

NEXT GENERATION MANAGEMENT CORP.

A Nevada corporation

QUARTERLY REPORT

Ending June 30, 2016 and June 30, 2015

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

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Next Generation Management Corp.

2) Address of the issuer's principal executive offices

Company Headquarters

Address 1: 44715 Prentice Dr.

Address 2: Unit 973

Address 3: Ashburn, VA 20146

Phone: 703-372-1282

Email: Info@nextgenmanagementcorp.com

Website(s): N/A

IR Contact: NONE.

3) Security Information

Trading Symbol: NGMC

Exact title and class of securities outstanding: Common

CUSIP: 65340V103

Par or Stated Value: .0001

Total shares authorized: as of: 06/30/16: 999,999,999

as of 06/30/15: 999,999,999

Total shares outstanding: as of: 06/30/16: 328,203,237

as of 06/30/15: 328,203,237

Additional class of securities (if necessary): None.

Transfer Agent

Name: OTR Transfer

Address 1: 1001 SW Fifth Ave

Address 2: Suite 1550

Address 3: Portland, OR 97204

Phone: 503-225-0375

Is the Transfer Agent registered under the Exchange Act?*

Yes: ☒

No: ☐

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

N/A

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:

None.

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

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

1. On September 18, 2014, an aggregate 12,000,000 shares of restricted common stock were issued in settlement of a Convertible Promissory Note dated May 24, 2013 at a per share price of \$0.0014 to Actual Investments, LLC, which Convertible Promissory Note evidenced funds loaned for working capital purposes.
2. On October 21, 2014, an aggregate 7,857,123 shares of restricted common stock were issued in settlement of a Convertible Promissory Note dated May 24, 2013 at a per share price of \$0.0014 to Actual Investments, LLC, which Convertible Promissory Note evidenced funds loaned for working capital purposes.
3. On October 28, 2014, an aggregate 13,000,000 shares of restricted common stock were issued in settlement of a Convertible Promissory Note dated October 27, 2014 at a per share price of \$0.0014 to Actual Investments, LLC, which Convertible Promissory Note evidenced funds loaned for working capital purposes.
4. On January 30, 2015, an aggregate 13,000,000 shares of restricted common stock were issued in settlement of a Convertible Promissory Note dated October 27, 2014 at a per share price of \$0.0014 to Actual Investments, LLC, which Convertible Promissory Note evidenced funds loaned for working capital purposes.
5. On March 15, 2015, an aggregate 13,000,000 shares of common stock were issued in settlement of a Convertible Promissory Note dated October 27, 2014 at a per share price of \$0.0014 to Actual Investments, LLC, which Convertible Promissory Note evidenced funds loaned for working capital purposes.
6. On July 13, 2015, an aggregate 13,000,000 shares of common stock were issued in settlement of a Convertible Promissory Note dated October 27, 2014 at a per share price of \$0.0014 to Actual Investments, LLC, which Convertible Promissory Note evidenced funds loaned for working capital purposes.

The above referenced shares were issued in private transactions to six creditors, which were United States residents, in reliance on Rule 506 of Regulation D promulgated under the Securities Act. The shares of common stock have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. The consultants acknowledged that the securities to be issued have not been registered under the Securities Act, that they understood the economic risk of an investment in the securities, and that they had the opportunity to ask questions of and receive answers from our management concerning any and all matters related to acquisition of the securities.

B. Any jurisdictions where the offering was registered or qualified;

N/A.

C. The number of shares offered;

N/A

D. The number of shares sold;

Shares were issued in accordance with the terms and provisions of the Convertible Promissory Notes.

E. The price at which the shares were offered, and the amount actually paid to the issuer;

The shares were issued at a per share price of \$0.0014 in settlement of the Convertible Promissory Notes. No amounts were paid to the Issuer.

F. The trading status of the shares; and

The above-referenced shares were issued as restricted stock.

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

The certificates evidencing the above referenced shares of common stock were issued with a restrictive legend as follows:

"The securities represented by this stock certificate have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or applicable state securities laws, and shall not be sold, pledged, hypothecated, donated, or otherwise transferred (whether or not for consideration) by the holder except upon the issuance to the Company of a favorable opinion of its counsel or the submission to the Company of such other evidence as may be satisfactory to counsel for the Company, to the effect that any such transfer shall not be in violation of the Securities Act or applicable state securities laws".

