM DEB	454,419	449,761	447,624	444,210	495,494	469,532	459,210	454,292	440,744	430,300	447,418	444,233
150 CURRENT LIAB	454,419	449,761	447,624	444,210	495,494	469,532	459,210	454,292	440,744	430,300	447,418	444,233
160 TOTAL LIAB	454,419	449,761	447,624	444,210	495,494	469,532	459,210	454,292	440,744	430,300	447,418	444,233
162 EQUITY	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400
164 GRANT	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171
165 RETAINED EARNINGS	-30,572	-36,727	-37,404	-36,804	-90,902	-67,754	-60,246	-58,142	-47,408	-39,778	-59,710	-59,339
166 TOTAL EQUITY	200,999	202,844	202,167	202,767	228,669	251,817	259,325	261,429	272, 63	279,793	259,861	260,232
167 TOTAL LIAB & EQUITY	735,419	732,605	729,791	726,977	724,163	721,349	718,535	715,721	712,907	710,093	707,279	704,465

COUNTRY FOODS
BALANCE SHEET
ALTERNATIVE 1
Year 3

DATE: 7/31/01 10:14
DATA-BASE: 3
RUN NO.: 12

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
101 TOTAL INVENTORY	50,795	39,897	32,060	23,142	90,804	72,909	76,916	77,599	63,481	49,295	75,209	74,799
102 ADP'L WORKING CAP.	44,205	55,103	62,940	71,858	4,196	22,091	18,084	17,401	31,519	45,705	19,791	20,201
105 TOTAL CURRENT ASSETS	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
107 BUTCHER BUILDING	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500
108 RESTAURANT BUILDING	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500	257,500
109 BUTCHER EQUIP	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400	40,400
110 RESTAURANT EQUIP	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600
112 LAND	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000
117 ACC. DEP-BUTCHER BLDG.	26,844	27,918	28,992	30,066	31,139	32,213	33,287	34,361	35,435	36,508	37,582	38,656
118 ACC. DEP-REST. BLDG.	25,844	27,918	28,992	30,066	31,139	32,213	33,287	34,361	35,435	36,508	37,582	38,656
119 ACC. DEP-BUTCHER EQUIP	8,413	8,750	9,086	9,423	9,759	10,096	10,432	10,769	11,106	11,442	11,779	12,115
120 ACC. DEP-REST. EQUIP	8,247	8,577	8,906	9,236	9,566	9,896	10,226	10,556	10,886	11,216	11,545	11,875
126 TOTAL DEFR RESERVE	70,349	73,163	75,977	78,791	81,605	84,418	87,232	90,046	92,860	95,674	98,488	101,302
127 TOTAL NET DEF ASSETS	626,651	623,837	621,023	618,209	615,395	612,582	609,768	606,954	604,140	601,326	598,512	595,698
135 TOTAL ASSETS	721,651	718,837	716,023	713,209	710,395	707,582	704,768	701,954	699,140	696,326	693,512	690,698
141 SHORT TERM DEBT	454,076	442,397	435,209	426,046	488,723	455,598	441,119	432,524	413,535	399,145	420,147	415,544
150 CURRENT LIAB	454,076	442,397	435,209	426,046	488,723	455,598	441,119	432,524	413,535	399,145	420,147	415,544
160 TOTAL LIAB	454,076	442,397	435,209	426,046	488,723	455,598	441,119	432,524	413,535	399,145	420,147	415,544
162 EQUITY	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400
164 GRANT	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171	163,171
165 RETAINED EARNINGS	-51,996	-43,130	-38,757	-32,407	-97,099	-67,507	-55,923	-50,142	-33,967	-22,390	-46,206	-44,417
166 TOTAL EQUITY	267,575	276,441	280,814	287,164	221,672	251,984	263,648	269,429	285,604	297,181	273,365	275,154
167 TOTAL LIAB & EQUITY	721,651	718,837	716,023	713,209	710,395	707,582	704,768	701,954	699,140	696,326	693,512	690,698

