

Adagio Corporation, Inc.

Projection to Budget

As of May 31, 2005

Income

| | Jan 31 05 | Feb 28 05 | Mar 31 05 | Apr 30 05 | May 31 05 | Jun 30 05 Budget | Jul 31 05 Budget | Aug 31 05 Budget | Sep 30 05 Budget | Oct 31 05 Budget | Nov 30 05 Budget | Dec 31 05 Budget | Projection | Year Budget | Variance |
|--|-----------------|-----------------|------------------|-----------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|------------------|
| Revenue | | | | | | | | | | | | | | | |
| Revenues - Consulting | 2,940 | 2,940 | 2,940 | 3,055 | 3,055 | 73,571 | 74,306 | 75,049 | 75,800 | 76,558 | 77,324 | 78,097 | 545,635 | 887,775 | (342,140) |
| Product Sales | 2,545 | 0 | 7,065 | 2,545 | 0 | 12,612 | 12,738 | 12,866 | 12,994 | 13,124 | 13,255 | 13,388 | 103,133 | 152,190 | (49,057) |
| Sales - Bike Equipment | 17,557 | 18,463 | 85,751 | 38,330 | 6,266 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 166,366 | 0 | 166,366 |
| Sales - Golf Equipment | 3,655 | 34,051 | 31,423 | 14,132 | 5,339 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 88,600 | 0 | 88,600 |
| Sales - Kayaks | 17,392 | 4,103 | 57,580 | 9,896 | 41,129 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 130,100 | 0 | 130,100 |
| Sales - Snowboard Equipment | 682 | 415 | 5,119 | 747 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,963 | 0 | 6,963 |
| Sales - Windsurfing Equipment | 16,346 | 3,254 | 64,074 | 1,038 | 968 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 85,681 | 0 | 85,681 |
| Database Repair Revenue | 0 | 0 | 0 | 0 | 0 | (2,500) | (2,500) | (2,500) | (2,500) | (2,500) | (2,500) | (2,500) | (17,500) | (30,000) | 12,500 |
| Freight Revenue | 975 | 1,275 | 1,275 | 50 | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,625 | 0 | 3,625 |
| Sales Returns - Bike Equipment | (1,040) | 0 | 0 | (636) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,676) | 0 | (1,676) |
| Sales Returns - Windsurfing | (64) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (64) | 0 | (64) |
| Revenue total | \$60,987 | \$64,501 | \$255,228 | \$69,157 | \$56,807 | \$83,683 | \$84,545 | \$85,415 | \$86,294 | \$87,182 | \$88,079 | \$88,985 | \$1,110,863 | \$1,009,965 | \$100,898 |
| Other income and expenses | | | | | | | | | | | | | | | |
| Discounts | (105) | 0 | (819) | (888) | (161) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,974) | 0 | (1,974) |
| Interest Income | 0 | 22 | 43 | 106 | 229 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 400 | 0 | 400 |
| Writeoffs | 0 | 0 | 0 | 0 | (6) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (6) | 0 | (6) |
| Other income and expenses total | (\$105) | \$22 | (\$776) | (\$783) | \$62 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$1,580) | \$0 | (\$1,580) |
| Total income | \$60,882 | \$64,523 | \$254,452 | \$68,375 | \$56,869 | \$83,683 | \$84,545 | \$85,415 | \$86,294 | \$87,182 | \$88,079 | \$88,985 | \$1,109,283 | \$1,009,965 | \$99,318 |