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.

See financials appended hereto.

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

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A.** a description of the issuer's business operations;

Disclosure Regarding Forward Looking Statements

This filing includes forward looking statements ("Forward Looking Statements"). All statements other than statements of historical fact included in this report are Forward Looking Statements. In the normal course of our business, we, in an effort to help keep our shareholders and the public informed about our operations, may from time-to-time issue certain statements, either in writing or orally, that contain or may contain Forward-Looking Statements. Although we believe that the expectations reflected in such Forward Looking Statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Generally, these statements relate to business plans or strategies, projected or anticipated benefits or other consequences of such plans or strategies, past and possible future, of acquisitions and projected or anticipated benefits from acquisitions made by or to be made by us, or projections involving anticipated revenues, earnings, levels of capital expenditures or other aspects of operating results. All phases of our operations are subject to a number of uncertainties, risks and other influences, many of which are outside of our control and any one of which, or a combination of which, could materially affect the results of our proposed operations and whether Forward Looking Statements made by us ultimately prove to be accurate. Such important factors ("Important Factors") and other factors could cause actual results to differ materially from our expectations are disclosed in this report, including those factors discussed in "Item 1A. Risk Factors." All prior and subsequent written and oral Forward Looking Statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the Important Factors described below that could cause actual results to differ materially from our expectations as set forth in any Forward Looking Statement made by or on behalf of us.

Overview

Next Generation Management Corp. (the "Company") was incorporated in the State of Nevada in November 1980 as Micro Tech Industries, with official name changes to Next Generation Media Corporation in April 1997, to Next Generation Energy Corporation in July 2010 and to Next Generation Management Corp. on June 19, 2014. The Company has historically been an independent oil and natural gas company engaged in the exploration, development, and production of predominantly natural gas properties located onshore in the United States.

In March 2011, the Company acquired all of the membership interests of Knox Gas, LLC and 1,220 acres of mineral leases in Knox County, Kentucky, containing 10 shut-in wells, for a purchase price of \$500,000. The purchase price was payable pursuant to two promissory notes in the amount of \$250,000 each that are payable to Joel Sens and Barbara Reed. Mr. Sens was an officer and director of the Company. Ms. Reed is the spouse of Darryl Reed, who is an officer and director of the Company.

In 2014, due to a conflict with the current operator, the Company fully impaired the value of the wells until such time that a realizable estimated value can be reasonably determined.

Previously, prior to 2015, the Company specialized in oil and natural gas assets. Since then, however, the Board of Directors had approved a plan to redirect resources and to focus the core business on the medical marijuana industry. The Company has focused on providing turnkey facilities including management, accounting and security services, to the medical and recreational cannabis industry.

Results of Operations

During the three month periods ended June 30, 2016 and 2015, the Company's revenues were \$40,440 and \$0 respectively.

During the three months ending June 30, 2016, our operating expenses were \$86,305, as compared to \$106,462 for the three months ending June 30, 2015.

The Company realized a net loss for the three months ended June 30, 2016 of (\$45,865) as compared to a net loss of (\$106,462) in the three months ended June 30, 2015.

Liquidity

The Company's balance sheet as of June 30, 2016 reflects current assets of \$73,937, current liabilities of \$1,618,731 and a working capital deficit of (\$1,544,794).

The Company will need to raise capital to meet its working capital and financing needs. Our ability to become profitable is dependent on the receipt of revenues from new operations in the cannabis industry greater than our operational expenses. The Company will focus on providing turnkey facilities including management, accounting and security services, to the medical and recreational cannabis industry.