COUNTRY FOODS
 INCOME STATEMENT
 ALTERNATIVE 2
 Year 1

DATE: 7/31/81 0 40
 DATA-BASE: 2
 RUN NO.: 16

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 RESTAURANT SALES	9,900	9,900	11,550	11,550	16,500	24,750	24,750	16,500	11,550	9,900	9,900	8,250	165,000
3 BUTCHER SHOP SALES	14,904	14,904	12,879	12,879	12,879	17,424	21,570	21,570	21,570	17,025	14,904	14,904	197,400
10 TOTAL SALES	24,804	24,804	24,429	24,429	29,379	42,174	46,320	38,070	33,120	26,925	24,804	23,154	362,400
12 PURCH.-REST.	3,762	3,762	4,309	4,309	6,270	9,405	9,405	6,270	4,309	3,762	3,762	3,135	62,705
13 PURCH.-BUTCHER	740	740	2,096	1,048	42,530	200	18,250	18,100	0,020	2,140	6,124	5,724	105,632
14 LABOUR-REST.	4,408	4,408	4,408	4,408	4,408	4,408	4,408	4,408	4,408	4,408	4,408	4,408	53,856
15 LABOUR-BUTCHER	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	22,056
16 SUPPLIES-BUTCHER	745	745	644	644	644	871	1,078	1,078	1,078	851	745	745	9,870
20 TOTAL COST OF SALES	11,574	11,504	13,455	12,407	55,760	16,803	35,060	31,775	19,844	13,080	16,958	15,931	254,119
21 GROSS MARGIN	13,230	13,300	10,973	12,021	-26,382	25,371	11,260	6,295	13,306	13,845	7,846	7,223	108,289
24 TRANSPORT-BUTCHER	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
25 ADVERTISING-REST.	133	133	133	133	133	133	133	133	133	133	133	133	1,558
26 ADVERTISING-BUTCHER	200	200	200	200	200	200	200	200	200	200	200	200	2,398
30 TOTAL SELLING EXPENSE	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	15,996
32 OPERATING-REST.	467	467	467	467	467	467	467	467	467	467	467	467	5,598
33 OPERATING-BUTCHER	467	467	467	467	467	467	467	467	467	467	467	467	5,598
34 MAINTENANCE-REST.	279	279	279	279	279	279	279	279	279	279	279	279	3,348
35 MAINTENANCE-BUTCHER	279	279	279	279	279	279	279	279	279	279	279	279	3,348
36 OFFICE-REST.	173	173	173	173	173	173	173	173	173	173	173	173	2,078
37 OFFICE-BUTCHER	260	260	260	260	260	260	260	260	260	260	260	260	3,118
40 TOTAL G e A	924	924	924	924	924	924	924	924	924	924	924	924	11,088
56 DEPREC.-BUTCHER BLDG.	740	740	740	740	740	740	740	740	740	740	740	740	8,882
57 DEPREC-REST. BLDG.	740	740	740	740	740	740	740	740	740	740	740	740	8,882
58 DEPREC-BUTCHER EQUIP	337	337	337	337	337	337	337	337	337	337	337	337	4,038
59 DEPREC-REST. EQUIP	330	330	330	330	330	330	330	330	330	330	330	330	3,958
60 TOTAL DEPRECIATION	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	25,761
61 OPERATING INCOME	7,826	7,896	5,570	6,618	-31,785	19,957	5,856	891	7,902	8,441	2,442	1,819	43,444
62 OTHER INCOME	779	779	779	779	779	779	779	779	779	779	779	779	9,344
65 INTEREST	775	765	756	746	736	726	717	707	697	687	677	665	8,655
69 INTEREST: S-T DEBT	5,920	5,901	5,852	5,833	5,800	6,277	6,072	6,053	6,099	6,052	5,997	6,022	71,878
70 EARN BGS BEFORE TAXES	910	2,009	-260	817	-37,543	13,743	-154	-5,090	1,885	2,481	-3,453	-4,090	-27,745
72 OTHER TAXES	2,236												2,236
73 NET INCOME	-326	2,009	260	817	37,543	13,743	154	5,090	1,885	2,481	3,453	4,090	29,981

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COUNTRY FOODS
INCOME STATEMENT

