



Quarterly
Report

June 30

2016

OTC Pink Basic Disclosure Guidelines – General Finance and Development, Inc.

1) Name of the issuer and its predecessors (if any)

General Finance and Development, Inc.

2) Address of the issuer's principal executive offices

Company Headquarters

General Finance and Development, Inc.
1400 Van Buren St. NE Suite 175
Minneapolis, MN 55413

Phone: 763-567-2208

Fax: 763-567-2201

Websites maintained by the issuer:

www.genfd.com

www.heartfitsystem.com

www.lifefitthealth.com

www.artforce.org

www.smartartprogram.com

IR Contact

None

3) Security Information

Trading Symbol: GFDV

General Finance and Development, Inc. Common Stock

CUSIP: 36982M

Par Value: .01

Authorized shares: 50,000,000 as of: June 30, 2016

Issued and outstanding: 4,524,116 as of: June 30, 2016

Public float: 337,288

Total # of beneficial shareholders: 1

Total number of shareholders of record: 85

Transfer Agent

Name: Signature Stock Transfer, Inc.

2220 Coit Road Suite #480 PMB 317

Plano, Texas 75075

Tel: (972) 612-4120

Fax: (972) 612-4122

Is the Transfer Agent registered under the Exchange Act? Yes: X

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On April 14, 2016 The Board of Directors executed a resolution to repurchase shares of General Finance and Development, Inc. from shareholders who hold fewer than 100 shares. During the 2nd Quarter of 2016 a total of 134 shares were purchased from 43 shareholders. The adjustment to the number of outstanding shares and number of shareholders is reflected above.

4) Issuance History

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

None in the past 2 years

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcq.com in the field below.

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

6) Describe the Issuer's Business, Products and Services

A. A description of the issuer's business operations;

The Company is a holding company and operates through its subsidiaries. The following companies are all wholly owned subsidiaries of General Finance and Development, Inc.

HeartFit System, LLC (“HeartFit”)

HeartFit was formed in 2006 by incorporating a proprietary and highly accurate non-invasive computerized heart screen technology with programs to prevent heart disease and promote health and fitness. The sole officer is William Kieger who has held the position since April 2006.

HeartFit has been involved in a number of joint ventures to develop a business model worthy of investment and rollout.

Studies published by Dr. Dean Ornish of The American Heart Association and others have shown that a combination of diet, exercise and meditation can prevent and even reverse heart disease. The same strategy as part of a comprehensive, ongoing program is known to improve overall health and longevity.

Beginning in January 2010, HeartFit designed and implemented a beta-rollout integrating its health-fitness promotion business and health-fitness screening as a complement to the employee benefit program at Corporate Art Force, LLC. From 2010 to the current date, all employees participated in at least some of the components of the program.

Revenues from the operations of HeartFit have been minimal and we cannot accurately predict any significant revenues in the future.

GFD Investments, LLC (“GFD Investments”)

The purpose of GFD Investments is to engage and manage investments that are considered to be speculative in nature. Investments may include, but are not limited to, public company stocks, debentures, real estate ventures, venture capital projects, joint venture financing and bridge financing. It may also finance social entrepreneurial projects and provide financing to other subsidiary companies of General Finance and Development, Inc.

The President and sole officer is Sharon Gray who was appointed to the position in November 2012.

Since inception in 2007, the Company has held investments in real estate development, oil and gas royalty trusts and small cap growth stocks. The company also provided the capital to purchase assets for the formation of Corporate Art Force and has provided a credit line. GFD Investments holds shares of General Finance and Development as a non-affiliate shareholder. The intention is to continue to hold the shares and at the appropriate time periodically sell the shares and utilize the proceeds in line with the business objectives of the company.

Corporate Art Force, LLC (“Art Force”)

Corporate Art Force provides turnkey art procurement services to corporate clients nation-wide. We rebranded in 2014 and are doing business as “Art Force”. William Kieger and Leslie Palmer-Ross are officers of the company and serve as the President and Director of Art and Healthcare Services respectively. William Kieger has served as an officer since inception and Leslie Palmer-Ross has been an officer since January, 2010. The company’s primary method of distribution is through an art consultant and sales force team that serve those clients. During 2015, there were 4,144 pieces of art that were distributed to approximately 82 clients in multiple states. Since inception in September 2009 through year end 2015, there have been a total of 31,116 art pieces distributed through Corporate Art Force in 40 states.

Art Force is in a fragmented competitive landscape — both the local and national markets are littered with “one-off galleries” and “single independents” providing partial consulting services and almost no fulfillment. Currently there is no single company that has captured a significant share of the US market.

During the years 2009 through 2011, the market experienced a decline due to the US economy and the reduction in corporate art expenditures. In 2012 we began to experience some positive signs of improvement in the market. Even so, the market for our services has changed and we are developing new products and services to pursue the market.

During 2014 we further developed our SmartArt Program that includes comprehensive art management, a rotating art program and lease financing. In 2015 we updated our website offerings www.artforce.org and www.smartartprogram.com and developed a data-base for art images and project room tools.