Going Concern

Our financial statements have been presented on the basis that we continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, we incurred a net operating loss in the three-month quarters ended June 30, 2014 and 2015, and minimal revenues. These factors create an uncertainty about our ability to continue as a going concern. We are currently trying to raise capital through the new business focus on providing turnkey facilities including management, accounting and security services, to the medical and recreational cannabis industry. Our ability to continue as a going concern is dependent on the success of this plan. The financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Critical Accounting Estimates

At this time, we are not required to make any material estimates and assumptions that affect the reported amounts and related disclosures of assets, liabilities, revenue, and expenses. However, we are currently trying to raise capital through the new business focus on providing turnkey facilities including management, accounting and security services, to the medical and recreational cannabis industry. Any estimates will require us to rely upon assumptions that were highly uncertain at the time the accounting estimates are made, and changes in them are reasonably likely to occur from period to period. Changes in estimates used in these and other items could have a material impact on our financial statements

in the future. Our estimates will be based on our experience and our interpretation of economic, political, regulatory, and other factors that affect our business prospects. Actual results may differ significantly from our estimates.

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

1982, Nevada.

C. the issuer's primary and secondary SIC Codes;

Primary: 0139 field crops.

Secondary: 0191 general farming.

D. the issuer's fiscal year end date;

December 31.

E. principal products or services, and their markets;

Cannabis, in Portland OR.

7) Describe the Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

3,200 Sq. Ft. leased facility in Portland OR for indoor cultivation. Facility operates at full capacity under the OHA/OMMP Medical MMJ Program.

8) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

- 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.

Darryl Reed, President, CEO & Director

- B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

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

No

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;

No

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

No

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.

No

- C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Darryl Reed
44715 Prentice Dr
Unit 973
Ashburn, VA 20146
43.9%

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Name: NONE.

Firm: _____

Address 1: _____

Address 2: _____

Phone: _____

Email: _____

Accountant or Auditor

Name: NONE.

Firm: _____

Address 1: _____

Address 2: _____

Phone: _____

Email: _____

Investor Relations Consultant

Name: None

Firm: _____

Address 1: _____

Address 2: _____

Phone: _____

Email: _____

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: None

Firm: _____

Address 1: _____

Address 2: _____

Phone: _____

Email: _____

10) Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Darryl Reed certify that:

1. I have reviewed this above disclosure statement of Next Generation Management Corp.;
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.

November 21, 2016

/s/ Darryl Reed

CEO, Board Chair, and CFO

Next Generation Management Corp

Statement of Cash Flows

January through June 2016

	Jan - Jun 16	Jan - Jun 15
OPERATING ACTIVITIES		
Net Income	-109,619.32	-243,497.32
Adjustments to reconcile Net Income to net cash provided by operations:		
Note Receivable	0.00	-2000
Accounts Receivable	-63,480.00	0
Deposit	5,000.00	-5000
Accounts Payable	23,250.00	-101416.99
Accrued Interest Actual 1	892.61	892.61
Accrued Interest Actual 3	1,280.00	1280
Accrued Interest Forge	6,660.00	6660
Accrued Wages	142,500.00	142,500
Note Payable-LaTanya Burkhalter	0.00	24,480
Note Payable-Sutphin	0.00	10,504
Note Payable-Sutphin #2	0.00	48,900
Note Payable-Turner Jones	0.00	49,494
Net cash provided by Operating Activities	6,483.29	-67,203.93
Net cash increase for period	6,483.29	-67,203.93
Cash at beginning of period	4,576.63	137342.03
Cash at end of period	11,059.92	70138.10

Next Generation Management Corp
Profit & Loss
April through June 2016

	<u>Apr - Jun 16</u>
Ordinary Income/Expense	
Income	
Product Sales	40,440.00
Total Income	<u>40,440.00</u>
Expense	
Compensation Expense	71,250.00
Interest Expense	
Loan Interest	4,838.77
Total Interest Expense	<u>4,838.77</u>
Professional Fees	
Consulting	3,700.00
Total Professional Fees	<u>3,700.00</u>
Public Relations	165.15
Rent	5,500.00
Utilities	
Gas and Electric	851.56
Total Utilities	<u>851.56</u>
Total Expense	<u>86,305.48</u>
Net Ordinary Income	<u>-45,865.48</u>
Net Income	<u><u>-45,865.48</u></u>