ALTERNATIVE 2
Year 2

DATE: 7/31/01 10:44
DATA-BASE: 2
RUN NO. 1 16

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 RESTAURANT SALES	10,920	10,920	12,740	12,740	18,200	27,300	27,300	10,200	12,740	0,920	10,920	9,100	62,000
3 BUTCHER SHOP SALES	15,917	15,917	13,721	13,721	18,356	27,626	33,642	33,642	33,642	24,372	24,582	24,582	275,717
10 TOTAL SALES	26,837	26,837	26,461	26,461	36,556	54,926	60,942	51,842	46,382	35,292	35,502	33,682	461,717
12 PURCH.-REST.	4,150	4,150	4,842	4,842	6,916	10,374	10,374	6,916	4,842	4,150	4,150	3,458	62,165
13 PURCH.-BUTCHER	840	870	2,496	1,248	63,780	300	22,000	21,900	9,950	3,300	31,200	9,540	167,424
14 LABOUR-REST.	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	56,767
15 LABOUR-BUTCHER	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	27,965
16 SUPPLIES-BUTCHER	796	796	686	686	910	1,381	1,682	1,682	1,682	1,219	1,229	1,229	13,986
20 TOTAL COST OF SALES	12,847	12,877	15,085	3,837	70,675	19,117	41,117	37,559	23,535	15,730	43,640	2,288	335,306
21 GROSS MARGIN	13,990	13,960	11,376	12,624	-42,120	35,809	19,824	14,282	22,847	19,562	-8,138	12,394	126,410
24 TRANSPORT-BUTCHER	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
25 ADVERTISING-REST.	133	133	133	133	133	133	133	133	133	133	133	133	1,398
26 ADVERTISING-BUTCHER	200	200	200	200	200	200	200	200	200	200	200	200	2,398
30 TOTAL SELLING EXPENSE	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	15,996
32 OPERATING-REST.	467	467	467	467	467	467	467	467	467	467	467	467	5,598
33 OPERATING-BUTCHER	467	467	467	467	467	467	467	467	467	467	467	467	5,598
34 MAINTENANCE-REST.	279	279	279	279	279	279	279	279	279	279	279	279	3,348
35 MAINTENANCE-BUTCHER	279	279	279	279	279	279	279	279	279	279	279	279	3,348
36 OFFICE-REST.	173	173	173	173	173	173	173	173	173	173	173	173	2,070
37 OFFICE-BUTCHER	260	260	260	260	260	260	260	260	260	260	260	260	3,118
40 TOTAL G e A	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	23,000
56 DEPREC.-BUTCHER BLDG.	740	740	740	740	740	740	740	740	740	740	740	740	8,882
57 DEPREC-REST.BLDG.	740	740	740	740	740	740	740	740	740	740	740	740	8,882
58 DEPREC-BUTCHER EQUIP	337	337	337	337	337	337	337	337	337	337	337	337	4,038
59 DEPREC-REST.EQUIP	330	330	330	330	330	330	330	330	330	330	330	330	3,958
60 TOTAL DEPRECIATION	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	25,761
61 OPERATING INCOME	0,586	0,556	5,972	7,220	-47,523	30,405	14,421	0,879	17,443	14,150	-13,542	6,990	61,565
62 OTHER INCOME	779	779	779	779	779	779	779	779	779	779	779	779	9,344
65 INTEREST	656	646	636	625	615	605	594	584	573	562	552	541	7,189
69 INTEREST: S-I NET	6,055	6,029	5,972	5,950	5,910	6,598	6,259	6,127	6,068	5,894	5,762	5,996	72,620
70 EARNINGS BEFORE TAXES	2,654	2,660	143	1,424	-53,270	23,901	8,346	2,946	11,501	8,481	-19,077	1,231	-8,200
72 OTHER TAXES	2,236												2,236
73 NET INCOME	418	2,660	143	1,424	-53,270	23,901	8,346	2,946	11,501	8,481	-19,077	1,231	11,136

73 NET INCOME

COUNTRY FOODS
INCOME STATEMENT
ALTERNATIVE 2
Year 3

DATE: 7/31/01 10:48
DATA-BASE: 2
RUN NO: 16

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2 RESTAURANT SALES	12,000	12,000	14,000	14,000	20,000	30,000	30,000	20,000	14,000	12,000	12,000	10,000	200,000
3 BUTCHER SHOP SALES	24,998	24,998	21,443	21,443	23,772	35,415	42,402	42,402	42,402	30,758	32,127	32,127	374,205
10 TOTAL SALES	36,998	36,998	35,443	35,443	43,772	65,415	72,402	62,402	56,402	42,758	44,127	42,127	574,205
12 PURCH.-REST.	4,560	4,560	5,320	5,320	7,600	11,400	11,400	7,600	5,320	4,560	4,560	3,800	76,005
13 PURCH.-BUTCHER	1,300	1,250	3,760	1,800	79,775	400	26,125	26,000	12,000	4,550	41,435	14,310	212,785
14 LABOUR-REST.	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	56,767
15 LABOUR-BUTCHER	4,231	4,231	4,231	4,231	4,231	4,231	4,231	4,231	4,231	4,231	4,231	4,231	50,777
16 SUPPLIES-BUTCHER	1,250	1,250	1,072	1,072	1,189	1,771	2,120	2,120	2,120	1,538	1,605	1,605	18,714
20 TOTAL COS OF SALES	16,072	16,022	19,115	17,235	97,526	22,533	48,607	44,682	28,402	19,610	56,564	28,679	415,048
21 GROSS MARGIN	20,926	20,976	16,328	18,208	-53,754	42,882	23,794	17,719	27,999	23,148	-12,436	13,449	159,239
24 TRANSPORT-BUTCHER	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
25 ADVERTISING-REST.	133	133	133	133	133	133	133	133	133	133	133	133	1,598
26 ADVERTISING-BUTCHER	200	200	200	200	200	200	200	200	200	200	200	200	2,398
30 TOTAL SELLING EXPENSE	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	15,996
32 OPERATING-RES	467	467	467	467	467	467	467	467	467	467	467	467	5,598
33 OPERATING-BUTCHER	467	467	467	467	467	467	467	467	467	467	467	467	5,598
34 MAINTENANCE-REST.	279	279	279	279	279	279	279	279	279	279	279	279	3,348
35 MAINTENANCE-BUTCHER	279	279	279	279	279	279	279	279	279	279	279	279	3,348
36 OFFICE-REST.	173	173	173	173	173	173	173	173	173	173	173	173	2,078
37 OFFICE-BUTCHER	260	260	260	260	260	260	260	260	260	260	260	260	3,110
40 TOTAL OPERATING EXPENSE	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	23,088
56 DEPREC.-BUTCHER BLDG.	740	740	740	740	740	740	740	740	740	740	740	740	8,882
57 DEPREC-REST,BLDG.	740	740	740	740	740	740	740	740	740	740	740	740	8,882
58 DEPREC-BUTCHER EQUIP	337	337	337	337	337	337	337	337	337	337	337	337	4,038
59 DEPREC-REST,EQUIP	330	330	330	330	330	330	330	330	330	330	330	330	3,958
60 TOTAL DEPRECIATION	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	25,761
61 OPERATING INCOME	15,522	15,572	10,925	12,005	-59,158	37,479	18,390	12,315	22,595	17,744	-17,840	8,045	94,394
62 OTHER INCOME	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	14,384
65 INTEREST	530	519	508	498	486	475	454	453	442	431	419	408	5,633
69 INTEREST: S-T DEBT	5,960	6,100	5,946	5,851	5,731	6,565	6,126	5,934	5,821	5,570	5,380	5,660	70,644
70 EARNINGS BEFORE TAXES	10,231	10,152	5,669	7,654	-64,176	31,637	12,999	7,127	17,531	12,942	-22,441	3,175	32,500
72 OTHER TAXES	2,236												2,236
73 NET INCOME	7,995	10,152	5,669	7,654	-64,176	31,637	12,999	7,127	17,531	12,942	-22,441	3,175	30,264
77 ADDITIONS TO R/E	7,995	10,152	5,669	7,654	-64,176	31,637	12,999	7,127	17,531	12,942	-22,441	3,175	30,264

