



Financial Information

Prepared For

OVATION MUSIC STUDIOS, INC – CONSOLIDATED

8194 GLADES RD

BOCA RATON, FL 33434

12/31/16

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

561-361-0115

Padgett Business Services
1700 Dixie Hwy 100
Boca Raton, FL 33432
561-361-0115

Transmittal Letter

TO:

OVATION MUSIC STUDIOS,INC - CONSOLIDATED
8194 GLADES RD
BOCA RATON, FL 33434

We have prepared the accompanying reports of OVATION MUSIC STUDIOS,INC - CONSOLIDATED as of December 31, 2016 and for the 1 Month and 12 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
January 30, 2017

OVATION MUSIC STUDIOS, INC - CONSOLIDATED
Balance Sheet
As of December 31, 2016

Assets

	2016	2015	Increase (Decrease)
Current Assets			
PNC BANK-1816	\$ 464	\$ 426	\$ 38
REGIONS BANK 8602	0	725	(725)
PNC BANK 8581	358	4,825	(4,467)
PNC BANK 8602	0	2,000	(2,000)
Petty Cash	897	163	734
Cash In Transit	<u>966</u>	<u>0</u>	<u>966</u>
 Total Cash	 2,685	 8,139	 (5,454)
Investment-Parent Company	495,964	0	495,964
Inventory-Boca	10,050	10,050	0
Inventory-TN	<u>0</u>	<u>5,443</u>	<u>(5,443)</u>
 Total Current Assets	 <u>508,699</u>	 <u>23,632</u>	 <u>485,067</u>
 Property and Equipment			
Build Out	10,662	10,662	0
Signage	663	663	0
Computer Software-Mindbody	1,973	1,973	0
Build Out-Nashville	0	20,183	(20,183)
Accumulated Depreciation	<u>(2,134)</u>	<u>(2,134)</u>	<u>0</u>
 Net Property and Equipment	 <u>11,164</u>	 <u>31,347</u>	 <u>(20,183)</u>
 Non Current Assets			
Deposit-Nashville	<u>0</u>	<u>1,000</u>	<u>(1,000)</u>
 Total Non Current Assets	 <u>0</u>	 <u>1,000</u>	 <u>(1,000)</u>
 Total Assets	 <u>\$ 519,863</u>	 <u>\$ 55,979</u>	 <u>\$ 463,884</u>

OVATION MUSIC STUDIOS, INC - CONSOLIDATED

Balance Sheet

As of December 31, 2016

Liabilities and Shareholders' Equity

	2016	2015	Increase (Decrease)
Current Liabilities			
Payroll Clearing	\$ (1)	\$ 0	\$ (1)
Accrued Payroll	0	2,838	(2,838)
Merchant Advance	0	33,612	(33,612)
Advance-Director	2,271	0	2,271
Advance-Investors	17,850	25,000	(7,150)
Accrued Rent	0	3,818	(3,818)
Loan Payable	127,600	0	127,600
Accrued Transfer Fee	7,285	1,610	5,675
Sales Tax Payable	66	287	(221)
Total Current Liabilities	<u>155,071</u>	<u>67,165</u>	<u>87,906</u>
Total Liabilities	<u>155,071</u>	<u>67,165</u>	<u>87,906</u>
Stockholders' Equity			
Paid In Capital	3,291,042	8,017	3,283,025
CAPITAL INVESTMENT	0	161,700	(161,700)
Common Stock-Class A Common Stock-Authorized 1,000,000,000-Outstanding 220,795,001	405,040	0	405,040
Common Stock-Class C	43,350	0	43,350
Retained Earnings	(3,932,353)	(30,925)	(3,901,428)
Shareholder Drawings	0	(229)	229
Investment- Ovation Music & Studios-Boca Raton Inc	595,964	0	595,964
Net Income	(38,251)	(149,749)	111,498
Total Stockholders' Equity	<u>364,792</u>	<u>(11,186)</u>	<u>375,978</u>
Total Liabilities and Stockholders' Equity	<u>\$ 519,863</u>	<u>\$ 55,979</u>	<u>\$ 463,884</u>

OVATION MUSIC STUDIOS, INC - CONSOLIDATED
Statement of Cash Flows
For the 12 Months Ended December 31, 2016