Next Generation Management Corp
Profit & Loss
April through June 2015

	<u>Apr - Jun 15</u>
Ordinary Income/Expense	
Expense	
Bank Service Charges	75.00
Compensation Expense	71,250.00
Contract Labor	2,874.12
Interest Expense	
Loan Interest	4,838.77
Total Interest Expense	<u>4,838.77</u>
Licenses and Permits	125.00
Merry Jans Sales Expense	1,450.00
Miscellaneous	-250.00
Office Supplies	2,711.95
Plant Expense	1,390.54
Professional Fees	
Consulting	200.00
Legal Fees	2,958.59
Total Professional Fees	<u>3,158.59</u>
Rent	16,644.40
Repairs	
Building Repairs	1,892.88
Total Repairs	<u>1,892.88</u>
Telephone	219.97
Travel & Ent	
Travel	81.15
Total Travel & Ent	<u>81.15</u>
Total Expense	<u>106,462.37</u>
Net Ordinary Income	<u>-106,462.37</u>
Net Income	<u><u>-106,462.37</u></u>

Next Generation Management Corp.
Consolidated Statements of Stockholders' Equity
For Years Ended December 31, 2015 and 2014

	Common Stock Shares	Amount	Stock Sub. Rec.	Additional Paid In Capital	Accum. Deficit	Total
December 31, 2012 (Restated)						
	113,853,237	\$ 113,853	\$ -	\$13,553,569	\$ (14,112,344)	\$ (444,922)
Debt restructuring	-	-	-	4,420,171	-	4,420,171
Shares issued in debt restructuring	12,142,857	12,143	-	4,857	-	17,000
Net loss	-	-	-	-	(4,801,181)	(4,801,181)
December 31, 2013						
	125,996,094	\$ 125,996	\$ -	\$17,978,597	\$ (18,913,525)	\$ (808,932)
Debt restructuring	-	-	-	450,675	-	450,675
Debt conversion	70,857,143	70,857	-	224,368	-	295,225
Shares issued for consulting fees	30,000,000	30,000	-	262,000		292,000
Shares issued consulting-Related party	39,646,000	39,646	-	514,354		554,000
Shares issued for accrued wages	12,000,000	12,000		144,000		156,000
Shares issued for related party debt	353,846	354		45,646		46,000
Net Loss					(2,141,535)	(2,141,535)
December 31, 2014	278,853,083	278,853		19,619,640	(21,055,060)	(1,156,567))
Debt conversion	39,000,000	39,000				39,000
Shares issued for consulting fees	10,000,000	10,000				10,000
Net Loss					(529,416)	(529,416)
December 31, 2015	327,853,083	327,853		19,619,640	(21,584,476)	(1,636,983)

See accompanying notes and accountant's audit report

Next Generation Management Corp.
Notes to Consolidated Financial Statements
For The Years Ended December 31, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business:

The Company was incorporated in the State of Nevada in November 1980 as Micro Tech Industries, with an official name changes to Next Generation Media Corporation in April 1997, to Next Generation Energy Corporation in July 2010 and Next Generation Management Corp. on June 19, 2014. The Company has historically been an independent oil and natural gas company engaged in the exploration, development, and production of predominantly natural gas properties located onshore in the United States. In March 2011, the Company acquired 1,220 acres of mineral leases in Knox County, Kentucky, containing 10 shut-in wells. We continue to hold certain oil and natural gas assets, however, our Board of Directors recently approved a plan to redirect resources and to focus our core business on the medical marijuana industry. The Company would focus on providing turnkey facilities including management, accounting and security services.

Property, Plant and Equipment:

Property, plant and equipment are stated at cost. The company uses the straight line method in computing depreciation for financial statement purposes.

Expenditures for repairs and maintenance are charged to income, and renewals and replacements are capitalized. When assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts.

The Company did not record any depreciation expense for 2015 or 2014.

Advertising Expense:

The Company expenses the cost of advertising and promotions as incurred. The Company incurred no advertising costs in the years ended December 31, 2015 and 2014.

Revenue Recognition:

The Company recognizes revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition ("ASC 605-10"). ASC 605-10 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

ASC 605-10 incorporates Accounting Standards Codification subtopic 605-25, Multiple-Element Arrangements ("ASC 605-25"). ASC 605-25 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets. The effect of implementing ASC 605-25 on the Company's financial position and results of operations was not significant.