COUNTRY FOODS
BALANCE SHEET
ALTERNATIVE 2
Year 1

DATE: 7/31/1 12:36
DATA-BASE: 2
RUN NO.: 16

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
101 TOTAL INVENTORY	37737	30993	26086	20531	56448	47612	54495	59628	54281	46086	44797	43508
102 ADJ'L WORKING CAP.	37263	44007	489 4	54469	10552	27308	20505	15372	20719	28914	30203	31492
105 TOTAL CURRENT ASSETS	75000	75000	75000	75000	75000	75000	75000	75000	75000	75000	75000	75000
107 BUTCHER BUILDING	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500
108 RESTAURANT BUILDING	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500
109 BUTCHER EQUIP	40400	40400	40400	40400	40400	40400	40400	40400	40400	40400	40400	40400
110 RESTAURANT EQUIP	39600	39600	39600	39600	39600	39600	39600	39600	39600	39600	39600	39600
111 OTHER BLDG.	355000	355000	355000	355000	355000	355000	355000	355000	355000	355000	355000	355000
112 LAND	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000
117 ACC. DEP--BUTCHER BLDG.	740	1480	2221	2961	3701	4441	5181	5921	6662	7402	8142	8882
118 ACC. DEP--REST. BLDG.	740	1480	2221	2961	3701	4441	5181	5921	6662	7402	8142	8882
119 ACC. DEP--BUTCHER EQUIP	337	673	1010	1346	1683	2019	2356	2692	3029	3365	3702	4038
120 ACC. DEP--REST. EQUIP	330	660	990	1319	1649	1979	2309	2639	2969	3299	3639	3970
121 ACC. DEP--OTHER BLDG.	1480	2961	4441	5921	7402	8882	10362	11843	13323	14803	16284	17764
26 TOTAL DEPR RESERVE	3627	7254	10881	14508	18135	2 763	25390	29017	32644	36271	39898	43525
127 TOTAL NET DEF ASSETS	936373	932746	929119	925492	921865	9 8237	9 4610	910983	907356	903729	900102	896475
35 TOTAL ASSETS	101 373	007746	1004 19	1000492	996865	993237	989610	985983	982356	978729	975102	971475
141 SHORT TERM DEBT	443703	440002	438579	436088	434568	433042	431502	430000	428500	427000	425500	424000
150 CURRENT LIAB	443703	440002	438579	436088	434568	433042	431502	430000	428500	427000	425500	424000
151 MORTGAGE	153075	151140	149 96	47242	45278	143304	41321	139328	137325	353 2	133289	131255
160 TOTAL LIAB	596778	591 42	587775	583330	617246	599876	596403	592866	589354	586826	584289	581744
162 EQUITY	203000	203000	203000	203000	203000	203000	203000	203000	203000	203000	203000	203000
164 GRANT	211921	211921	211921	211921	211921	211921	211921	211921	211921	211921	211921	211921
165 RETAINED EARNINGS	-326	1603	1423	2240	-35303	-21560	-21714	-26804	-24919	-22438	-25891	-29981
166 TOTAL EQUITY	414595	416604	416344	417161	379618	393361	393207	388117	390002	392483	389030	384940
167 TOTAL LAB e EQUITY	011373	1007746	1004119	1000492	996865	993237	989610	985983	982356	978729	975102	971475