Cash Flows from Operating Activities

Net Income (Loss)	\$ (38,251)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Losses (Gains) on Sales of Fixed Assets	0
Decrease (Increase) in Operating Assets:	
Inventory	5,443
Other	(495,964)
Increase (Decrease) in Operating Liabilities:	
Other	87,907
Total Adjustments	<u>(402,614)</u>
Net Cash Provided By (Used In) Operating Activities	<u>(440,865)</u>

Cash Flows from Investing Activities

Net Cash Provided By (Used In) Investing Activities	<u>0</u>
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Cash Flows from Financing Activities

Proceeds from Sale of Stock	<u>4,027,481</u>
Net Cash Provided By (Used In) Financing Activities	<u>4,027,481</u>

Net Increase (Decrease) In Cash and Cash Equivalents	3,586,616
Beginning Cash and Cash Equivalents	<u>8,139</u>
Ending Cash and Cash Equivalents	<u>\$ 2,685</u>

OVATION MUSIC STUDIOS, INC - CONSOLIDATED
Statement of Operations
For the 1 Month and 12 Months Ended December 31, 2016 and 2015

	1 Month Ended Dec. 31, 2016	1 Month Ended Dec. 31, 2015	% Change	12 Months Ended Dec. 31, 2016	12 Months Ended Dec. 31, 2015	% Change
Income						
NON-TAXABLE SALES	\$ 11,445	\$ 8,583	33.3	\$ 153,929	\$ 180,055	(14.5)
TAXABLE SALES	1,228	4,492	(72.7)	30,228	42,671	(29.2)
TN EQPT SALES	0	0	-	0	490	(100.0)
TN Sales	0	1,154	(100.0)	0	1,154	(100.0)
Total Income	<u>12,673</u>	<u>14,229</u>	(10.9)	<u>184,157</u>	<u>224,370</u>	(17.9)
Beginning Inventory	10,050	9,667	4.0	15,493	6,338	144.4
Purchases	301	4,841	(93.8)	12,396	30,808	(59.8)
Less Ending Inventory	<u>10,050</u>	<u>15,493</u>	(35.1)	<u>10,050</u>	<u>15,493</u>	(35.1)
Total Cost of Goods Sold	<u>301</u>	<u>(985)</u>	(130.6)	<u>17,839</u>	<u>21,653</u>	(17.6)
Gross Profit	<u>12,372</u>	<u>15,214</u>	(18.7)	<u>166,318</u>	<u>202,717</u>	(18.0)
Operating Expenses						
Wages	3,870	9,463	(59.1)	46,478	73,010	(36.3)
Officers Salaries	0	573	(100.0)	3,979	30,126	(86.8)
Employer Payroll Taxes	296	1,091	(72.9)	4,395	8,010	(45.1)
Insurance	440	0	-	694	51	1,260.8
Supplies	1,745	4,095	(57.4)	4,704	6,179	(23.9)
Legal And Accounting	3,650	2,310	58.0	20,078	37,674	(46.7)
Advertising And Promotion	705	375	88.0	4,368	7,100	(38.5)
Rent-Boca	2,000	8,869	(77.4)	26,987	53,216	(49.3)
Outside Labor	5,598	6,283	(10.9)	59,417	74,437	(20.2)
Vehicles	98	86	14.0	789	327	141.3
Travel	1,035	163	535.0	1,035	3,937	(73.7)
Utilities	714	1,176	(39.3)	9,362	8,250	13.5
Licenses And Taxes	44	50	(12.0)	149	1,358	(89.0)
Freight	0	6	(100.0)	107	187	(42.8)
Repairs And Maintenance	0	0	-	216	1,015	(78.7)
Meals And Entertainment - 50	138	509	(72.9)	585	2,324	(74.8)
Bank Charges	414	459	(9.8)	4,155	1,460	184.6
Contributions	0	0	-	50	0	-
Office	167	(186)	(189.8)	1,400	3,958	(64.6)
Miscellaneous	0	708	(100.0)	1,621	8,402	(80.7)
Equipment Leases	0	42	(100.0)	328	42	681.0
Dues And Subscriptions	95	0	-	570	631	(9.7)
Rent-Nashville	0	1,600	(100.0)	0	8,350	(100.0)
Credit Card Processing Fees	280	520	(46.2)	5,273	6,410	(17.7)
Storage	0	226	(100.0)	703	2,044	(65.6)
Website	0	0	-	179	0	-
REIMBURSED EXPENSE	0	87	(100.0)	503	1,779	(71.7)
Security System	0	0	-	0	232	(100.0)
Computer Software	0	170	(100.0)	510	782	(34.8)
Depreciation	0	1,348	(100.0)	0	1,348	(100.0)
Interest	0	10,000	(100.0)	0	9,891	(100.0)
Total Operating Expenses	<u>21,289</u>	<u>50,023</u>	(57.4)	<u>198,635</u>	<u>352,530</u>	(43.7)