We announced plans in 2014 to develop a learning institution that will attract, educate and support professionals that distribute Art Force’s products and services. During the 1st quarter of 2016 we launched an online version of Art Force Academy that includes enrollment for art consultant certification, artist entrepreneurs and art enthusiasts. We have also expanded our real estate space to include a Venture Lab for the implementation of Art Force Academy initiatives and creative venture presentations.

We have added staff in sales and marketing and contracted programmers for ongoing data-base development. The expansion and development costs have been paid from sales revenue, General Finance and Development and related party financing.

We believe that we are positioned for further national expansion in 2016.

The National Market

Approximately \$ 12.2 billion spent in US on office furniture (2014).
Corporate art allowances run 5-10%, or roughly ½%-1% of total construction project costs.
Over 300 new building projects put out to bid domestically each month, plus another 300 in renovations.

Source: BIFMA, IKEA internal data, Indeed.com, zoombusinessinfo

The company is currently located at 1400 Van Buren Street NE, Minneapolis, Minnesota 55413. The area has been redeveloped as the Northeast Minneapolis Arts District. We believe this location will strategically position Art Force to be in alignment with our stated mission and objectives. Beginning June 1, 2015 we entered into a lease extension for 14,974 square ft. of showroom, office and production space at a base rent of \$12,997.33 per month. The lease will expire March 31, 2018 at which time we have an option to review for an additional 3 years.

All the above subsidiaries financial statements are included in the consolidated financial statements for General Finance and Development, Inc. and are included in this disclosure document.

B. Date and State (or Jurisdiction) of Incorporation;

General Finance and Development, Inc. is a Minnesota Corporation incorporated on April 1, 2003.

C. The issuer’s primary and secondary SIC Codes;

Our primary SIC industry classification is 6199 - Finance Services.
Our secondary SIC industry classification is 6799 – Investment Holding Company.

D. The issuer’s fiscal year end date; December 31

E. Principal products or services, and their markets;

General Finance and Development, Inc. (GFD) provides capital and business development services to small and mid-size companies. Capital is provided to qualified companies by equity and/or strategic loan agreements. Business development services include business planning, organization and management development. GFD also pursues merger-acquisitions and joint venture projects. We maintain a website www.genfd.com for more information on our company.

Our subsidiary Corporate Art Force, LLC dba Art Force provides turnkey art procurement services to corporate clients nation-wide. The company's primary method of distribution is through an art consultant and sales force team that serve those clients. We maintain a website www.artforce.org and have launched a new web based platform www.smartartprogram.com that includes an art data-base and showcase with art selections, project management and client tools. We also have launched artforce.academy.com as a learning platform for art consultant certification; artist entrepreneurs and art enthusiasts. During 2015 we began utilizing an additional 5,133 square ft. of space for the purpose of expanding the web based business and developing a "Venture Lab" concept in order to educate and provide other resources to creative entrepreneur's.

7) Describe the Issuer's Facilities

The company is currently located at 1400 Van Buren Street NE, Minneapolis, Minnesota 55413. The area has been redeveloped as the Northeast Minneapolis Arts District. We believe this location will strategically position Art Force to be in alignment with our stated mission and objectives. Beginning June 1, 2015 we entered into a lease extension for 14,974 square ft. of showroom, office and production space at a base rent of \$12,997.33 per month. The lease will expire March 31, 2018 at which time we have an option to review for an additional 3 years.

8) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

William Kieger, CEO and Chairman
Laura Kieger, Director

B. Legal/Disciplinary History.

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a

violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

C. Beneficial Shareholders.

William and Laura Kieger currently hold 3,904,131 common shares

The shares are owned as follows:

Aurora Capital Holdings, LLC	1,850,000 common shares
*Aurora Capital Management, LLC	1,754,131 common shares
William Kieger	300,000 common shares

William and Laura Kieger
6844 W. Shadow Lake Dr.
Lino Lakes, MN 55014

*Aurora Capital Management, LLC acquired an additional 550,000 shares of common stock in private transactions during the 1st quarter of 2016 to total 1,754,131 common shares held.

9) Third Party Providers

1. Legal Counsel
Gregg E. Jaclin, Esq., Partner
Szaferman Lakind Blumstein & Blader, PC
101 Grovers Mill Road
Second Floor
Lawrenceville, NJ 08648
Direct Dial: 609-557-0951 | General 609-275-0400
Direct Fax: 609-557-0969 | General 609-275-4511
gjaclin@szaferman.com

2. Accountant or Auditor
Scott Callahan, Certified Public Accountant
CASEY, MENDEN, FAUST & NELSON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
7900 West 78th Street, Suite 450
Edina, Minnesota 55439
Phone: 952-345-1540
scott@caseymenden.com

Our accountant is a Licensed and Certified Public Accountant. Our accountant assisted in the preparation of the unaudited financial statements that are included as an attachment to this disclosure document.