1

COUNTRY FOODS
BALANCE SHEET

DATE: 7/31/80 2:39
DATA-BASE: 2
RUN NO.: 16

ALTERNATIVE 2
Year 2

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
101 TOTAL INVENTORY	37035	30291	25384	19029	74173	60072	64350	66127	55355	43797	63050	61242
02 ADD' WORKING CAP.	37965	44709	49616	5571	827	14920	10650	8873	19645	31203	11950	13758
105 TOTAL CURRENT ASSETS	75000	75000	75000	75000	75000	75000	75000	75000	75000	75000	75000	75000
107 BUTCHER BUILDING	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500
108 RESTAURANT BUILDING	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500
109 BUTCHER EQUIP	40400	40400	40400	40400	40400	40400	40400	40400	40400	40400	40400	40400
110 RESTAURANT EQUIP	39600	39600	39600	39600	39600	39600	39600	39600	39600	39600	39600	39600
111 OTHER BLDG.	355000	355000	355000	355000	355000	355000	355000	355000	355000	355000	355000	355000
112 LAND	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000
117 ACC.DEF-BUTCHER BLDG.	9622	10362	11103	11843	12583	13323	14063	14803	15544	16284	17024	17764
118 ACC.DEF-REST.BLDG.	9622	10362	11103	11843	12583	13323	14063	14803	15544	16284	17024	17764
119 ACC.DEF-BUTCHER EQUIP	4375	4711	5048	5385	5721	6058	6394	6731	7067	7404	7740	8077
120 ACC.DEF-REST.EQUIP	4288	4618	4948	5278	5608	5938	6267	6597	6927	7257	7587	7917
121 ACC.DEF-OTHER BLDG.	19245	20725	22205	23686	25166	26646	28127	29607	31087	32568	34048	35528
26 TOTAL DEFER RESERVE	47152	50779	54406	58034	61661	65288	68915	72542	76169	79796	83423	87050
127 TOTAL NET DEF ASSETS	892848	88922	885594	881966	878339	874712	871085	867458	863831	860204	856577	852950
135 TOTAL ASSETS	967848	964221	960594	956966	953339	949712	946085	942458	938831	935204	931577	927950
141 SHORT TERM DEBT	453279	449046	447340	444364	441388	438412	435436	432460	429484	426508	423532	420556
150 CURRENT LIAB	453279	449046	447340	444364	441388	438412	435436	432460	429484	426508	423532	420556
151 MORTGAGE	129211	127157	125093	123018	120933	118838	116732	114616	112489	110351	108203	106044
160 TOTAL LIAB	582490	576203	572433	567382	561725	556477	551128	545779	540330	534881	529432	523983
162 EQUITY	203000	203000	203000	203000	203000	203000	203000	203000	203000	203000	203000	203000
164 GRANT	211921	211921	211921	211921	211921	211921	211921	211921	211921	211921	211921	211921
165 RETAINED EARNINGS	-29563	-26904	-24761	-22537	-20405	-18272	-16139	-14006	-11873	-9740	-7607	-5474
166 TOTAL EQUITY	385358	388977	392599	396220	400000	403779	407558	411337	415116	418896	422675	426454
167 TOTAL LIAB & EQUITY	967848	964221	960594	956966	953339	949712	946085	942458	938831	935204	931577	927950

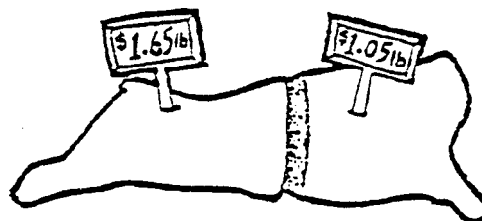
COUNTRY FOODS
BALANCE SHEET
ALTERNATIVE 2
Year 3

DATE: 7/31/01 13:42
DATA-BASE: 2
RUN NO. 116

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
10. TOTAL INVEN ORY	50795	39897	32060	23142	90804	72909	769 6	77599	63401	49295	75209	74799
02 ADD' . WORKING CAP.	44205	55103	62940	71858	4196	22091	18084	17401	31519	45705	19791	20201
105 TOTAL CURRENT ASSETS	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000
107 BUTCHER BUILDING	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500
108 RESTAURANT BUILDING	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500	177500
109 BUTCHER EQUIP	40400	40400	40400	40400	40400	40400	40400	40400	40400	40400	40400	40400
110 RESTAURANT EQUIP	39600	39600	39600	39600	39600	39600	39600	39600	39600	39600	39600	39600
111 OTHER BLDG.	355000	355000	355000	355000	355000	355000	355000	355000	355000	355000	355000	355000
112 LAND	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000
117 ACC.DEF-BUTCHER BLDG.	18504	19245	19985	20725	21465	22205	22945	23686	24426	25166	25906	26646
118 ACC.DEF-REST.BLDG.	18504	19245	19985	20725	21465	22205	22945	23686	24426	25166	25906	26646
119 ACC.DEF-BUTCHER EQUIP	8413	8750	9086	9423	9759	10096	10432	10769	11106	11442	11779	12115
120 ACC.DEF-REST.EQUIP	8247	8577	8906	9236	9566	9896	10226	10556	10886	11216	11545	11875
121 ACC.DEF-OTHER BLDG.	37009	38489	39969	41450	42930	44410	45891	47371	48852	50332	51812	53293
126 TOTAL DEFER RESERVE	90677	94305	97932	10 559	105 86	108813	112440	1 6067	19694	23321	25948	30576
27 TOTAL NET DEF ASSETS	849323	845695	842068	838441	834814	831187	827560	823933	820306	816679	813052	809424
135 TOTAL ASSETS	944323	940695	937068	933441	929814	926187	922560	918933	915306	911679	908052	904424
4 SHORT TERM DEB	458650	447052	439948	430868	493631	460592	446202	437695	418795	404495	425589	421079
150 CURRENT LIAB	458650	447052	439948	430868	493631	460592	446202	437695	418795	404495	425589	421079
15 MORTGAGE	103874	10 693	99501	97299	95085	92860	90624	88377	86119	83850	81569	79277
160 TOTAL LIAB	562524	548745	539449	528167	588716	553452	536826	526072	504914	488345	507158	500356
162 EQUITY	203000	203000	203000	203000	203000	203000	203000	203000	203000	203000	203000	203000
164 GRANT	211921	211921	211921	211921	211921	211921	211921	211921	211921	211921	211921	211921
165 RETAINED EARNINGS	-33122	-22971	-17301	-9647	-73823	-42186	-29187	-22060	-4529	8413	-14028	-10853
166 TOTAL EQUITY	381799	391950	397620	405274	341098	372735	385734	392861	4 0392	423334	400093	404068
167 TOTAL LIAB & EQUITY	944323	940695	937068	933444	929814	926187	922560	918933	915306	911679	908052	904424