OVATION MUSIC STUDIOS, INC - CONSOLIDATED
Statement of Operations
For the 1 Month and 12 Months Ended December 31, 2016 and 2015

	1 Month Ended Dec. 31, 2016	1 Month Ended Dec. 31, 2015	% Change	12 Months Ended Dec. 31, 2016	12 Months Ended Dec. 31, 2015	% Change
Operating Income (Loss)	<u>(8,917)</u>	<u>(34,809)</u>	(74.4)	<u>(32,317)</u>	<u>(149,813)</u>	(78.4)
Other Income (Expenses)						
Other Income	2	7	(71.4)	22,686	64	35,346.9
Interest Income	0	0	-	2	0	-
Other Expense	<u>0</u>	<u>0</u>	-	<u>(28,622)</u>	<u>0</u>	-
Total Other Income (Expenses)	<u>2</u>	<u>7</u>	(71.4)	<u>(5,934)</u>	<u>64</u>	(9,371.9)
Net Income (Loss) Before Taxes	<u>\$ (8,915)</u>	<u>\$ (34,802)</u>	(74.4)	<u>\$ (38,251)</u>	<u>\$ (149,749)</u>	(74.5)

OVATION MUSIC STUDIOS,INC - CONSOLIDATED

Statement of Operations

Trend Analysis - Most Recent 12 Months

	01/31/16	02/29/16	03/31/16	04/30/16	05/31/16	06/30/16	07/31/16	08/31/16	09/30/16	10/31/16	11/30/16	12/31/16	Total
Income													
NON-TAXABLE SALES	\$ 19,328	\$ 15,394	\$ 15,219	\$ 12,490	\$ 8,593	\$ 13,696	\$ 6,832	\$ 17,337	\$ 8,981	\$ 12,882	\$ 11,731	\$ 11,445	\$ 153,928
TAXABLE SALES	2,896	3,758	1,637	1,053	1,142	798	479	6,681	7,734	1,764	1,057	1,228	30,227
Total Income	<u>22,224</u>	<u>19,152</u>	<u>16,856</u>	<u>13,543</u>	<u>9,735</u>	<u>14,494</u>	<u>7,311</u>	<u>24,018</u>	<u>16,715</u>	<u>14,646</u>	<u>12,788</u>	<u>12,673</u>	<u>184,155</u>
Cost of Goods Sold													
Cost Of Goods Sold	<u>931</u>	<u>1,231</u>	<u>429</u>	<u>339</u>	<u>410</u>	<u>224</u>	<u>731</u>	<u>5,976</u>	<u>3,852</u>	<u>1,047</u>	<u>2,370</u>	<u>301</u>	<u>17,841</u>
Total Cost of Goods Sold	<u>931</u>	<u>1,231</u>	<u>429</u>	<u>339</u>	<u>410</u>	<u>224</u>	<u>731</u>	<u>5,976</u>	<u>3,852</u>	<u>1,047</u>	<u>2,370</u>	<u>301</u>	<u>17,841</u>
Gross Profit	<u>21,293</u>	<u>17,921</u>	<u>16,427</u>	<u>13,204</u>	<u>9,325</u>	<u>14,270</u>	<u>6,580</u>	<u>18,042</u>	<u>12,863</u>	<u>13,599</u>	<u>10,418</u>	<u>12,372</u>	<u>166,314</u>
Operating Expenses													
Wages	4,504	7,656	2,061	4,290	3,114	3,212	3,925	3,140	4,496	3,065	3,145	3,870	46,478
Officers Salaries	2,274	1,705	0	0	0	0	0	0	0	0	0	0	3,979
Employer Payroll Taxes	566	854	445	369	251	253	301	240	344	234	241	296	4,394
Insurance	0	0	0	0	0	0	0	0	0	0	254	440	694
Supplies	62	1	(2)	418	0	(1)	652	311	209	30	1,269	1,745	4,694
Legal And Accounting	1,480	725	3,235	1,125	0	4,253	1,175	975	1,510	1,025	925	3,650	20,078
Advertising And Promotion	0	270	0	0	191	465	888	94	612	844	299	705	4,368
Rent-Boca	0	8,967	4,435	4,435	4,785	(16,991)	4,300	4,236	3,607	3,607	3,607	2,000	26,988
Outside Labor	4,368	5,467	6,023	6,103	4,710	4,085	3,700	3,255	5,678	4,913	5,520	5,598	59,420
Vehicles	0	0	0	0	0	0	12	141	136	189	213	98	789
Travel	0	0	0	0	0	0	0	0	0	0	0	1,035	1,035
Utilities	876	518	660	631	1,143	502	1,071	943	1,041	750	513	714	9,362
Licenses And Taxes	0	0	0	35	70	0	0	0	0	0	0	44	149
Freight	6	6	0	0	23	23	26	0	0	0	23	0	107
Repairs And Maintenance	0	51	0	75	0	90	0	0	0	0	0	0	216
Meals And Entertainment - 50	0	92	6	0	0	30	9	0	0	0	310	138	585
Bank Charges	33	180	66	128	516	693	606	880	39	226	374	414	4,155
Contributions	0	0	0	0	0	0	0	0	0	50	0	0	50
Office	91	58	162	0	141	0	0	55	56	140	530	167	1,400
Miscellaneous	0	100	0	30	0	30	0	55	29	1,378	0	0	1,622
Equipment Leases	136	35	0	0	0	0	0	0	67	89	0	0	327
Dues And Subscriptions	0	0	0	0	95	48	48	48	48	95	95	95	572
Credit Card Processing Fees	515	903	602	523	572	273	309	212	458	365	261	280	5,273
Storage	196	211	211	85	0	0	0	0	0	0	0	0	703
Website	0	0	0	0	0	24	155	0	0	0	0	0	179