3. Investor Relations Consultant; None

4. Other Advisor; None

10) Issuer Certification

I, William Kieger certify that:

1. I have reviewed this 2nd Quarter 2016 Quarterly Disclosure of General Finance and Development, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 3, 2016

/s/ William Kieger
William Kieger
CEO & CFO

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Tel (952) 946-7900

Fax (952) 946-7901

MEMBERS

Minnesota Society of
Certified Public Accountants

American Institute of
Certified Public Accountants

MICHAEL A. CASEY, RETIRED
JOHN F. MENDEN, C.P.A.
DOUGLAS J. FAUST, C.P.A.
JOHN C. NELSON, C.P.A.
MICHAEL A. CASEY, JR., C.P.A.
SCOTT M. CALLAHAN, C.P.A.
DONALD G. LANGEWISCH, C.P.A.
PAULA M. MEIDL, C.P.A.
MICHAEL P. MENDEN, C.P.A.
JESSICA J. MAGRUM, C.P.A.
PAUL J. MCDONALD, C.P.A.
MICHAEL B. ANDERSON, C.P.A.
STEPHEN R. AUCHSTETTER, C.P.A.
BRADLEY D. BREEGGEMANN, C.P.A.
STEPHEN J. DEVRIES
ANDREW M. CASEY
CATHY L. DALRYMPLE
BRENDA L. NAASZ
GREGORY B. KAIBEL
TREVOR K. MARTIN
KIMBERLY A. PETTIT

ACCOUNTANT'S DISCLAIMER OF OPINION
ON UNAUDITED FINANCIAL STATEMENTS

To the Stockholders
General Finance and Development, Inc.
Minneapolis, Minnesota

The accompanying consolidated balance sheets of General Finance and Development, Inc. as of June 30, 2016 and December 31, 2015 and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for the three month and six month periods ended June 30, 2016 and 2015, were not audited by us and, accordingly, we do not express an opinion on them.

The June 30, 2016 consolidating balance sheet and consolidating statements of operations for the three month and six month periods ended June 30, 2016 are not a required part of the basic financial statements. Such information has not been audited by us and, accordingly, we do not express an opinion on it.

Casey, Menden, Faust & Nelson, P.A.

August 3, 2016

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	June 30, 2016	December 31, 2015
<u>ASSETS</u>		
Current assets:		
Cash	\$ 92,747	\$ 72,297
Marketable equity securities	77,914	86,571
Accounts receivable, net	52,703	350,774
Inventory	195,862	91,305
Prepaid expenses	17,502	-
Total current assets	<u>436,728</u>	<u>600,947</u>
Property and equipment, at cost	293,479	234,277
Artwork held for lease, at cost	24,900	24,900
Less accumulated depreciation	(211,845)	(189,511)
Property and equipment, net	<u>106,534</u>	<u>69,666</u>
Other assets:		
Goodwill and customer list	328,425	328,425
Total assets	<u><u>\$ 871,688</u></u>	<u><u>\$ 999,038</u></u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 134,408	\$ 219,685
Customer deposits	116,898	31,001
Factored sales orders - related party	112,362	34,378
Current portion of capital lease obligation	24,128	-
Total current liabilities	<u>387,796</u>	<u>285,064</u>
Capital lease obligation, less current portion	<u>19,997</u>	<u>-</u>
Shareholders' equity:		
Undesignated shares: no par value; 5,000,000 authorized; no shares issued and outstanding	-	-
Common stock: \$.01 par value; 50,000,000 shares authorized; issued and outstanding 4,524,114 in 2016 and 4,524,250 in 2015	45,241	45,243
Additional paid-in capital	1,529,234	1,529,299
Accumulated deficit	(1,110,580)	(860,568)
Total shareholders' equity	<u>463,895</u>	<u>713,974</u>
Total liabilities and shareholders' equity	<u><u>\$ 871,688</u></u>	<u><u>\$ 999,038</u></u>

See Accountant's Disclaimer of Opinion on Unaudited Financial Statements

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Month Period Ended		Six Month Period Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Total revenues	\$ 412,731	\$ 672,235	\$ 737,127	\$ 894,375
Cost of goods sold	<u>340,296</u>	<u>396,661</u>	<u>608,596</u>	<u>718,686</u>
Gross profit	<u>72,435</u>	<u>275,574</u>	<u>128,531</u>	<u>175,689</u>
Expenses:				
General and administrative	<u>161,230</u>	<u>155,620</u>	<u>369,886</u>	<u>297,823</u>
Operating income (loss)	<u>(88,795)</u>	<u>119,954</u>	<u>(241,355)</u>	<u>(122,134)</u>
Other income (expense):				
Realized gain (loss) on investment marketable equity securities	-	-	-	-
Unrealized gain (loss) on investment marketable equity securities	(8,657)	-	(8,657)	-
Interest and dividend income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other income (expense)	<u>(8,657)</u>	<u>-</u>	<u>(8,657)</u>	<u>-</u>
Income (loss) before income taxes	(97,452)	119,954	(250,012)	(122,134)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>
Net income (loss)	<u>\$ (97,452)</u>	<u>\$ 119,954</u>	<u>\$ (250,012)</u>	<u>\$ (122,149)</u>
Basic earnings (loss) per common share	<u>\$ (0.02)</u>	<u>\$ 0.03</u>	<u>\$ (0.06)</u>	<u>\$ (0.03)</u>
Diluted earnings (loss) per common share	<u>\$ (0.02)</u>	<u>\$ 0.03</u>	<u>\$ (0.06)</u>	<u>\$ (0.03)</u>
Weighted average number of shares outstanding	<u>4,524,141</u>	<u>4,524,250</u>	<u>4,524,196</u>	<u>4,524,250</u>