APPENDIX 3

CARCASS CUT-OUT CHARTS

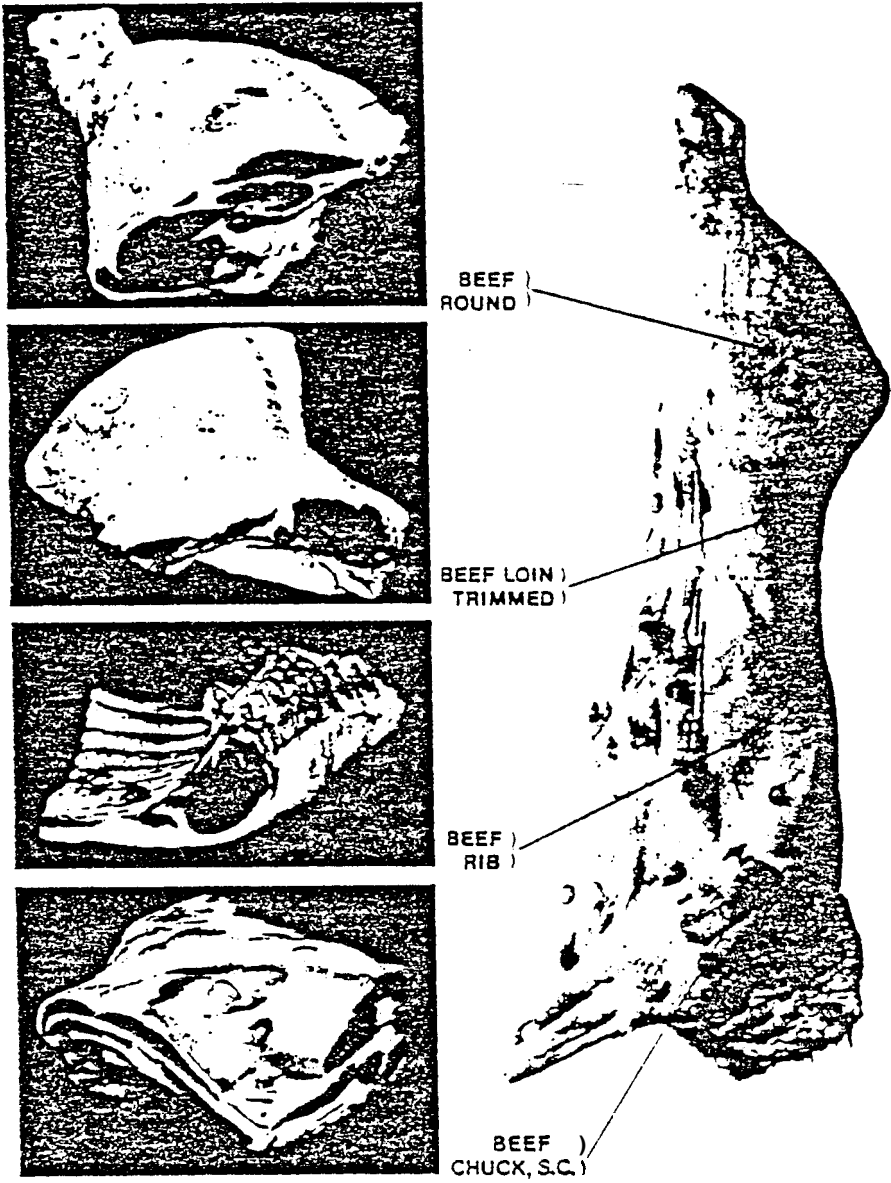


APPROXIMATE YIELD FROM A GRADE A1 OR A2 SIDE OR QUARTER
 (Based on Side Weight of 250 lbs.)