OVATION MUSIC STUDIOS,INC - CONSOLIDATED

Statement of Operations

Trend Analysis - Most Recent 12 Months

	01/31/16	02/29/16	03/31/16	04/30/16	05/31/16	06/30/16	07/31/16	08/31/16	09/30/16	10/31/16	11/30/16	12/31/16	Total
REIMBURSED EXPENSE	75	73	64	47	37	38	47	38	51	33	0	0	503
Computer Software	170	170	170	0	0	0	0	0	0	0	0	0	510
Total Operating Expenses	15,352	28,042	18,138	18,294	15,648	(2,973)	17,224	14,623	18,381	17,033	17,579	21,289	198,630
Operating Income (Loss)	5,941	(10,121)	(1,711)	(5,090)	(6,323)	17,243	(10,644)	3,419	(5,518)	(3,434)	(7,161)	(8,917)	(32,316)
Other Income (Expenses)													
Other Income	4	0	2	2	2	1	1	10	22,659	3	0	2	22,686
Interest Income	0	0	0	0	0	0	0	0	0	0	2	0	2
Other Expense	0	0	0	0	0	0	0	0	(28,622)	0	0	0	(28,622)
Total Other Income (Expenses)	4	0	2	2	2	1	1	10	(5,963)	3	2	2	(5,934)
Net Income (Loss) Before Taxes	\$ 5,945	\$ (10,121)	\$ (1,709)	\$ (5,088)	\$ (6,321)	\$ 17,244	\$ (10,643)	\$ 3,429	\$ (11,481)	\$ (3,431)	\$ (7,159)	\$ (8,915)	\$ (38,250)