See Accountant's Disclaimer of Opinion on Unaudited Financial Statements

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Three Month Period Ended		Six Month Period Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Net income (loss)	\$ (97,452)	\$ 119,954	\$ (250,012)	\$ (122,149)
Other comprehensive income (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Comprehensive income (loss)	<u>\$ (97,452)</u>	<u>\$ 119,954</u>	<u>\$ (250,012)</u>	<u>\$ (122,149)</u>

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Par Value			
Balance, January 1, 2015	4,524,250	\$ 45,243	\$ 1,529,299	\$ (901,413)	\$ 673,129
Net income (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,845</u>	<u>40,845</u>
Balance, December 31, 2015	4,524,250	45,243	1,529,299	(860,568)	713,974
Stock redemption	(134)	(2)	(65)	-	(67)
Net income (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250,012)</u>	<u>(250,012)</u>
Balance, June 30, 2016	<u><u>4,524,116</u></u>	<u><u>\$ 45,241</u></u>	<u><u>\$ 1,529,234</u></u>	<u><u>\$ (1,110,580)</u></u>	<u><u>\$ 463,895</u></u>

See Accountant's Disclaimer of Opinion on Unaudited Financial Statements

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended	
	June 30, 2016	June 30, 2015
Cash flows from operating activities:		
Net income (loss)	\$ (250,012)	\$ (122,149)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Depreciation expense	22,334	16,824
Realized (gain) loss on investment in marketable equity securities	-	-
Unrealized (gain) loss on investment in marketable equity securities	8,657	-
Accounts receivable	298,071	15,175
Inventory	(104,557)	18,804
Prepaid expenses	(17,502)	(35,373)
Accounts payable and accrued expenses	(85,277)	104,639
Customer deposits	85,897	42,114
Net cash flows from operating activities	<u>(42,389)</u>	<u>40,034</u>
Cash flows from investing activities:		
Purchases of property and equipment	(9,202)	(28,228)
Purchases of artwork held for lease	-	(7,219)
Investment in marketable equity securities	-	-
Proceeds from sales of marketable equity securities	-	63
Net cash flows from investing activities	<u>(9,202)</u>	<u>(35,384)</u>
Cash flows from financing activities:		
Stock redemption	(67)	-
Proceeds factored sales orders - related party	170,125	117,045
Repayment factored sales orders - related party	(92,141)	(117,045)
Principal portion of capital lease payments	(5,875)	-
Net cash flows from financing activities	<u>72,042</u>	<u>-</u>
Increase (decrease) in cash	20,450	4,650
Cash: Beginning of period	72,297	70,571
Cash: End of period	<u>\$ 92,747</u>	<u>\$ 75,221</u>

See Accountant's Disclaimer of Opinion on Unaudited Financial Statements

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Six Months Ended	
June 30, 2016	June 30, 2015

Supplemental Cash Flow Information:

Summary if noncash activity:

In April 2106 the Company acquired furniture
and equipment under a capital lease

\$ 50,000	\$ -
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Cash paid for:

Interest	\$ 47,107	\$ 65,594
Income taxes	\$ -	\$ 15

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JUNE 30, 2016 AND 2015 / YEAR ENDED DECEMBER 31, 2015

NOTE 1 – NATURE OF ORGANIZATION

Business

The Company was incorporated on April 1, 2003 under the laws of the State of Minnesota. The Company was formed as a spin-off from Vital Health Technologies, Inc. as a part of a merger agreement between Vital Health Technologies, Inc. and Caribbean American Health Resorts, Inc. Each shareholder of record of Vital Health Technologies, Inc. on March 12, 2003, received one share of General Finance and Development, Inc. common stock for each share of Vital Health Technologies, Inc. common stock they owned.

From the date of formation on April 1, 2003 the Company pursued licensing opportunities for the Variance Cardiography technology and design and subsequent completion of a research study involving the technology. In November 2004 the formal paperwork was executed for the purchase of the Variance Cardiography technology from Vital Health Technologies, Inc. that had been anticipated in the merger/spin-off agreement. Management of the Company feels Variance Cardiography could become an effective methodology of detecting coronary artery disease.

In April 2006, the Company formed a wholly owned subsidiary, HeartFit System, LLC (HeartFit) a Minnesota limited liability company. The Company is currently developing a business model for utilization of its Variance Cardiography technology using HeartFit.

In January 2007, the Company formed a wholly-owned subsidiary, GFD Investments, LLC, a Minnesota Limited Liability Company. The Company manages a speculative investment fund and also pursues merger/acquisitions, joint venture projects in industries such as health fitness, medical technologies, financial services, rental and consumer products, internal, e-commerce and real estate.

In September 2009, the Company formed a wholly-owned subsidiary, Corporate Art Force, LLC, a Minnesota Limited Liability Company. In September 2009, Corporate Art Force, LLC completed the purchase of the customer base, business concept and certain assets of Art Holdings Corporation. Corporate Art Force, LLC offers art sales and consulting services to all size business organizations. During 2014 Corporate Art Force, LLC further developed their SmartArt Program that includes comprehensive art management, a rotating art program and lease financing.

