

Adagio Corporation, Inc.
Income Statement
As of May 31, 2005

Consolidated Departments

Income				
	Year To Date	% of Total	Year To Date Budget	% Variance
Revenue				
Revenues - Consulting	14,930.00	2.9%	357,070.34	4.2%
Product Sales	12,155.00	2.4%	61,212.02	19.9%
Sales - Bike Equipment	166,366.09	32.8%	0.00	0.0%
Sales - Golf Equipment	88,600.34	17.5%	0.00	0.0%
Sales - Kayaks	130,100.39	25.7%	0.00	0.0%
Sales - Snowboard Equipment	6,962.77	1.4%	0.00	0.0%
Sales - Windsurfing Equipment	85,680.83	16.9%	0.00	0.0%
Database Repair Revenue	0.00	0.0%	(12,500.00)	0.0%
Freight Revenue	3,625.00	0.7%	0.00	0.0%
Sales Returns - Bike Equipment	(1,675.97)	-0.3%	0.00	0.0%
Sales Returns - Windsurfing	(64.00)	-0.0%	0.00	0.0%
Revenue total	<u>\$506,680.45</u>		<u>\$405,782.36</u>	124.9%
Other income and expenses				
Discounts	(1,973.55)	124.9%	0.00	0.0%
Interest Income	399.79	-25.3%	0.00	0.0%
Writeoffs	(6.23)	0.4%	0.00	0.0%
Other income and expenses total	<u>(\$1,579.99)</u>		<u>\$0.00</u>	0.0%
Total income	<u>\$505,100.46</u>		<u>\$405,782.36</u>	124.5%
Expenses				
Cost of sales				
Subcontracted Consultants	1,500.00	0.6%	82,301.62	1.8%
COS - Software	3,775.68	1.5%	45,909.04	8.2%
COS - Bikes	83,502.34	32.1%	0.00	0.0%
COS - Golf	48,096.97	18.5%	0.00	0.0%
COS - Kayaks	72,156.27	27.7%	0.00	0.0%
COS - Snowboard	3,705.15	1.4%	0.00	0.0%
COS - Windsurfing	47,486.67	18.3%	0.00	0.0%
Inventory Assembly Cost Credit	(70.00)	-0.0%	0.00	0.0%
Cost of sales total	<u>\$260,153.08</u>		<u>\$128,210.66</u>	202.9%
Costs and expenses				
Accounting fees	684.75	0.8%	4,534.00	15.1%
Advertising	3,250.00	3.9%	13,416.64	24.2%
Bank fees	0.00	0.0%	631.20	0.0%
Communications	6,664.94	8.0%	6,642.14	100.3%
Computer expenses	0.00	0.0%	10,450.30	0.0%
Consultant Salaries	48,764.64	58.9%	60,637.58	80.4%
Contributions	0.00	0.0%	210.40	0.0%
Depreciation expense	1,448.13	1.7%	0.00	0.0%
Dues and subscriptions	56.85	0.1%	6,392.60	0.9%
Insurance - Health	6,269.20	7.6%	12,325.80	50.9%
Payroll Taxes	3,194.40	3.9%	2,995.78	106.6%
Office Expense	1,116.54	1.3%	4,989.58	22.4%
Freight	781.64	0.9%	2,501.54	31.2%
Promotional	0.00	0.0%	6,518.86	0.0%
Sales and Use Tax Expense	7,000.00	8.5%	0.00	0.0%
Utilities	3,585.08	4.3%	0.00	0.0%
Costs and expenses total	<u>\$82,816.17</u>		<u>\$132,246.42</u>	62.6%
Provision for income taxes total	<u>\$0.00</u>		<u>\$0.00</u>	0.0%
Total expenses	<u>\$342,969.25</u>		<u>\$260,457.08</u>	131.7%