OVATION MUSIC STUDIOS, INC - CONSOLIDATED

Transaction List

December 1, 2016 - December 31, 2016

Date	Reference	Account	Payee ID	Description	1099	Amount
12/31/16	AA99	1-100		Account Activity for 12/31/16		(4,180.18)
12/31/16	AA99	1-108		Account Activity for 12/31/16		200.00
12/31/16	AA99	1-112		Account Activity for 12/31/16		11,222.27
12/31/16	AA99	1-301		Account Activity for 12/31/16		338,840.00
12/31/16	AA99	1-320		Account Activity for 12/31/16		(338,840.00)
12/31/16	AA99	1-379		Account Activity for 12/31/16		(12,250.00)
12/31/16	AA99	1-509		Account Activity for 12/31/16		2,925.00
12/31/16	AA99	1-510		Account Activity for 12/31/16		255.29
12/31/16	AA99	1-513		Account Activity for 12/31/16		98.11
12/31/16	AA99	1-514		Account Activity for 12/31/16		1,034.95
12/31/16	AA99	1-515		Account Activity for 12/31/16		391.69
12/31/16	AA99	1-516		Account Activity for 12/31/16		43.75
12/31/16	AA99	1-520		Account Activity for 12/31/16		138.30
12/31/16	AA99	1-521		Account Activity for 12/31/16		(3.00)
12/31/16	AA99	1-523		Account Activity for 12/31/16		123.82
12/31/16	AA99	2-102		Account Activity for 12/31/16		1,820.29
12/31/16	AA99	2-109		Account Activity for 12/31/16		(2,624.00)
12/31/16	AA99	2-112		Account Activity for 12/31/16		(11,222.27)
12/31/16	AA99	2-232		Account Activity for 12/31/16		8,128.71
12/31/16	AA99	2-248		Account Activity for 12/31/16		(9.99)
12/31/16	AA99	2-400		Account Activity for 12/31/16		(11,445.32)
12/31/16	AA99	2-401		Account Activity for 12/31/16		(1,228.04)
12/31/16	AA99	2-500		Account Activity for 12/31/16		300.54
12/31/16	AA99	2-502		Account Activity for 12/31/16		3,870.00
12/31/16	AA99	2-506		Account Activity for 12/31/16		296.06
12/31/16	AA99	2-507		Account Activity for 12/31/16		439.94
12/31/16	AA99	2-508		Account Activity for 12/31/16		1,745.69
12/31/16	AA99	2-509		Account Activity for 12/31/16		725.00
12/31/16	AA99	2-510		Account Activity for 12/31/16		450.00
12/31/16	AA99	2-511		Account Activity for 12/31/16		2,000.00
12/31/16	AA99	2-512		Account Activity for 12/31/16		5,597.50
12/31/16	AA99	2-515		Account Activity for 12/31/16		322.02
12/31/16	AA99	2-521		Account Activity for 12/31/16		417.00
12/31/16	AA99	2-523		Account Activity for 12/31/16		43.30
12/31/16	AA99	2-526		Account Activity for 12/31/16		95.00
12/31/16	AA99	2-535		Account Activity for 12/31/16		280.41
12/31/16	AA99	2-700		Account Activity for 12/31/16		(1.84)
					Transaction Balance	<u>0.00</u>

Transaction Totals

Total Debits	<u>381,804.64</u>
Total Credits	<u>381,804.64</u>
Account Hash Total	<u>0.0000</u>

Transaction count = 1

Distribution count = 37

OVATION MUSIC STUDIOS, INC - CONSOLIDATED

General Ledger - Period Subtotals

December 1, 2016 - December 31, 2016

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
1-100	PNC BANK-1816			4,645.02		
12/31/16	AA99		Account Activity for 12/31/16		(4,180.18)	
			Totals for 12/31/16		(4,180.18)	464.84
			Totals for 1-100		<u>(4,180.18)</u>	<u>464.84</u>
1-108	Petty Cash			0.00		
12/31/16	AA99		Account Activity for 12/31/16		200.00	
			Totals for 12/31/16		200.00	200.00
			Totals for 1-108		<u>200.00</u>	<u>200.00</u>
1-112	Intercompany-Parent			189,276.88		
12/31/16	AA99		Account Activity for 12/31/16		11,222.27	
			Totals for 12/31/16		11,222.27	200,499.15
			Totals for 1-112		<u>11,222.27</u>	<u>200,499.15</u>
1-115	Investment-Parent Company			495,964.00		
			Totals for 1-115		<u>0.00</u>	<u>495,964.00</u>
1-240	Loan Payable			(127,600.00)		
			Totals for 1-240		<u>0.00</u>	<u>(127,600.00)</u>
1-301	Paid In Capital			(3,621,835.00)		
12/31/16	AA99		Account Activity for 12/31/16		338,840.00	
			Totals for 12/31/16		338,840.00	(3,282,995.00)
			Totals for 1-301		<u>338,840.00</u>	<u>(3,282,995.00)</u>
1-320	Common Stock-Class A Common Stock-Authorized 1,000,000,000-Outstanding 220,795,001			(66,200.00)		
12/31/16	AA99		Account Activity for 12/31/16		(338,840.00)	
			Totals for 12/31/16		(338,840.00)	(405,040.00)
			Totals for 1-320		<u>(338,840.00)</u>	<u>(405,040.00)</u>
1-379	Common Stock-Class C			(31,100.00)		
12/31/16	AA99		Account Activity for 12/31/16		(12,250.00)	
			Totals for 12/31/16		(12,250.00)	(43,350.00)
			Totals for 1-379		<u>(12,250.00)</u>	<u>(43,350.00)</u>
1-380	Retained Earnings			3,749,435.00		
			Totals for 1-380		<u>0.00</u>	<u>3,749,435.00</u>
1-383	Investment- Ovation Music & Studios-Boca Raton Inc			(595,964.00)		
			Totals for 1-383		<u>0.00</u>	<u>(595,964.00)</u>
1-508	Supplies			267.87		
			Totals for 1-508		<u>0.00</u>	<u>267.87</u>
1-509	Legal And Accounting			500.00		
12/31/16	AA99		Account Activity for 12/31/16		2,925.00	
			Totals for 12/31/16		2,925.00	3,425.00
			Totals for 1-509		<u>2,925.00</u>	<u>3,425.00</u>