The Company is fully dependent on Aurora Capital Management, a stockholder, for the maintenance of its corporate status and to provide all managerial support for the Company. A principal of Aurora Capital Management acts as the Company's chairman and chief executive officer.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JUNE 30, 2016 AND 2015 / YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Corporate Art Force, LLC, HeartFit System, LLC and GFD Investments, LLC. All intercompany transactions and balances were eliminated in consolidation.

Cash Equivalents

For purposes of reporting cash flows, cash equivalents include investment instruments purchased with maturity of three months or less. There were no cash equivalents in 2016 or 2015.

Revenue Recognition

Revenue is recognized at the point of shipment or performance of service. Revenues are presented on a “gross basis”. Accordingly, sales, use and value added taxes are included in revenues in the accompanying financial statements.

Amounts received from customers in advance of revenue recognition would be deferred and presented as liabilities in the accompanying financial statements.

Comprehensive Income

FASB ASC 220-10-20: Comprehensive Income establishes standards for the reporting and disclosure of comprehensive income and its components which will be presented in association with a company's financial statements. Comprehensive income is defined as the change in a business enterprise's equity during a period arising from transactions, events or circumstances relating to non-owner sources, such foreign currency translation adjustments and unrealized gains or losses on available-for-sale securities. It includes all changes in equity during a period except those resulting from investments by or distributions to owners. A reconciliation of net income and comprehensive income is provided in the accompanying financial statements.

Earnings (Loss) Per Common Share

Basic earnings (loss) per common share is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings (loss) per common share, in addition to the weighted average determined for basic earnings per shares would include potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JUNE 30, 2016 AND 2015 / YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stock-Based Consideration

The Company will apply the fair value-based method of accounting for employee and non-employee stock-based consideration and/or compensation in accordance with ASC 718: Compensation (based on quoted market prices at the date of grant and/or as earned).

Financial Instruments

In accordance with FASB ASC 820: Fair Value Measurements financial instruments consist of the following:

Short-Term Assets and Liabilities:

The fair value of cash and cash equivalents, accounts payable and accrued expenses, and short-term borrowings approximate their carrying values due to the short-term nature of these financial instruments.

Long-Term Debt:

The fair value of long-term debt approximates their carrying value because the terms are equivalent to borrowing rates currently available to the company for debt with similar terms and maturities.

Concentrations, Risks and Uncertainties

Use of Estimates:

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JUNE 30, 2016 AND 2015 / YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations, Risks and Uncertainties (Continued)

Cash Concentrations:

The Company maintains its bank balances at one financial institution and at one brokerage company. Bank balances might periodically exceed federally insured levels. The balance at the brokerage company is not federally insured, but is protected by the Securities Protection Corporation (SIPC) up to a \$500,000 including up to \$250,000 limit on cash held in the account. Cash balances maintained by the Company might periodically exceeded SIPC insured limits of \$250,000 at the brokerage company.

Marketable Equity Securities:

At June 30, 2016 and December 31, 2015 one hundred percent (100.0%) of the Company's investments in marketable equity securities consisted of shares of the Company's own common stock. Shares of the Company's common stock are traded on the OTC Market Exchange.

Accounts Receivable:

Credit terms are extended to customers in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and, generally, requires no collateral. Customer deposits are required on certain specialty orders. These deposits would be reflected as a liability in the accompanying financial statements.

Management believes all accounts receivable are collectible and has not recorded an allowance for doubtful accounts. While the ultimate loss may differ, management believes that any additional loss will not have a material impact on the Company's financial position. Due to uncertainties in the collection process, however, it is at least reasonably possible that management's estimate of the outcome will change during the next year. That amount cannot be estimated.

Lender Concentration:

The Company is dependent on Aurora Capital Management, a related party, for all of its financing to date (See Note 6).

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JUNE 30, 2016 AND 2015 / YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations, Risks and Uncertainties (Continued)

Major Customers:

Approximately 80% of the Company's sales are generated by approximately 50 clients of Corporate Art Force, LLC. Out of those 50 clients, 3 clients generated approximately 68% of these sales with one client generating 48% of these sales. If the Company were to lose any of these clients it would have a major negative effect on the Company.

Shipping and Handling Fees and Cost

GAAP requires shipping and handling fees billed to customers to be classified as revenue and shipping and handling costs to be classified as cost of sales as disclosed in the notes to the financial statements. The Company included shipping and handling fees billed to customers in net sales. Shipping and handling costs associated with inbound freight and outbound freight are included in cost of sales.

Income Taxes

The Company has implemented FASB ASC 740: Income Taxes. Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. See Note 5.

The Company has evaluated for uncertain tax positions and feels there are none. Federal and state taxing authorities generally have the right to examine returns for three years from the date of filing. Any interest or penalties as a result of the Project would be included in operating expenses in the accompanying financial statements. No interest or penalties are reflected in the 2016 financial statements. \$10 of interest and penalties are reflected in the 2015 financial statements.