	Approx. weight you may expect (lbs.)	Percentage of the side	Percentage of the Hind Quarter	
HIND	ROUND (Steaks and Roasts)	18.5	7.4	15.5
	RUMP ROASTS	12.5	5.0	10.6
	SIRLOIN TIPROASTS	8.8	3.5	7.5
	SIRLOIN STEAKS	11.0	4.4	9.3
	PORTERHOUSE STEAKS	3.5	1.4	3.0
	T-BONE STEAKS	7.7	3.1	6.5
	WING STEAKS	4.0	1.6	3.5
	FLANK (Steak or Stewing Beef)	1.2	.5	1.1
	STEWING BEEF AND GROUND BEEF	22.5	9.0	19.0
	WASTE (fat, bone and shrink)	28.5		24.0
	118.2		100.0%	
FRONT	RIB (Roasts and Steaks)	14.2	5.7	10.8
	SHORT RIB ROASTS (may be included with Cross or Blade Rib)	10.5	4.2	7.9
	BRAISING RIBS	4.8	1.9	3.7
	CROSS RIB ROAST	12.0	4.8	9.2
	BLADE ROASTS	12.0	4.8	9.2
	SHOULDER ROASTS (may be included as Stew Beef)	6.3	2.5	4.7
	BRISKET (may be included as Ground or Stew Beef)	7.0	2.3	5.3
	SHANK	2.5	1.0	1.9
	STEWING AND GROUND BEEF	33.0	13.2	25.1
	WASTE (fat, bone and shrink)	29.5	23.2	22.2
	131.8	100.0%	100.0%	
TOTAL USEABLE MEAT	192.0			
TOTAL WASTE	58.0			
	250.0			

Figure 4.3





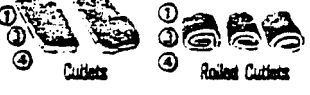



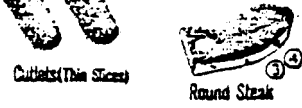









STANDARD PRIMAL BEEF CUTS

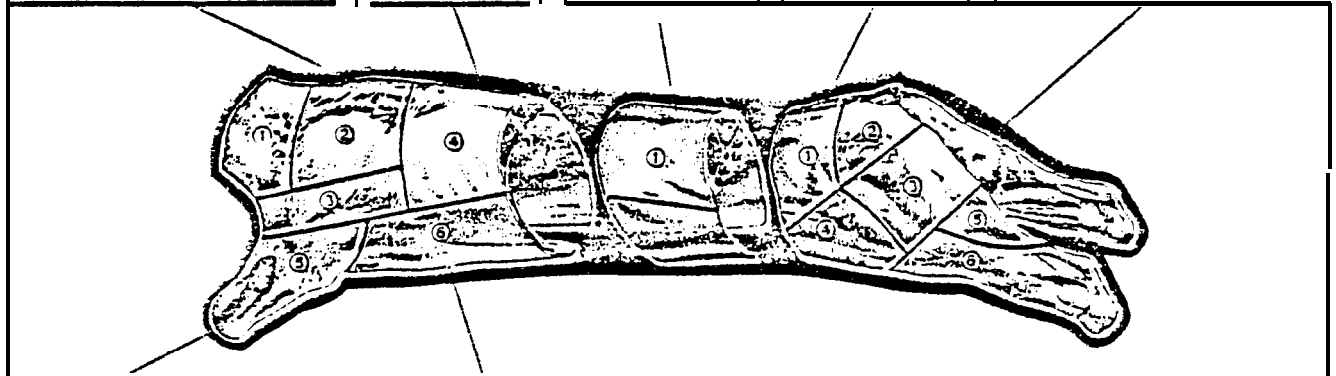








Courtesy of National Livestock and Meat Board, U.S.A.

VEAL CHART

RETAIL CUTS OF VEAL WHERE THEY COME FROM AND HOW TO COOK THEM

 <p>(Large Pieces) (Small Pieces) ①②③ for Size*</p> <p>Broil, Cook</p>	 <p>④ Boneless Rib Chop</p>	 <p>① Top Loin Chop</p>	 <p>Cubed Steak**</p>	 <p>①②③④ Cutlets ①②③④ Roiled Cutlets</p>
 <p>③ Arm Steak ② Blade Steak</p> <p>Broil, Pantry</p>	 <p>④ Rib Chop</p> <p>Broil, Pantry</p>	 <p>① Loin Chop</p>	 <p>① Sirloin Chop</p>	 <p>Cutlets (Thin Slices) Round Steak ①②</p> <p>Broil, Pantry</p>
 <p>②③ Boneless Shoulder Roast</p>	 <p>④ Crown Roast</p>	 <p>① Kidney Chop</p>	 <p>① Boneless Sirloin Roast</p>	 <p>② Boneless Rump Roast</p>
 <p>③ Arm Roast ② Blade Roast</p> <p>Roast, Broil</p>	 <p>④ Rib Roast</p> <p>Roast</p>	 <p>① Loin Roast</p> <p>Roast</p>	 <p>① Sirloin Roast</p> <p>Roast</p>	 <p>② Rump Roast ③④ Round Roast</p> <p>Roast, Broil</p>
<p>SHOULDER</p>	<p>RIB</p>	<p>LOIN</p>	<p>SIRLOIN</p>	<p>ROUND (LEG)</p>