OVATION MUSIC STUDIOS, INC - CONSOLIDATED

General Ledger - Period Subtotals

December 1, 2016 - December 31, 2016

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
1-510	Advertising And Promotion			598.00		
12/31/16	AA99		Account Activity for 12/31/16		<u>255.29</u>	
			Totals for 12/31/16		<u>255.29</u>	853.29
			Totals for 1-510		<u><u>255.29</u></u>	<u><u>853.29</u></u>
1-513	Vehicles			328.60		
12/31/16	AA99		Account Activity for 12/31/16		<u>98.11</u>	
			Totals for 12/31/16		<u>98.11</u>	426.71
			Totals for 1-513		<u><u>98.11</u></u>	<u><u>426.71</u></u>
1-514	Travel			0.00		
12/31/16	AA99		Account Activity for 12/31/16		<u>1,034.95</u>	
			Totals for 12/31/16		<u>1,034.95</u>	1,034.95
			Totals for 1-514		<u><u>1,034.95</u></u>	<u><u>1,034.95</u></u>
1-515	Utilities			184.49		
12/31/16	AA99		Account Activity for 12/31/16		<u>391.69</u>	
			Totals for 12/31/16		<u>391.69</u>	576.18
			Totals for 1-515		<u><u>391.69</u></u>	<u><u>576.18</u></u>
1-516	Licenses And Taxes			0.00		
12/31/16	AA99		Account Activity for 12/31/16		<u>43.75</u>	
			Totals for 12/31/16		<u>43.75</u>	43.75
			Totals for 1-516		<u><u>43.75</u></u>	<u><u>43.75</u></u>
1-517	Freight			22.95		
			Totals for 1-517		<u><u>0.00</u></u>	<u><u>22.95</u></u>
1-520	Meals And Entertainment - 50			310.10		
12/31/16	AA99		Account Activity for 12/31/16		<u>138.30</u>	
			Totals for 12/31/16		<u>138.30</u>	448.40
			Totals for 1-520		<u><u>138.30</u></u>	<u><u>448.40</u></u>
1-521	Bank Charges			36.00		
12/31/16	AA99		Account Activity for 12/31/16		<u>(3.00)</u>	
			Totals for 12/31/16		<u>(3.00)</u>	33.00
			Totals for 1-521		<u><u>(3.00)</u></u>	<u><u>33.00</u></u>
1-523	Office			530.09		
12/31/16	AA99		Account Activity for 12/31/16		<u>123.82</u>	
			Totals for 12/31/16		<u>123.82</u>	653.91
			Totals for 1-523		<u><u>123.82</u></u>	<u><u>653.91</u></u>
1-524	Miscellaneous			600.00		
			Totals for 1-524		<u><u>0.00</u></u>	<u><u>600.00</u></u>
2-102	PNC BANK 8581			(1,462.07)		
12/31/16	AA99		Account Activity for 12/31/16		<u>1,820.29</u>	
			Totals for 12/31/16		<u>1,820.29</u>	358.22