Impairment of Long-Lived Assets:

The Company has adopted Accounting Standards Codification subtopic 360-10, Property, plant and equipment ("ASC 360-10"). The Statement requires that long-lived assets and certain identifiable intangibles held and used by the Company be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. ASC 360-10 also requires assets to be disposed of be reported at the lower of the carrying amount or the fair value less costs to sell.

Comprehensive Income:

The Company adopted Accounting Standards Codification subtopic 220-10, Comprehensive Income ("ASC 220-10") which establishes standards for the reporting and displaying of comprehensive income and its components. Comprehensive income is defined as the change in equity of a business during a period from transactions and other events and circumstances from non-owners sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company does not have any items of comprehensive income in any of the periods presented.

Segment Information:

The Company adopted Accounting Standards Codification subtopic 280-10, Segment Reporting - Overall - Disclosure ("ASC 280-10") which establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. ASC 280-10 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision making group, in making decisions on how to allocate resources and assess performance.

Stock Based Compensation:

Effective for the year beginning January 1, 2006, the Company has adopted Accounting Standards Codification subtopic 718-10, Compensation ("ASC 718-10"). The Company made no employee stock based compensation grants before December 31, 2005 and therefore has no unrecognized stock compensation related liabilities or expense unvested or vested prior to 2006. Stock-based compensation expense recognized under ASC 718-10 for the years ended December 31, 2015 and 2014 was \$0.

Liquidity:

As shown in the accompanying financial statements, the Company recorded a net (loss) of (\$2,141,535) and (\$529,416) during the years ended December 31, 2015 and 2014, respectively. The Company's total liabilities exceeded its total assets by \$1,481,040 as of December 31, 2015.

Concentration of Credit Risk:

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consist primarily of cash, cash equivalents and trade receivables. The Company places its cash and temporary cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit.

Use of Estimates:

The preparation of the financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the respective reporting periods. The Company bases its estimates and judgments on historical experience and on various other assumptions and information that are believed to be reasonable under the circumstances. Estimates and assumptions about future events and their effects cannot be perceived with certainty and, accordingly, these estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment changes. Actual results may differ from the estimates and assumptions used in the preparation of the Company's condensed consolidated financial statements.

The Company's most significant areas of estimation and assumption are:

- Estimation of future cash flows used to assess the recoverability of long-lived assets
- Estimation of the net deferred income tax asset valuation allowance
- Determination of the appropriate assumptions to use to estimate the fair value of stock-based compensation for purposes of recording stock-based compensation
 - Estimation of fair value of shares issued in debt conversions and restructuring

Gas and Oil Properties:

The Company will follow the full cost method of accounting for the exploration, development, and acquisition of gas and oil reserves. Under this method, all such costs (productive and nonproductive) including salaries, benefits, and other internal costs directly attributable to these activities are capitalized and amortized on an aggregate basis over the estimated lives of the properties using the units-of production method. The Company excludes all costs of unevaluated properties from immediate amortization. The Company's unamortized costs of natural gas and oil properties are limited to the sum of the future net revenues attributable to proved natural gas and oil reserves discounted at 10 percent plus the lower of cost or market value of any unproved properties. If the Company's unamortized costs in natural gas and oil properties exceed this ceiling amount, a provision for additional depreciation, depletion and amortization is required. Decreases in market prices, as well as changes in production rates, levels of reserves, and the evaluation of costs excluded from amortization, could result in future ceiling test impairments.

Asset Retirement Obligations:

Accounting Standards Codification 410, Asset retirement and environmental obligations ("ASC 410") was adopted by the Company. ASC 410 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made, and that the associated asset retirement costs be capitalized as part of the carrying amount of the long-lived asset. The Company has an option to purchase natural gas and oil properties which may require expenditures to plug and abandon the wells when reserves in the wells are depleted. These expenditures under ASC 410 will be recorded in the period the liability is incurred (at the time the wells are drilled or acquired).

Amortization:

Oil and gas producing property costs are amortized using the unit of production method. The Company did not record any amortization expense in the twelve months ending December 31, 2015 or 2014.