Backlog

The company had backlog of \$382,613 at June 30, 2016 and backlog of \$57,998 at December 31, 2015.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JUNE 30, 2016 AND 2015 / YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

The Company has adopted FASB ASC 350 - Goodwill and Other Intangibles. Goodwill and intangible assets with indefinite useful lives are not presumed to be wasting assets. These assets are not amortized and are instead tested at least annually for impairment. Intangible assets that have finite useful lives continue to be amortized over those lives. The Company tested goodwill for impairment using a present value technique. Impairment arises if the carrying value of the goodwill exceeds its implied fair value. Management determined that no impairment of goodwill existed at June 30, 2016 and December 31, 2015.

Long-Lived Assets

In accordance with FASB ASC 360-10, Accounting For The Impairment Of Long-Lived Assets And For Long-Lived Assets To Be Disposed Of, the Company reviews its long-lived assets and intangibles related to those assets periodically to determine potential impairment by comparing the carrying value of the long-lived assets outstanding with estimated future cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future cash flows be less than the carrying value, the Company would recognize an impairment loss. An impairment loss would be measured by comparing the amount by which the carrying value exceeds the fair value of the long-lived assets and intangibles. Management determined that no impairment of long-lived assets existed at June 30, 2016 and December 31, 2015.

NOTE 3 - GOING CONCERN

At this time it is not known if the Company has sufficient capital resources to maintain itself until the Company can achieve sustainable profitable operations. Accordingly, the Company may need to raise either debt or equity financing. If the Company is unsuccessful it might not be able to continue as a going concern. Even if the Company successfully raises debt or equity financing it will still need to become profitable to continue as a going concern. Management is working to increase revenues and control costs, but there can be no guarantee these efforts will be successful. No estimate can be made of the range of loss that is reasonably possible should the Company be unsuccessful.

The Company is fully dependent on Aurora Capital Management, a stockholder, for the maintenance of its corporate status and to provide all managerial support for the Company. A principal of Aurora Capital Management acts as the Company's chairman and chief executive officer.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JUNE 30, 2016 AND 2015 / YEAR ENDED DECEMBER 31, 2015

NOTE 4 - MARKETABLE EQUITY SECURITIES

The Company has adopted FASB ASC 820: Fair Value Measurements and FASB ASC 820: The Fair Value Option for Financial Assets and Financial Liabilities. Accordingly, investments are recorded at their fair value and unrealized gains or losses are recognized as income in the accompanying financial statements. Fair value is determined from the brokerage statement, a level one input.

	<u>2016</u>	<u>2015</u>
Cost basis	\$ 216,428	\$ 216,428
Unrealized gain (loss)	<u>(138,514)</u>	<u>(129,857)</u>
Fair value	<u>\$ 77,914</u>	<u>\$ 86,571</u>

NOTE 6 - RELATED PARTY TRANSACTIONS

Management and administrative support:

The Company periodically pays Aurora Capital Management, a related party, for managerial services and administrative support. Payments for these services totaled \$-0- in 2016 year-to-date and \$-0- in 2015.

Capital Lease Obligation:

In April 2016 the Company leased furniture and equipment from Aurora Capital Management under a long-term lease agreement appropriately classified as capital lease. Property and equipment in the accompanying financial statements include assets capitalized under capital leases as follows:

	<u>2016</u>	<u>2015</u>
Furniture and equipment	\$ 50,000	\$ -
Less accumulated depreciation	<u>2,500</u>	<u>-</u>
	<u>\$ 47,500</u>	<u>\$ -</u>

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JUNE 30, 2016 AND 2015 / YEAR ENDED DECEMBER 31, 2015

NOTE 6 - RELATED PARTY TRANSACTIONS (Continued)

Capital Lease Obligation (Continued):

The following is a schedule of minimum payments under this capital lease

<u>Year Ending December 31:</u>	
2016	\$ 20,148
2017	26,864
2018	<u>6,716</u>
Total future payments	53,727
Less amount representing interest	<u>3,727</u>
	50,000
Less current maturities	<u>24,128</u>
	<u><u>\$ 25,872</u></u>

Accounts Receivable Factoring – Related Party:

In September 2010 the Company entered into a factoring arrangement with Aurora Capital Management. In 2016 year-to-date the Company factored an aggregate of \$280,610 in accounts receivable and \$170,125 in sales orders to Aurora Capital Management for \$405,661 in advances. The financing costs for this factoring totaled \$45,074 in 2016 year-to-date and are included in interest expense in the accompanying financial statements. In 2015 the Company factored an aggregate of \$1,443,273 in accounts receivable and \$151,423 in sales orders to Aurora Capital Management for \$1,442,264 in advances. The financing costs for this factoring totaled \$152,432 in 2015 year-to-date and are included in interest expense in the accompanying financial statements.

Finance Agreement:

In April 2012 the Company entered into a finance agreement with Aurora Capital Management, LLC and posted a disclosure on the OTC Markets website. The agreement with Aurora Capital Management, LLC provides for the contribution of up to 750,000 common shares of the Company's common stock currently owned by Aurora Capital Management, LLC to GFD Investments, LLC. These shares will be strategically converted to cash to finance venture projects in alignment with the business objectives of GFD Investments, LLC.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JUNE 30, 2016 AND 2015 / YEAR ENDED DECEMBER 31, 2015

NOTE 7 - LEASE

The Company leases its showroom, office and production space under an operating lease entered into in April 2010 and extended in March 2015. The lease currently runs through June 30, 2018. Rent expense was \$120,173 in 2016 year-to-date and \$195,579 in 2015.

