

**AMERICAN PACKAGING, INC.****SCHEDULES OF EXPENSES****Years Ended December 31, 2002 and 2001****See Independent Auditor's Report on Supplementary Information**

	<b>2002</b>	2001
Personnel Expenses:		
Office salaries	\$ 653 322	\$ 695 433
Officer salaries	400 000	480 000
Payroll taxes	39 199	41 726
Consulting fees	227 000	196 443
Professional fees	127 433	41 567
Workers' compensation	24 068	21 027
	<u>1 471 022</u>	<u>1 476 196</u>
Selling Expenses:		
Commissions	26 444	47 001
Travel and entertainment	94 003	72 034
Operating expense and supplies	47 644	56 453
Business gifts	12 023	10 002
Advertising	427 605	499 874
Bad debts	7 004	21 000
	<u>614 723</u>	<u>706 364</u>
Administrative Expenses:		
Office supplies	34 334	32 322
Postage	24 322	23 223
Telephone and telex	14 343	15 534
Insurance	69 232	53 312
Light and power	25 544	24 533
Repairs and maintenance	23 142	23 213
Protection	32 332	10 211
Depreciation and amortization	35 222	24 532
Dues and subscriptions	12 121	11 112
Bank charges and miscellaneous	2 323	4 343
Charitable contributions	3 232	3 443
Credit card charges	32 322	22 323
Computer expenses	12 333	11 122
	<u>320 802</u>	<u>259 223</u>
<b>Total expenses</b>	<u><u>\$ 2 406 547</u></u>	<u><u>\$ 2 441 783</u></u>