Research and Development:

The Company accounts for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. The Company did not incur expenditures on research and product development for the years ended December 31, 2015 and 2014.

Income Taxes:

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse.

Risks and Uncertainties:

The Company at times may have cash deposits in excess of federally insured limits.

Principles of Consolidation:

The accompanying consolidated financial statements include the accounts of the parent company, Next Generation Management Corp. and its wholly owned subsidiaries Next Generation Royalties, LLC, Nextgen Holdings, LLC, Knox Gas LLC and Next Generation Cannabis Consulting, LLC, as well as, Mary Jan's Edibles, LLC in which the company has a controlling interest for the years ended December 31, 2015 and 2014. All inter-company balances and transactions have been eliminated in consolidation.

New Accounting Pronouncements:

The Company did not adopt any new accounting standards that had a material impact on the financial statements.

Reclassifications:

Certain 2012 amounts have been reclassified to conform to current year presentation.

NOTE 2 – NOTES PAYABLE

- (1) Obligation to Forge, LLC for \$150,000, bearing interest at 18.00% per annum, the loan is payable at maturity in July 2012 plus accrued interest. The note is secured by certain oil and gas properties owned by Knox Gas, LLC, a subsidiary of the Company. The note is convertible to Common Stock at a conversion price equal to 75% of the average of the closing prices of the Common Stock for the 10 trading days immediately preceding a conversion date. The balance outstanding at December 31, 2015 was \$24,000 plus accrued interest of \$45,386.55. Our obligation to Forge, LLC contains an embedded beneficial conversion feature since the fair value of our Common Stock on the date of issuance was in excess of the effective conversion price. The embedded beneficial conversion feature was recorded by allocating a portion of the proceeds equal to the intrinsic value of the feature to "Additional paid-in-capital". The intrinsic value of the feature is calculated on the issuance date by multiplying the difference between the quoted market price of our Common Stock and the effective conversion price by the number of common shares into which the note may be converted. The resulting discount on the immediately convertible shares is recorded within "Additional paid-in capital" and is amortized over the period from the date of issuance of the to the stated maturity date. The amount of the discount was fully amortized in 2012.
- (2) During 2014 and 2013, Actual Investment LLC purchased a total of \$120,000 of the note due to Forge, LLC and renegotiated the terms of the debt. As a result, the interest rate was reduced to 8% per annum and the conversion rate was reduced to \$.0014.
- (3) The company entered into a promissory note with Actual Investment, LLC on November 27, 2012. The note is unsecured and accrues interest at 6% per annum payable on maturity October 26, 2013. During 2014 the note was converted into 10,000,000 shares of the Company's Common Stock.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

The Company may become party to various legal matters encountered in the normal course of business. In the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the Company's financial position or the future results of operations.

NOTE 4 – INCOME TAXES

Deferred tax assets are recognized for deductible temporary differences 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 basis.

The company will file a consolidated return, with a tax liability of \$0 for the year 2015.

Tax returns filed since 2011 are subject to audit by the Internal Revenue Service or other tax authorities.

NOTE 5 – COMMON STOCK

The Board of Directors approved an increase in the number of authorized common shares on December 3, 2012.

Stock and Option Plans

On October 22, 2010, the Company filed a registration statement on Form S-8 to register up to 2,000,000 shares of common stock for issuance for services rendered or to be rendered the Company under the Company's 2010 Stock Option Plan (the "Option Plan"). During 2010, the Company issued 1,100,000 options under the Option Plan.

On October 22, 2010, the Company filed a registration statement on Form S-8 to register up to 1,500,000 shares of common stock for issuance for services rendered or to be rendered under the Company's 2010 Employee, Consultant and Advisor Stock Compensation Plan. During 2010, the Company issued 1,250,000 shares of common stock under the Plan, of which 500,000 were issued to officers and directors of the Company.

NOTE 6 – RECLASSIFICATIONS

Certain amounts on the 2013 financial statements have been reclassified to conform to the 2014 presentation. These reclassifications have no effect on net income.