Future minimum lease payments are as follows:

2016	\$ 240,043
2017	\$ 240,043
2018	\$ 60,011

NOTE 8 - INCOME TAXES

Income taxes consisted of the following:

	<u>2016</u>	<u>2015</u>
Current:		
Federal	\$ -	\$ -
State	-	-
State minimum fee	-	595
	<u>-</u>	<u>595</u>
Deferred:		
Federal	-	-
State	-	-
	<u>-</u>	<u>-</u>
Income tax expense	<u>\$ -</u>	<u>\$ 595</u>

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JUNE 30, 2016 AND 2015 / YEAR ENDED DECEMBER 31, 2015

NOTE 8 - INCOME TAXES (Continued)

Reconciliation between the expected federal income tax rate and the actual tax rates is as follows:

	2016		2015	
	Dollars	Percent	Dollars	Percent
Expected federal tax expense (benefit)	\$ (101,200)	-34.0%	\$ 14,100	34.0%
Surplus exemption	1,900	0.6%	(7,900)	-19.1%
State income tax, net of federal tax benefit	(19,200)	-6.5%	2,700	6.5%
Valuation (utilization) of deferred tax asset	118,500	39.9%	(8,900)	-21.4%
State minimum fee	-	0.0%	595	-0.1%
Income tax expense (benefit)	<u>\$ -</u>	<u>0.0%</u>	<u>\$ 595</u>	<u>-0.1%</u>

The tax effects of net operating loss carry forwards gives rise to a significant deferred tax asset. ASC 740: Income Taxes requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

	2016	2015
Gross deferred tax asset relating to:		
Capital loss carry forwards	\$ 27,600	\$ 56,200
Net operating loss carry forwards	396,900	242,300
Unrealized losses on investments	60,600	56,900
Tax depreciation	10,400	7,800
Gross deferred tax liability:		
Tax depreciation	-	-
Tax amortization	(63,100)	(60,700)
Unrealized gain on investments	-	-
Net deferred tax assets	<u>432,400</u>	<u>302,500</u>
Valuation allowance	(432,400)	(302,500)
Net deferred tax assets	-	-
Deferred tax liability	-	-
Net deferred tax asset (liability)	<u>\$ -</u>	<u>\$ -</u>

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JUNE 30, 2016 AND 2015 / YEAR ENDED DECEMBER 31, 2015

NOTE 8 - INCOME TAXES (Continued)

At June 30, 2016, the Company had net operating loss carry forwards available to offset future taxable income that expire in the years indicated as follows:

<u>Year of Expiration</u>	<u>Federal</u>	<u>Minnesota</u>
2025	\$ 75,700	\$ 62,300
2026	40,900	42,700
2029	<u>326,800</u>	<u>330,300</u>
	<u>\$ 443,400</u>	<u>\$ 435,300</u>

NOTE 9 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 3, 2016, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATING BALANCE SHEETS (UNAUDITED) JUNE 30, 2016

<u>ASSETS</u>	General Finance and Development, Inc.	HeartFit System, LLC	GFD Investments, LLC	Corporate Art Force, LLC	Eliminations	Consolidated
Current assets:						
Cash	\$ 19,120	\$ 211	\$ 21,136	\$ 52,280	\$ -	\$ 92,747
Marketable equity securities	-	-	77,914	-	-	77,914
Accounts receivable, net	-	-	3,000	49,703	-	52,703
Intercompany receivable (payable)	-	-	145,500	(145,500)	-	-
Inventory	-	-	-	195,862	-	195,862
Prepaid expenses	-	-	-	17,502	-	17,502
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	19,120	211	247,550	169,847	-	436,728
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Property and equipment, at cost	-	-	-	293,479	-	293,479
Artwork held for lease, at cost	-	-	24,900	-	-	24,900
Less accumulated depreciation	-	-	(10,956)	(200,889)	-	(211,845)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Property and equipment, net	-	-	13,944	92,590	-	106,534
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other assets:						
Goodwill and customer list	-	-	-	328,425	-	328,425
Investments in subsidiaries	445,355	-	-	-	(445,355)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	445,355	-	-	328,425	(445,355)	328,425
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 464,475</u>	<u>\$ 211</u>	<u>\$ 261,494</u>	<u>\$ 590,863</u>	<u>\$ (445,355)</u>	<u>\$ 871,688</u>

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATING BALANCE SHEETS (UNAUDITED)

