



Financial Information

Prepared For

OVATION MUSIC & STUDIO-BOCA RATON, INC.
8194 GLADES RD
BOCA RATON, FL 33434

Quarter ending June, 2015

Tax Consulting & Preparation * Financial Reporting * Business Advice
Complete Payroll Service * Government Compliance * 125 Plan Administration
Credit Card Processing * Pension Administration * Equipment Financing
Workers Compensation Payment System (not available in all states)

Padgett Business Services

1700 Dixie Hwy 100
Boca Raton, FL 33432
T: 561-361-0115

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Transmittal Letter

TO:

OVATION MUSIC & STUDIO-BOCA RATON, INC.
8194 GLADES RD
BOCA RATON, FL 33434

We have prepared the accompanying reports of OVATION MUSIC & STUDIO-BOCA RATON, INC. as of June 30, 2015 for the 3 months then ended. The attached reports are the representation of management (owners) and for management's use only. The reports have been prepared using the same methodology used by the Company for income tax purposes.

Cordially,

Padgett Business Services
JUN. 30, 2015

OVATION MUSIC & STUDIO-BOCA RATON, INC.
BALANCE SHEET
As of June 30, 2015 and 2014

ASSETS

	2015	2014	Increase (Decrease)
CURRENT ASSETS			
PNC BANK-6219	\$ (673)	\$ 5,418	\$ (6,091)
REGIONS BANK 8602	1,155	0	1,155
PNC BANK 8581	10,116	0	10,116
PNC BANK 8602	8,023	0	8,023
Petty Cash	51	0	51
Cash In Transit	<u>687</u>	<u>580</u>	<u>107</u>
 Total Cash	 19,359	 5,998	 13,361
Inventory	<u>6,745</u>	<u>6,640</u>	<u>105</u>
 TOTAL CURRENT ASSETS	 <u>26,104</u>	 <u>12,638</u>	 <u>13,466</u>
 PROPERTY AND EQUIPMENT			
Build Out	10,662	10,662	0
Signage	663	663	0
Computer Software-Mindbody	1,047	0	1,047
Accumulated Depreciation	<u>(786)</u>	<u>(496)</u>	<u>(290)</u>
 NET PROPERTY AND EQUIPMENT	 <u>11,586</u>	 <u>10,829</u>	 <u>757</u>
 OTHER ASSETS			
Deposit-Nashville	<u>1,000</u>	<u>0</u>	<u>1,000</u>
 TOTAL OTHER ASSETS	 <u>1,000</u>	 <u>0</u>	 <u>1,000</u>
 TOTAL ASSETS	 <u><u>\$ 38,690</u></u>	 <u><u>\$ 23,467</u></u>	 <u><u>\$ 15,223</u></u>

OVATION MUSIC & STUDIO-BOCA RATON, INC.**BALANCE SHEET****As of June 30, 2015 and 2014****LIABILITIES AND EQUITY**

	2015	2014	Increase (Decrease)
CURRENT LIABILITIES			
Accrued Payroll	\$ 2,838	\$ 0	\$ 2,838
Loan Scott Rippon	10,000	0	10,000
Sales Tax Payable	236	226	10
Payroll Taxes Payable	<u>0</u>	<u>420</u>	<u>(420)</u>
TOTAL CURRENT LIABILITIES	<u>13,074</u>	<u>646</u>	<u>12,428</u>
TOTAL LIABILITIES	<u>13,074</u>	<u>646</u>	<u>12,428</u>
EQUITY			
Paid In Capital	8,017	7,814	203
CAPITAL INVESTMENT	105,035	10,000	95,035
Retained Earnings	(30,925)	17,901	(48,826)
Shareholder Drawings	(29)	(3,360)	3,331
Net Income	<u>(56,482)</u>	<u>(9,534)</u>	<u>(46,948)</u>
TOTAL EQUITY	<u>25,616</u>	<u>22,821</u>	<u>2,795</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 38,690</u>	<u>\$ 23,467</u>	<u>\$ 15,223</u>

