INNOVATIVE HOLDINGS ALLIANCE, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

MAY 31, 2015

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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Innovative Holdings Alliance, Inc.
Alpharetta, Georgia

I have compiled the accompanying consolidated balance sheet of Innovative Holdings Alliance, Inc. (a corporation) as of May 31, 2015 and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended. I have not audited or reviewed the accompanying consolidated financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the consolidated financial statements.

I am not independent with respect to Innovative Holdings Alliance, Inc.



Michael P. Moriarty, CPA
September 16, 2015

Innovative Holdings Alliance, Inc.
Consolidated Balance Sheet
May 31, 2015
(Unaudited)

	May 31 2015
ASSETS	
Current assets	
Cash and cash equivalents	$ 1,116
Avanced expenses	25,214
Prepaid expenses	597
Total current assets	26,927
Other assets	5,000
Total assets	$ 31,927
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	
Accrued payroll	$ 192,000
Other accrued expenses	22,708
Stock deposits	4,000
Total current liabilities/Total liabilities	218,708
Notes payable	92,000
Total liabilities	310,708
Stockholders' equity	
Series A Preferred shares, $.001 par value, 500,000 shares authorized; 500 shares issued and outstanding at May 31, 2015	1
Series B Preferred convertible shares, $.001 par value, 500,000 shares; authorized; 0 shares issued and outstanding at May 31, 2015	-
Common shares, $.001 par value, 1,500,000,000 shares authorized; 13,916,429 shares issued and outstanding at May 31, 2015	40,519
Additonal paid in capital	848,135
Accumulated deficit	(1,167,436)
Total stockholders' equity	(278,781)
Total liabilities and stockholders' equity	$ 31,927

See accompanying notes and accountant's compilation report

Innovative Holdings Alliance, Inc.
Consolidated Statement of Operations
For the Year Ended May 31, 2015
(Unaudited)

	May 31 2015
Revenues	$ -
Operating expenses	
General and administrative expenses	142,876
Total operating expenses	142,876
Income (loss) from operations	(142,876)
Other income (expense)	
Interest expense	(6,411)
Income (loss) before provision for income tax	(149,287)
Provision for income taxes	-
Net income (loss)	$ (149,287)
Allocation of net income (loss) to shareholders:	
Preferred shareholders based on cumulative dividend	-
Common shareholders	(149,287)
	(149,287)
Net income (loss) per common share:	
Basic	$ (0.01)
Diluted	$ (0.01)
Weighted average number of common shares:	
Basic	14,700,975
Diluted	14,700,975

See accompanying notes and accountant's compilation report

Innovative Holdings Alliance, Inc.
Consolidated Statement of Stockholders' Equity
For the Year Ended May 31, 2015
(Unaudited)

	Series A Preferred Shares $.001 Par Value		Series B Preferred Shares $.001 Par Value		Common Shares $.001 Par Value		Additional Paid In	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
BALANCES, May 31, 2014	500	$ 1	-	$ -	23,828,884	$ 30,931	$ 837,723	$ (1,029,754)	$ (161,099)
Shares cancelled and returned	-	-	-	-	(12,455)	(12)	12	-	-
Effect of recission of acquisitions	-	-	-	-	(10,900,000)	(10,900)	10,900	11,605	11,605
Shares issued - options exercised	-	-	-	-	1,000,000	20,500	(500)	-	20,000
Net income	-	-	-	-	-	-	-	(149,287)	(149,287)
BALANCES, May 31, 2015	500	1	-	-	13,916,429	40,519	848,135	(1,167,436)	(278,781)

See accompanying notes and accountant's compilation report

Innovative Holdings Alliance, Inc.
Consolidated Statement of Cash Flows
For the Year Ended May 31, 2015
(Unaudited)

	May 31 2015
Cash flows from operating activities:	
Net income (loss) attributable to common shareholders	$ (149,287)
Adjustments to reconcile net income (loss) to net cash flows used in operating activities	
Increase in advanced expenses	(25,214)
Increase in prepaid expenses	(597)
Increase in accrued payroll	72,000
Increase in other accrued expenses	12,220
Increase in stock deposits	4,000
Decrease in due to shareholder	(5,055)
Net cash used for operating activities	(91,933)
Cash flows for investing activities:	
Investments in other companies	(5,000)
Net cash used for investing activities	(5,000)
Cash flows from financing activities:	
Proceeds from notes payable	62,000
Change in equity due to recision of acquisitions	11,605
Proceeds from stock issuance	20,000
Net cash from financing activities	93,605
Net increase in cash	(3,328)
Cash at beginning of period	4,444
Cash at end of period	$ 1,116
Cash paid for interest	$ 6,411
Cash paid for income taxes	$ -

See accompanying notes and accountant's compilation report

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Innovative Holdings Alliance, Inc. ("IHAI") was organized on February 24, 2011 under the laws of the State of Delaware. The Company is currently involved in the healthcare industry engaged in the development of a proprietary cloud based software solution – PCMH Essentials™ - that provides access to internet-based portals to enable multi-way communications with clinicians, patients and their caregivers. IHA intends to offer these services to seniors who choose to age in place as an alternative to assisted living residences.