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Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
			Totals for 2-102		<u>1,820.29</u>	<u>358.22</u>
2-108	Petty Cash			697.00		
			Totals for 2-108		<u>0.00</u>	<u>697.00</u>
2-109	Cash In Transit			3,589.35		
12/31/16	AA99		Account Activity for 12/31/16		<u>(2,624.00)</u>	
			Totals for 12/31/16		<u>(2,624.00)</u>	965.35
			Totals for 2-109		<u>(2,624.00)</u>	<u>965.35</u>
2-112	Intercompany-Parent Company			(189,276.88)		
12/31/16	AA99		Account Activity for 12/31/16		<u>(11,222.27)</u>	
			Totals for 12/31/16		<u>(11,222.27)</u>	(200,499.15)
			Totals for 2-112		<u>(11,222.27)</u>	<u>(200,499.15)</u>
2-130	Inventory-Boca			10,050.00		
			Totals for 2-130		<u>0.00</u>	<u>10,050.00</u>
2-151	Build Out			10,661.70		
			Totals for 2-151		<u>0.00</u>	<u>10,661.70</u>
2-152	Signage			662.50		
			Totals for 2-152		<u>0.00</u>	<u>662.50</u>
2-153	Computer Software-Mindbody			1,973.28		
			Totals for 2-153		<u>0.00</u>	<u>1,973.28</u>
2-159	Accumulated Depreciation			(2,134.00)		
			Totals for 2-159		<u>0.00</u>	<u>(2,134.00)</u>
2-205	Payroll Clearing			0.99		
			Totals for 2-205		<u>0.00</u>	<u>0.99</u>
2-232	Advance-Director			(10,400.00)		
12/31/16	AA99		Account Activity for 12/31/16		<u>8,128.71</u>	
			Totals for 12/31/16		<u>8,128.71</u>	(2,271.29)
			Totals for 2-232		<u>8,128.71</u>	<u>(2,271.29)</u>
2-233	Advance-Investors			(17,850.00)		
			Totals for 2-233		<u>0.00</u>	<u>(17,850.00)</u>
2-234	Accrued Rent			0.30		
			Totals for 2-234		<u>0.00</u>	<u>0.30</u>
2-246	Accrued Transfer Fee			(7,285.00)		
			Totals for 2-246		<u>0.00</u>	<u>(7,285.00)</u>
2-248	Sales Tax Payable			(56.06)		
12/31/16	AA99		Account Activity for 12/31/16		<u>(9.99)</u>	
			Totals for 12/31/16		<u>(9.99)</u>	(66.05)
			Totals for 2-248		<u>(9.99)</u>	<u>(66.05)</u>
2-301	Paid In Capital			(8,046.53)		
			Totals for 2-301		<u>0.00</u>	<u>(8,046.53)</u>

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December 1, 2016 - December 31, 2016

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
2-380	Retained Earnings			182,918.06		
			Totals for 2-380		<u>0.00</u>	<u>182,918.06</u>
2-400	NON-TAXABLE SALES			(142,483.33)		
12/31/16	AA99		Account Activity for 12/31/16		<u>(11,445.32)</u>	
			Totals for 12/31/16		<u>(11,445.32)</u>	<u>(153,928.65)</u>
			Totals for 2-400		<u>(11,445.32)</u>	<u>(153,928.65)</u>
2-401	TAXABLE SALES			(28,999.64)		
12/31/16	AA99		Account Activity for 12/31/16		<u>(1,228.04)</u>	
			Totals for 12/31/16		<u>(1,228.04)</u>	<u>(30,227.68)</u>
			Totals for 2-401		<u>(1,228.04)</u>	<u>(30,227.68)</u>
2-500	Cost Of Goods Sold			17,538.86		
12/31/16	AA99		Account Activity for 12/31/16		<u>300.54</u>	
			Totals for 12/31/16		<u>300.54</u>	<u>17,839.40</u>
			Totals for 2-500		<u>300.54</u>	<u>17,839.40</u>
2-502	Wages			42,608.21		
12/31/16	AA99		Account Activity for 12/31/16		<u>3,870.00</u>	
			Totals for 12/31/16		<u>3,870.00</u>	<u>46,478.21</u>
			Totals for 2-502		<u>3,870.00</u>	<u>46,478.21</u>
2-503	Officers Salaries			3,978.80		
			Totals for 2-503		<u>0.00</u>	<u>3,978.80</u>
2-506	Employer Payroll Taxes			4,098.85		
12/31/16	AA99		Account Activity for 12/31/16		<u>296.06</u>	
			Totals for 12/31/16		<u>296.06</u>	<u>4,394.91</u>
			Totals for 2-506		<u>296.06</u>	<u>4,394.91</u>
2-507	Insurance			254.30		
12/31/16	AA99		Account Activity for 12/31/16		<u>439.94</u>	
			Totals for 12/31/16		<u>439.94</u>	<u>694.24</u>
			Totals for 2-507		<u>439.94</u>	<u>694.24</u>
2-508	Supplies			2,689.38		
12/31/16	AA99		Account Activity for 12/31/16		<u>1,745.69</u>	
			Totals for 12/31/16		<u>1,745.69</u>	<u>4,435.07</u>
			Totals for 2-508		<u>1,745.69</u>	<u>4,435.07</u>
2-509	Legal And Accounting			15,927.50		
12/31/16	AA99		Account Activity for 12/31/16		<u>725.00</u>	
			Totals for 12/31/16		<u>725.00</u>	<u>16,652.50</u>
			Totals for 2-509		<u>725.00</u>	<u>16,652.50</u>
2-510	Advertising And Promotion			3,064.96		
12/31/16	AA99		Account Activity for 12/31/16		<u>450.00</u>	
			Totals for 12/31/16		<u>450.00</u>	<u>3,514.96</u>

