

EXHIBIT 3.1
CONNECTIONS BETWEEN THREE FINANCIAL STATEMENTS
Dollar Amounts in Thousands

		BALANCE SHEET				STATEMENT OF CASH FLOWS	
		Year-End Balances		Change During Year			
INCOME STATEMENT			ASSETS		Operating Activities		
Sales Revenue	\$52,000	\$3,265	Cash	(\$470)	Net Income (from Income Statement)	\$2,642	
Cost of Goods Sold Expense	(\$33,800)	\$5,000	Accounts Receivable	\$320	Accounts Receivable Increase	(\$320)	
Gross Margin	\$18,200	\$8,450	Inventory	\$935	Inventory Increase	(\$935)	
Selling, Gen. & Adm. Expenses	(\$12,480)	\$960	Prepaid Expenses	\$275	Prepaid Expenses Increase	(\$275)	
Depreciation Expense	(\$785)	\$16,500	Property, Plant and Equipment	\$3,050	Depreciation Expense	\$785	
Operating Earnings	\$4,935	(\$4,250)	Accumulated Depreciation	(\$785)	Accounts Payable Increase	\$645	
Interest Expense	(\$545)	\$5,575	Intangible Assets	\$575	Accrued Expenses Payable Increase	\$480	
Earnings Before Income Tax	\$4,390		Total assets	\$3,900	Income Tax Payable Increase	\$83	
Income Tax Expense	(\$1,748)				Cash Flow From Operating Activities	\$3,105	
Net Income	<u>\$2,642</u>		LIABILITIES		Investing Activities		
		\$3,320	Accounts Payable	\$645	Expenditures for property, plant and equipment	(\$3,050)	
		\$1,515	Accrued Expenses Payable	\$480	Expenditures for intangible assets	(\$575)	
		\$165	Income Tax Payable	\$83	Cash Flow From Investing Activities	(\$3,625)	
		\$3,125	Short-term Notes Payable	\$125	Financing Activities		
		\$4,250	Long-Term Notes Payable	\$500	Increasing Short-term Debt	\$125	
					Increasing Long-term Debt	\$500	
			STOCKHOLDERS' EQUITY		Issuing Additional Capital Stock Shares	\$175	
		\$8,125	Capital Stock	\$175	Cash Dividends From Profit	(\$750)	
		\$15,000	Retained Earnings	\$1,892	Cash Flow From Financing Activities	\$50	
			Total Liabilities and Stockholders Equity	\$3,900	Decrease in Cash During Year	(\$470)	