Basis of Presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. These financial statements represent the Company's financial position at May 31, 2015 and results of operations for the year then ended.

Principles of Consolidation

The accompanying consolidated financial statements for the year ended May 31, 2015 include the accounts of Innovative Holdings Alliance, Inc. and its wholly-owned and majority owned subsidiaries. All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Estimates include the valuation on deferred tax assets and valuation of stock issued for services. Actual results could differ from those estimates.

Cash and Cash Equivalents

IHAI considers all highly liquid cash investments to with an original maturity of twelve months or less to be cash equivalents. At May 31, 2015, the Company had no cash equivalents. Cash shown on the balance sheet consists of deposits held in a major financial institution. All cash accounts were within the insured limits at all times during the year ended May 31, 2015.

Fair Value of Financial Instruments

The carrying amounts reported on the balance sheet for accounts payable and accrued expenses is the approximate fair value based on the short-term maturity of these instruments.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Company accounts for income taxes under the liability method as prescribed by Professional Standards. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted rates expected to be in effect during the year in which the basis difference reverses. The reliability of deferred tax assets are evaluated annually and a valuation allowance is provided if it is more likely than not that the deferred tax assets will not give rise to future benefits in the Company's tax returns.

The Company has assessed the likelihood of utilization of the deferred tax assets in light of recent losses. As a result of this assessment, an existing deferred tax asset of $510 has been totally reserved. At May 31, 2015, the Company had a net operating loss carryforward for income tax purposes of approximately $1,500 expiring in 2032. There was no tax liability for the year ended May 31, 2015.

Accounting for Uncertain Tax Positions

The Company follows Professional Standards in applying Accounting for Uncertainty in Income Taxes. IHAI accounts for the effect of any uncertain tax positions in the financial statements based on a “more likely than not” basis, such that current or deferred tax assets or liabilities are immediately recognized when the related uncertain tax position is taken or expected to be taken. Any changes in uncertain tax positions are recorded in the period the outcome becomes known.

Management has evaluated significant tax positions against the criteria established by professional standards and believes that there are no such positions requiring accounting recognition as of May 31, 2015.

None of the company’s federal or state income tax returns are currently under examination by the Internal Revenue Service or state authorities. The company had no revenues for the year ended May 31, 2015 and did not file a tax return for that period.

Basic and Diluted Net Income (Loss) Per Share

Basic income (loss) per share is calculated pursuant to Professional Standards by dividing net income (loss) for the year by the weighted average number of common shares outstanding. Diluted income per share is calculated by dividing net income (loss) for the year by the outstanding weighted average number of common shares (“dilutive securities”), if any. Dilutive securities include outstanding stock options, warrants and convertible securities and are not included in computing weighted average number of common shares outstanding during the year where there is a net loss since their effect would be anti-dilutive. At May 31, 2015, the Company had no outstanding convertible securities.

Other Comprehensive Income

The Company has no material components of other comprehensive income (loss) and accordingly, net income is equal to comprehensive income in all periods presented.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-Based Compensation

The Company accounts for the share-based payments under authoritative guidance on stock compensation as set forth in Professional Standards. The guidance requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values.

NOTE 2 – ACCRUED SALARIES

IHAI has entered into employment agreements with certain executives of the corporation. Accrued salaries totaled $192,000 at May 31, 2015 and are reflected on the balance sheet as accrued payroll. No compensation was paid to any executive during 2014 or 2015.

NOTE 3 – NOTE PAYABLE

Notes payable consists of the following:

Unsecured note payable to an individual dated February 19, 2014, interest due at a rate of 15% per annum, payment of principal and interest was due in full on February 19, 2015. As of the due date, the note converted to being payable on demand. Accrued interest payable at May 31, 2015 totals $2,174.	$ 10,000
Unsecured note payable to Healthmed, Inc. dated March 21, 2014, interest due at a rate of 10% per annum, payment of principal and interest is due in full on March 21, 2015. As of the due date, the note converted to being payable on demand. Accrued interest payable at May 31, 2015 totals $2,395.	20,000
Unsecured note payable to Healthmed, Inc. dated August 20, 2014, interest due at a rate of 10% per annum, payment of principal and interest is due in full on August 21, 2015. The note has a principal amount of $40,000. As of May 31, 2015 $15,000 had been drawn on the note. Accrued interest payable at May 31, 2015 totals $1,163.	15,000
Unsecured note payable to Healthmed, Inc. dated January 21, 2015, interest due at a rate of 10% per annum, payment of principal and interest is due in full on January 21, 2016. Accrued interest payable at May 31, 2015 totals $359.	10,000
Unsecured note payable to Healthmed, Inc. dated March 19, 2015, interest due at a rate of 10% per annum, payment of principal and interest is due in full on March 19, 2016. Accrued interest payable at May 31, 2015 totals $710.	35,000
Unsecured note payable to Healthmed, Inc. dated April 1, 2015, interest due at a rate of 10% per annum, payment of principal and interest is due in full on April 1, 2016. Accrued interest payable at May 31, 2015 totals $16.	2,000
	$ 92,000