NOTE 7 – OIL AND NATURAL GAS PROPERTIES

The Company uses the full cost method of accounting for its investment in oil and natural gas properties. Under this method of accounting, all costs of acquisition, exploration and development of oil and natural gas reserves (including such costs as leasehold acquisition costs, geological expenditures, dry hole costs, tangible and intangible development costs and direct internal costs) are capitalized as the cost of oil and natural gas properties when incurred. To the extent capitalized costs of evaluated oil and natural gas properties, net of accumulated depletion exceed the discounted future net revenues of proved oil and natural gas reserves net of deferred taxes, such excess capitalized costs are charged to expense. Beginning December 31, 2009, full cost companies use the unweighted arithmetic average first day of the month price for oil and natural gas for the 12-month period preceding the calculation date to calculate the future net revenues of proved reserves.

The Company assesses all items classified as unevaluated property on a quarterly basis for possible impairment or reduction in value. The Company assesses properties on an individual basis or as a group if properties are individually insignificant. The assessment includes consideration of the following factors, among others: intent to drill; remaining lease term; geological and geophysical evaluations; drilling results and activity; the assignment of proved reserves; and the economic viability of development if proved reserves are assigned. During any period in which these factors indicate an impairment, the cumulative drilling costs incurred to date for such property and all or a portion of the associated leasehold costs are transferred to the full cost pool and are then subject to amortization.

NOTE 8 – ACQUISITION OF ASSETS

On March 22, 2011, the Company purchased all of the membership interests of Knox Gas, LLC for \$500,000. The purchase price is payable pursuant to two promissory notes in the amount of \$250,000 each that are payable to Joel Sens and Barbara Reed. Mr. Sens is an officer and director of the Company. Mrs. Reed is the spouse of Darryl Reed, who is an officer and director of the Company. These loans were forgiven in 2012. In addition, the carrying amount of the wells was adjusted to \$71,000 to properly reflect the cost to the related parties. During 2014, due to a conflict with the current operator the Company fully impaired the value of the wells until such time as a realizable estimated value can be reasonably determined.

NOTE 9 – CONVERTIBLE PROMISSORY NOTES PAYABLE

The Company entered into a Convertible Promissory Note on March 5, 2015 with lender H. Sutphin, under which it received \$10,503.98 of loan proceeds. Said Convertible Note accrues interest at 10% per annum. The noteholder has the option to convert any unpaid note principal and accrued interest into the Company's common stock at a conversion share price of \$0.0001. Subsequent to this Reporting Period, in August 2016, there was a full conversion of said Promissory Note for the Company's common stock.

The Company entered into a Convertible Promissory Note on March 15, 2015 with lender LaTanya Burkhalter, under which it received \$24,480.00 of loan proceeds. Said Convertible Note accrues interest at 10% per annum. The noteholder has the option to convert any unpaid note principal and accrued interest into the Company's common stock at a conversion share price of \$0.0001. Subsequent to this Reporting Period, in August 2016, there was a partial conversion of \$2,000 of said Promissory Note for the Company's common stock.

NOTE 10 – SEGMENT INFORMATION

The Company had one reportable segment for the years ended December 31, 2015 and 2014, and accordingly is not required to present financial information by segment.

NOTE 11 – PREFERRED STOCK

We may issue shares of preferred stock in one or more classes or series within a class as may be determined by our board of directors, who may establish the number of shares to be included in each class or series, may fix the designation, powers, preferences and rights of the shares of each such class or series and any qualifications, limitations or restrictions thereof. Any preferred stock so issued by the board of directors may rank senior to the common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up of us, or both. Moreover, under certain circumstances, the issuance of preferred stock or the existence of the un-issued preferred stock might tend to discourage or render more difficult a merger or other change in control. We have designated two series of preferred stock, one for 500,000 shares that is referred to as "Callable Cumulative Convertible Preferred Stock (Series A Preferred Stock)" and the other for 500,000 shares that is referred to as "Redeemable Cumulative Convertible Preferred Stock (Series B Preferred Stock)." There are no shares outstanding of either series.