OVATION MUSIC STUDIOS, INC - CONSOLIDATED

General Ledger - Period Subtotals

December 1, 2016 - December 31, 2016

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
Totals for 2-510					450.00	3,514.96
2-511 Rent-Boca				24,987.11		
12/31/16	AA99		Account Activity for 12/31/16		2,000.00	
			Totals for 12/31/16		2,000.00	26,987.11
Totals for 2-511					2,000.00	26,987.11
2-512 Outside Labor				53,819.50		
12/31/16	AA99		Account Activity for 12/31/16		5,597.50	
			Totals for 12/31/16		5,597.50	59,417.00
Totals for 2-512					5,597.50	59,417.00
2-513 Vehicles				362.44		
Totals for 2-513					0.00	362.44
2-515 Utilities				8,464.35		
12/31/16	AA99		Account Activity for 12/31/16		322.02	
			Totals for 12/31/16		322.02	8,786.37
Totals for 2-515					322.02	8,786.37
2-516 Licenses And Taxes				105.00		
Totals for 2-516					0.00	105.00
2-517 Freight				84.47		
Totals for 2-517					0.00	84.47
2-518 Repairs And Maintenance				215.98		
Totals for 2-518					0.00	215.98
2-520 Meals And Entertainment - 50				137.13		
Totals for 2-520					0.00	137.13
2-521 Bank Charges				3,704.89		
12/31/16	AA99		Account Activity for 12/31/16		417.00	
			Totals for 12/31/16		417.00	4,121.89
Totals for 2-521					417.00	4,121.89
2-522 Contributions				50.00		
Totals for 2-522					0.00	50.00
2-523 Office				702.90		
12/31/16	AA99		Account Activity for 12/31/16		43.30	
			Totals for 12/31/16		43.30	746.20
Totals for 2-523					43.30	746.20
2-524 Miscellaneous				1,020.61		
Totals for 2-524					0.00	1,020.61
2-525 Equipment Leases				328.20		
Totals for 2-525					0.00	328.20
2-526 Dues And Subscriptions				475.00		

OVATION MUSIC STUDIOS, INC - CONSOLIDATED

General Ledger - Period Subtotals

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Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
12/31/16	AA99		Account Activity for 12/31/16		95.00	
			Totals for 12/31/16		95.00	570.00
			Totals for 2-526		95.00	570.00
2-535	Credit Card Processing Fees			4,992.24		
12/31/16	AA99		Account Activity for 12/31/16		280.41	
			Totals for 12/31/16		280.41	5,272.65
			Totals for 2-535		280.41	5,272.65
2-536	Storage			702.62		
			Totals for 2-536		0.00	702.62
2-537	Website			178.51		
			Totals for 2-537		0.00	178.51
2-538	REIMBURSED EXPENSE			502.52		
			Totals for 2-538		0.00	502.52
2-549	Computer Software			510.00		
			Totals for 2-549		0.00	510.00
2-700	Other Income			(22,683.96)		
12/31/16	AA99		Account Activity for 12/31/16		(1.84)	
			Totals for 12/31/16		(1.84)	(22,685.80)
			Totals for 2-700		(1.84)	(22,685.80)
2-701	Interest Income			(1.59)		
			Totals for 2-701		0.00	(1.59)
2-709	Other Expense			28,621.55		
			Totals for 2-709		0.00	28,621.55
			Report Total			0.00
Net Profit/(Loss)						
Current Period					(8,915.00)	
Year-to-Date					(38,251.00)	

Distribution count = 37