Expenses

| | | | | | | | | | | | | | | | |
|---------------------------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| Cost of sales | | | | | | | | | | | | | | | |
| Subcontracted Consultants | 0 | 0 | 0 | 0 | 1,500 | 4,624 | 2,800 | 4,012 | 7,524 | 6,881 | 5,722 | 9,192 | 42,255 | 1,500 | 1,500 |
| COS - Software | 0 | 0 | 1,888 | 0 | 1,888 | 9,459 | 9,554 | 9,649 | 9,746 | 9,843 | 9,942 | 10,041 | 72,009 | 3,776 | 3,776 |
| COS - Bikes | 9,848 | 8,953 | 42,508 | 18,929 | 3,264 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 83,502 | 83,502 | 83,502 |
| COS - Golf | 2,144 | 18,517 | 16,992 | 7,508 | 2,936 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 48,097 | 48,097 | 48,097 |
| COS - Kayaks | 10,492 | 2,294 | 31,121 | 6,004 | 22,246 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 72,156 | 72,156 | 72,156 |
| COS - Snowboard | 476 | 283 | 2,552 | 395 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,705 | 3,705 | 3,705 |
| COS - Windsurfing | 9,802 | 1,994 | 34,603 | 550 | 538 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 47,487 | 47,487 | 47,487 |
| Inventory Assembly Cost Credit | 0 | 0 | 0 | (70) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (70) | (70) | (70) |
| Cost of sales total | \$32,762 | \$32,040 | \$129,663 | \$33,316 | \$32,373 | \$14,083 | \$12,354 | \$13,661 | \$17,270 | \$16,725 | \$15,664 | \$19,233 | \$369,142 | \$260,153 | \$260,153 |
| Costs and expenses | | | | | | | | | | | | | | | |
| Accounting fees | 0 | 0 | 0 | 685 | 0 | 2,400 | 1,900 | 940 | 840 | 1,050 | 800 | 940 | 9,555 | 685 | 685 |
| Advertising | 650 | 650 | 650 | 650 | 650 | 1,181 | 900 | 900 | 1,262 | 900 | 900 | 900 | 10,194 | 3,250 | 3,250 |
| Bank fees | 0 | 0 | 0 | 0 | 0 | 147 | 126 | 126 | 126 | 0 | 0 | 379 | 905 | 0 | 0 |
| Communications | 1,122 | 883 | 1,118 | 982 | 2,560 | 1,579 | 788 | 1,097 | 1,902 | 1,117 | 841 | 2,611 | 16,600 | 6,665 | 6,665 |
| Computer expenses | 0 | 0 | 0 | 0 | 0 | 0 | 1,313 | 0 | 0 | 5,188 | 0 | 0 | 6,501 | 0 | 0 |
| Consultant Salaries | 0 | 0 | 0 | 24,382 | 24,382 | 17,812 | 12,561 | 13,420 | 14,386 | 14,063 | 10,200 | 3,862 | 135,069 | 48,765 | 48,765 |
| Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 | 0 | 0 | 0 | 0 | 0 | 1,000 | 0 | 0 |
| Depreciation expense | 339 | 339 | 339 | 431 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,448 | 1,448 | 1,448 |
| Dues and subscriptions | 57 | 0 | 0 | 0 | 0 | 1,108 | 3,769 | 1,017 | 12,994 | 0 | 638 | 944 | 20,526 | 57 | 57 |
| Insurance - Health | 1,254 | 1,254 | 1,254 | 1,254 | 1,254 | 5,325 | 2,633 | 2,633 | 2,633 | 9,152 | 0 | 0 | 28,646 | 6,269 | 6,269 |
| Payroll Taxes | 0 | 0 | 0 | 1,597 | 1,597 | 0 | 1,092 | 1,092 | 1,092 | 1,092 | 1,092 | 0 | 8,657 | 3,194 | 3,194 |
| Office Expense | 120 | 120 | 120 | 477 | 280 | 3,160 | 4,667 | 2,924 | 2,926 | 1,967 | 2,926 | 3,724 | 23,410 | 1,117 | 1,117 |
| Freight | 0 | 0 | 0 | 782 | 0 | 193 | 966 | 407 | 681 | 296 | 0 | 727 | 4,052 | 782 | 782 |
| Sales and Use Tax Expense | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,000 | 7,000 | 7,000 |
| Utilities | 688 | 564 | 781 | 752 | 800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,585 | 3,585 | 3,585 |
| Costs and expenses total | \$5,630 | \$5,210 | \$5,662 | \$33,392 | \$32,923 | \$32,905 | \$31,715 | \$24,557 | \$38,844 | \$34,825 | \$17,398 | \$14,086 | \$277,146 | \$82,816 | \$82,816 |
| Total expenses | \$38,392 | \$37,250 | \$135,324 | \$66,707 | \$65,296 | \$46,988 | \$44,069 | \$38,218 | \$56,113 | \$51,550 | \$33,061 | \$33,319 | \$646,288 | \$342,969 | \$342,969 |