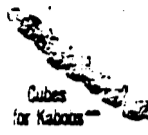








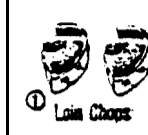


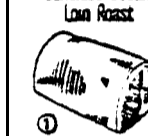

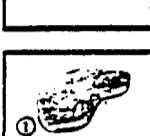



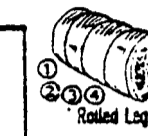


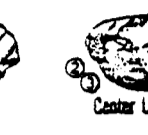

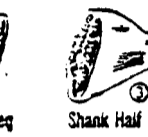

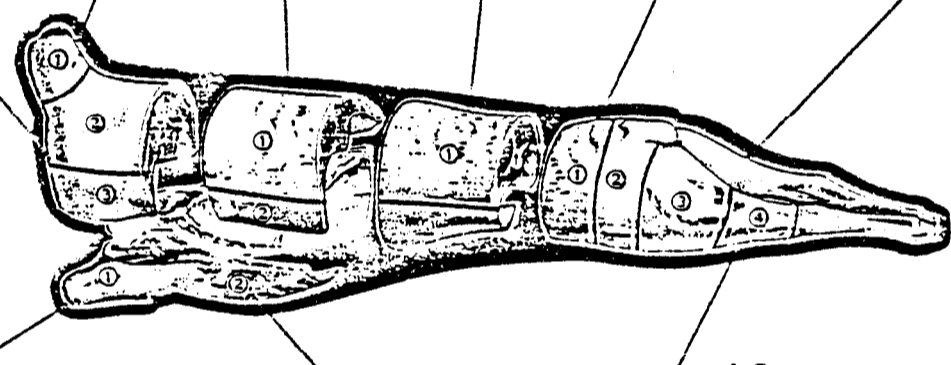

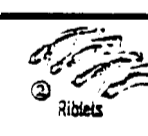


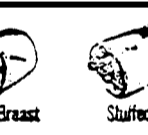

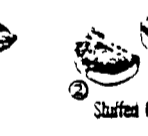

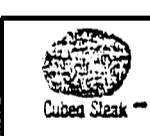
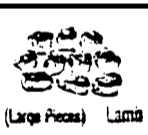
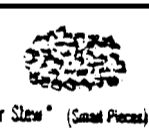


<p>SHANK</p>  <p>③ Shank</p>	<p>BREAST</p>  <p>④ Breast ⑥ Stuffed Breast</p>	<p>VEAL FOR GRINDING OR CUBING</p>  <p>Roiled Cube Steaks** Ground Veal* Patties*</p> <p>Broil Roast (Broil) Broil, Pantry</p>
 <p>③ Shank Cross Cuts</p> <p>Broil, Cook in Liquid</p>	 <p>⑥ Riblets ⑥ Boneless Riblets ⑥ Stuffed Chops</p> <p>Broil, Cook in Liquid Broil, Pantry</p>	 <p>Mock Chicken Legs* City Chicken Choplets*</p>

*Size for stew or grinding may be made from any cut.
**Cube steaks may be made from any thick solid piece of boneless veal.

This chart approved by
National Live Stock and Meat Board

LAMB CHART

RETAIL CUTS OF LAMB — WHERE THEY COME FROM AND HOW TO COOK THEM

 Cubes for Kabobs  Boneless Blade Chops (Saratoga)  Boneless Shoulder  Custom Shoulder  Square Shoulder <p>SHOULDER</p>	 Frenched Rib Chops  Rib Chops  Crown Roast  Rib Roast <p>NECK</p>	 Loin Chops  Boneless Double Loin Chop  Boneless Double Loin Roast  Loin Roast <p>LOIN</p>	 Leg Chop (Steak)  Sirloin Chop  Boneless Sirloin Roast  Sirloin Roast <p>IRLO</p>	 Combination Leg  Rolled Leg  Sirloin Half of Leg  French-Style Leg  Center Leg  American Leg  Shank Half of Leg  French-Style Leg, Sirloin Off <p>LEG</p>
				
<p>FORE SHANK</p>  Fore Shank <p>— Brown, Cook in Liquid —</p>  Riblets <p>— Brown, Cook in Liquid —</p>	<p>BREAST</p>  Breast  Rolled Breast  Stuffed Breast <p>— Roast, Brown —</p>  Spare ribs <p>— Brown, Roast (Bake) —</p>  Stuffed Chops <p>— Broil, Panbroil, Poach —</p>	<p>HIND SHANK</p>  Hind Shank <p>— Brown, Cook in Liquid —</p>  Cubed Steak <p>— Broil, Panbroil, Poach —</p>	<p>GROUND OR CUBED LAMB*</p>  (Large Pieces) Lamb for Stew*  (Small Pieces) <p>— Brown, Cook in Liquid —</p>  Lamb Patties*  Ground Lamb* <p>— Roast (Bake) —</p>	

* Lamb for stew or grinding may be made from any cut.
 ** Large or cube steaks may be made from any thick solid piece of boneless Lamb.

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