NOTE 4 – STOCKHOLDERS' DEFICIT

Preferred Shares

The authorized preferred stock of the Company consists of 20,000,000 shares, $.001 par value. The preferred stock may be issued in separate series from time to time as the Board of Directors of the Company may be determine by resolution, unless the nature of a particular transaction and applicable statutes require shareholder approval. The rights, preferences and limitations of each series of preferred stock may differ, including without limitation, the rate of dividends, method and nature of payment of dividends, terms of redemption, amounts payable on liquidation, sinking fund provisions (if any) conversion rights (if any) and voting rights.

Series A Preferred Stock

In connection with an amendment to the articles of incorporation of the Company, the Company authorized 500,000 shares of $.001 par value Series A Preferred Stock ("Series A Stock"). The Series A Stock are entitled to no dividends and the Company has no redemptive right. The holders of the Series A Stock have the right to vote on any matter and the holders of the shares shall have the number of votes equal to that number of common shares which is not less than 60% of the vote required to approve any action. At May 31, 2015, the Company had 500 shares of Series A Stock issued and outstanding.

Series B Preferred Stock

In connection with an amendment to the articles of incorporation of the Company, the Company authorized 500,000 shares of $.001 par value Series B Preferred Convertible Stock ("Series B Stock"). At the option of the holder, the shares are convertible into 100 shares of common stock for each share of Series B Stock. The holders of such Series B Stock are entitled to receive cumulative cash dividends equal to 15% of the issue price per share, payable quarterly beginning September 30, 2011 and continuing until the Series B Stock is redeemed or converted. In the event that the dividends are not paid in any period, the dividends accumulate and must be paid prior to dividends on the common stock or any other class of stock junior to the Series B Stock, except for the Series A Stock. At May 31, 2015 the Company had no shares of Series B Stock issued and outstanding; therefore, no dividends have been accrued.

Common Shares

The Company is authorized to issue 500,000,000 shares of $.001 voting common stock.

On July 15, 2014, the Board of the Company elected to rescind the Acquisition and Share Exchange Agreement with Care Development Group, Inc. The Company has demanded that all shares issued be returned to treasury, and that the transaction be rescinded completely.

On August 8, 2014, the Company entered into a Rescission Agreement with David L. Wallace & Associates, PA ("DLW") whereby the acquisition of DLW has been rescinded by agreement of the parties, with no liability of any party, and a Mutual Waiver and Release.

NOTE 4 – STOCKHOLDERS' DEFICIT (continued)

Common Shares (continued)

As to the above items, the Company has retired to treasury a total of 10,900,000 shares of common stock.

On August 25, 2014, the Company cancelled 12,455 shares previously issued for services that were never completed.

On October 29, 2014, the Company issued 500,000 shares in exchange for $20,000 cash received.

At May 31, 2015, the Company has 13,916,429 shares of common stock issued and outstanding.

During March 2015, the Company received deposits totaling $4,000 towards the issuance of 100,000 shares of common stock. The shares were issued subsequent to May 31, 2105, and the deposits are recorded as current liabilities as of May 31, 2015.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Litigation
There are no legal proceedings currently pending or threatened to the best of the Company's knowledge. Therefore, no accrual of any contingent liability is recorded.

NOTE 6 – RELATED PARTIES

Advances due to Shareholders

Certain shareholders of IHAI have advanced, and have been advanced, funds to the Company and its subsidiaries to support ongoing operations. These advances are due and payable as cash flow permits. As of May 31, 2015, the total amount of expenses advanced to shareholders was $25,214.

NOTE 7 – FUTURE MINIMUM LEASE PAYMENTS

Office and Facilities

The Company is currently being provided an office on a month to month basis from one of its officers at a nominal charge to the Company. Therefore, no minimum obligation for lease payments is reflected in the financial statements. Rent expense paid to the officer totaled $12,863 for the period ended May 31, 2015.

NOTE 8 – SUBSEQUENT EVENTS

Date of Management Review

In preparing the financial statements, the Company has considered disclosure of events that have occurred after May 31, 2015 through the date the financial statements were issued on September 16, 2015.