OVATION MUSIC & STUDIO-BOCA RATON, INC.
STATEMENT OF OPERATIONS
For the 3 Months and 6 Months Ended June 30, 2015 and 2014

	3 Months Ended Jun. 30, 2015	3 Months Ended Jun. 30, 2014	% Change	6 Months Ended Jun. 30, 2015	6 Months Ended Jun. 30, 2014	% Change
Income						
NON-TAXABLE SALES	\$ 47,579	\$ 40,587	17.2	\$ 98,315	\$ 83,273	18.1
TAXABLE SALES	8,567	7,333	16.8	19,451	14,972	29.9
Merchandise & Rentals	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>	
Total Income	<u>56,146</u>	<u>47,920</u>	17.2	<u>117,766</u>	<u>98,245</u>	19.9
Cost of Goods Sold						
Cost Of Goods Sold	<u>5,693</u>	<u>2,975</u>	91.4	<u>12,137</u>	<u>10,183</u>	19.2
Total Cost of Goods Sold	<u>5,693</u>	<u>2,975</u>	91.4	<u>12,137</u>	<u>10,183</u>	19.2
Gross Profit	<u>50,453</u>	<u>44,945</u>	12.3	<u>105,629</u>	<u>88,062</u>	19.9
Operating Expenses						
Wages	15,191	3,637	317.7	26,359	6,765	289.6
Officers Salaries	7,389	895	725.6	17,048	2,195	676.7
Employer Payroll Taxes	1,491	496	200.6	3,015	981	207.3
Insurance	0	0		51	0	
Supplies	265	187	41.7	1,047	187	459.9
Legal And Accounting	4,575	1,375	232.7	23,780	3,355	608.8
Advertising And Promotion	813	150	442.0	5,750	600	858.3
Rents	13,304	7,810	70.3	22,173	30,846	(28.1)
Outside Labor	21,195	24,748	(14.4)	40,155	45,604	(11.9)
Travel	2,137	0		2,137	0	
Utilities	1,771	1,370	29.3	3,306	2,573	28.5
Licenses And Taxes	600	150	300.0	758	150	405.3
Freight	102	31	229.0	181	31	483.9
Repairs And Maintenance	138	(136)	(201.5)	258	435	(40.7)
Interest	0	0		(109)	0	
Meals And Entertainment - 50	362	0		377	0	
Bank Charges	364	0		474	1,128	(58.0)
Office	664	266	149.6	2,024	605	234.5
Miscellaneous	6,890	0		8,262	(1)	(826,300)
Dues And Subscriptions	365	0		408	0	
Credit Card Processing Fees	1,395	1,240	12.5	2,774	1,240	123.7
Storage	634	451	40.6	1,238	657	88.4
Security System	94	136	(30.9)	232	136	70.6
Lawn Maintenance	0	0		0	131	(100.0)
Computer Software	<u>0</u>	<u>0</u>		<u>442</u>	<u>0</u>	
Total Operating Expenses	<u>79,739</u>	<u>42,806</u>	86.3	<u>162,140</u>	<u>97,618</u>	66.1

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	3 Months Ended Jun. 30, 2015	3 Months Ended Jun. 30, 2014	% Change	6 Months Ended Jun. 30, 2015	6 Months Ended Jun. 30, 2014	% Change
Operating Income (Loss)	<u>(29,286)</u>	<u>2,139</u>	(1,469.1)	<u>(56,511)</u>	<u>(9,556)</u>	491.4
Other Income (Expense)						
Other Income	<u>13</u>	<u>11</u>	18.2	<u>29</u>	<u>22</u>	31.8
Total Other Income (Expense)	<u>13</u>	<u>11</u>	18.2	<u>29</u>	<u>22</u>	31.8
NET INCOME (LOSS) BEFORE TAXE	<u>\$ (29,273)</u>	<u>\$ 2,150</u>	(1,461.5)	<u>\$ (56,482)</u>	<u>\$ (9,534)</u>	492.4