JUNE 30, 2016

<u>CURRENT LIABILITIES AND SHAREHOLDERS' EQUITY</u>	General Finance and Development, Inc.	HeartFit System, LLC	GFD Investments, LLC	Corporate Art Force, LLC	Eliminations	Consolidated
Current liabilities:						
Accounts payable and accrued expenses	\$ 580	\$ -	\$ -	\$ 133,828	\$ -	\$ 134,408
Customer deposits	-	-	-	116,898	-	116,898
Factored sales orders	-	-	-	112,362	-	112,362
Current portion of capital lease obligation	-	-	-	24,128	-	24,128
Total current liabilities	<u>580</u>	<u>-</u>	<u>-</u>	<u>387,216</u>	<u>-</u>	<u>387,796</u>
Capital lease obligation, less current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,997</u>	<u>-</u>	<u>19,997</u>
Shareholders' equity:						
Undesignated shares: no par value; 500,000 authorized; no shares issued and outstanding	-	-	-	-	-	-
Common stock: \$.01 par value; 50,000,000 shares authorized; 4,524,116 shares issued and outstanding	45,241	-	-	-	-	45,241
Additional paid-in capital	1,529,234	-	456,498	526,000	(982,498)	1,529,234
Accumulated deficit	<u>(1,110,580)</u>	<u>211</u>	<u>(195,004)</u>	<u>(342,350)</u>	<u>537,143</u>	<u>(1,110,580)</u>
Total shareholders' equity (deficit)	<u>463,895</u>	<u>211</u>	<u>261,494</u>	<u>183,650</u>	<u>(445,355)</u>	<u>463,895</u>
Total liabilities and shareholders' equity (deficit)	<u>\$ 464,475</u>	<u>\$ 211</u>	<u>\$ 261,494</u>	<u>\$ 590,863</u>	<u>\$ (445,355)</u>	<u>\$ 871,688</u>

See Independent Accountant's Disclaimer of Opinion on Unaudited Financial Statements
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GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATING STATEMENTS OF OPERATIONS (UNAUDITED) THREE MONTH PERIOD ENDED JUNE 30, 2016

	General Finance and Development, Inc.	HeartFit System, LLC	GFD Investments, LLC	Corporate Art Force, LLC	Eliminations	Consolidated
Total revenues	\$ 15,067	\$ -	\$ 3,287	\$ 409,444	\$ (15,067)	\$ 412,731
Cost of goods sold	<u>-</u>	<u>-</u>	<u>-</u>	<u>340,296</u>	<u>-</u>	<u>340,296</u>
Gross profit	<u>15,067</u>	<u>-</u>	<u>3,287</u>	<u>69,148</u>	<u>(15,067)</u>	<u>72,435</u>
Expenses:						
General and administrative	<u>2,532</u>	<u>-</u>	<u>1,767</u>	<u>171,998</u>	<u>(15,067)</u>	<u>161,230</u>
Operating income (loss)	<u>12,535</u>	<u>-</u>	<u>1,520</u>	<u>(102,850)</u>	<u>-</u>	<u>(88,795)</u>
Other income (loss):						
Earnings (loss) on subsidiaries	(109,987)	-	-	-	109,987	-
Realized loss on investment marketable equity securities	-	-	-	-	-	-
Unrealized loss on investment marketable equity securities	-	-	(8,657)	-	-	(8,657)
Interest and dividend income	-	-	-	-	-	-
Total other income (expense)	<u>(109,987)</u>	<u>-</u>	<u>(8,657)</u>	<u>-</u>	<u>109,987</u>	<u>(8,657)</u>
Income (loss) before income taxes	(97,452)	-	(7,137)	(102,850)	109,987	(97,452)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	<u><u>\$ (97,452)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (7,137)</u></u>	<u><u>\$ (102,850)</u></u>	<u><u>\$ 109,987</u></u>	<u><u>\$ (97,452)</u></u>

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATING STATEMENTS OF OPERATIONS (UNAUDITED) SIX MONTH PERIOD ENDED JUNE 30, 2016

	General Finance and Development, Inc.	HeartFit System, LLC	GFD Investments, LLC	Corporate Art Force, LLC	Eliminations	Consolidated
Total revenues	\$ 25,067	\$ -	\$ 4,769	\$ 732,358	\$ (25,067)	\$ 737,127
Cost of goods sold	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,596</u>	<u>-</u>	<u>608,596</u>
Gross profit	<u>25,067</u>	<u>-</u>	<u>4,769</u>	<u>123,762</u>	<u>(25,067)</u>	<u>128,531</u>
Expenses:						
General and administrative	<u>5,673</u>	<u>550</u>	<u>3,534</u>	<u>385,196</u>	<u>(25,067)</u>	<u>369,886</u>
Operating income (loss)	<u>19,394</u>	<u>(550)</u>	<u>1,235</u>	<u>(261,434)</u>	<u>-</u>	<u>(241,355)</u>
Other income (loss):						
Earnings (loss) on subsidiaries	(269,406)	-	-	-	269,406	-
Realized loss on investment marketable equity securities	-	-	-	-	-	-
Unrealized loss on investment marketable equity securities	-	-	(8,657)	-	-	(8,657)
Interest and dividend income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other income (expense)	<u>(269,406)</u>	<u>-</u>	<u>(8,657)</u>	<u>-</u>	<u>269,406</u>	<u>(8,657)</u>
Income (loss) before income taxes	(250,012)	(550)	(7,422)	(261,434)	269,406	(250,012)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	<u><u>\$ (250,012)</u></u>	<u><u>\$ (550)</u></u>	<u><u>\$ (7,422)</u></u>	<u><u>\$ (261,434)</u></u>	<u><u>\$ 269,406</u></u>	<u><u>\$ (250,012)</u></u>