NOTE 12 – RELATED PARTY TRANSACTIONS

On March 25, 2010, we loaned \$125,000 to Seawright Holdings, Inc. ("Seawright") pursuant to a promissory note executed by Joel Sens that bears interest at 6% per annum, and is payable in full 24 months after the date of the note. The loan proceeds were used by Knox County Minerals, LLC ("Knox Minerals"), a subsidiary of Seawright, to pay the down payment on an option to purchase the oil and gas mineral rights under 6,615 acres of land in Knox County, Kentucky for \$1,575,000. On April 16, 2010, Knox Minerals assigned its rights under the option agreement to the Company. A portion of the consideration for the assignment was a promissory note payable by the Company to Knox Minerals in the amount of \$600,000 payable with interest at the rate of 6% per annum five years after the date of the note. The parties agreed that the promissory note would be secured by the oil and gas properties in the event we completed the purchase of the properties, which we did not do. Joel Sens is the principal shareholder and sole director and officer of Seawright. At the time both notes were issued, Mr. Sens was not an officer, director or shareholder of the Company. After April 16, 2010, Mr. Sens became an officer and director of the Company, and as a result both notes are reflected as related party obligations on our financial statements. As of December 31, 2012, Seawright was indebted to us for principal of \$125,000 and accrued interest of \$20,795. There was also a non-interest advance of \$65,000. The total amount of \$210,795 was adjusted against the allowance for bad debt reserve.

On March 22, 2011, the Company purchased all of the membership interests of Knox Gas, LLC for \$500,000. The purchase price is payable pursuant to two promissory notes in the amount of \$250,000 each that are payable to Joel Sens and Barbara Reed. Mr. Sens is an officer and director of the Company. Ms. Reed is the spouse of Darryl Reed, who is an officer and director of the Company. Knox Gas, LLC owns a lease of 100 acres, which contains five drilled wells; a lease of 20.2 acres, which contains two drilled wells; a lease of 700 acres which contains no wells, and a lease of 400 acres, which contains three drilled wells. The properties have been appraised at \$624,360 by an independent valuation firm. The note payable to related parties, Joel Sens and Barbara Reed, was forgiven for principal balance and accrued interest and fees on December 15, 2012. The carrying amount of these leases have been adjusted to reflect the cost of the leases to Knox Gas, LLC. During 2014, the full carrying value of the wells was impaired.

During 2014, the Company issued 2,000,000 common stock to the chief executive officer, 20,000,000 common stock to his spouse and 20,000,000 common stock to his brother. Of the shares issued 41,646,154 valued at \$580,000 were for services and 353,846 shares valued at \$46,000 were for the repayment of debt.

NOTE 13 – GOING CONCERN MATTERS

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements for the year ended December 31, 2015 and 2014, the Company has incurred operating losses of (\$529,416) and (\$2,141,735), respectively. In addition, the Company has a deficiency in stockholder's equity of (\$951,624) and (\$1,156,567) at December 31, 2015 and 2014, respectively. These factors among others may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

The Company's existence is dependent upon management's ability to develop profitable operations. Management is devoting substantially all of its efforts to establishing its business and there can be no assurance that the Company's efforts will be successful. However, the planned principal operations have not fully commenced and no assurance can be given that management's actions will result in profitable operations or the resolution of its liquidity problems. The accompanying statements do not include any adjustments that might result should the Company be unable to continue as a going concern.

In order to improve the Company's liquidity, the Company is currently trying to raise capital through conversion of ownership of wells into royalty interests and raising funds for expansion into the agricultural markets. There can be no assurance that the Company will be successful in its efforts to secure additional equity financing.

NOTE 14 – DEBT RESTRUCTURING

During 2014 and 2013, the Company restructured its \$70,000 and \$50,000 debt obligations to Actual Investments LLC whereby the creditor reduced the interest rate from 18% to 8% and extended the debts maturity date. In exchange, the Company changed the conversion rate in which the debt is convertible into shares of its Common Stock. The original conversion rate was at a 25% discount from market based on the preceding ten day average was changed to a conversion rate fixed at \$.0014 per share. The change in the conversion rate resulted in a loss to the Company, net of interest savings, of \$4,420,171 or \$.04 per share in 2013 and \$420,527 or \$.002 in 2014.

In 2013, The lender converted \$17,000 of the debt into 12,142,857 shares of Common Stock. In 2014, the lender converted \$76,225 of the debt into 50,857,143 shares of Common Stock