

## Unaudited Financials

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To The Board of Directors of  
Powell Development Group, Inc.

Management is responsible for the accompanying financial statements of Powell Development Group, Inc., which comprise the balance sheets as of December 31, 2015 and 2014 and the related statements of income, cash flows, and changes in stockholders' equity for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

I am not independent with regard to Powell Development Group, Inc.



Eric S. Fisher  
Certified Public Accountant

Torrance, California  
September 20, 2016

**POWELL DEVELOPMENT GROUP, INC**  
**Balance Sheet**  
**As of December 31, 2015**  
**and December 31, 2014**

Unaudited Financials

	<b>December 31, 2015</b>	<b>December 31, 2014</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
<b>Cash on Hand</b>	904.47	
<b>Business Checking #7769</b>	17,527.97	64,441.65
<b>Business Savings</b>	150.01	150.01
<b>Total Checking/Savings</b>	<u>17,677.98</u>	<u>65,496.13</u>
<b>Total Current Assets</b>	<u>17,677.98</u>	<u>65,496.13</u>
<b>Fixed Assets</b>		
<b>Mold Cost-Galactic Cap</b>	1,220.80	0.00
<b>Accum Deprec-Molds</b>	-174.00	0.00
<b>Computer Equipment</b>	1,912.47	0.00
<b>Accum Deprec - Computers</b>	-383.00	0.00
<b>Total Fixed Assets</b>	<u>2,576.27</u>	<u>0.00</u>
<b>TOTAL ASSETS</b>	<b><u>20,254.25</u></b>	<b><u>65,496.13</u></b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Delayed Delivery of Product</b>	0.00	300.94
<b>Total Current Liabilities</b>	<u>0.00</u>	<u>300.94</u>
<b>Long Term Liabilities</b>		
<b>Loan from Stockholder</b>	278.33	2,247.80
<b>Total Long Term Liabilities</b>	<u>278.33</u>	<u>2,247.80</u>
<b>Total Liabilities</b>	<b>278.33</b>	<b>2,548.74</b>
<b>Equity</b>		
<b>Common Stock - 2,219,000 shares outstanding</b>	22,190.00	22,190.00
<b>Additional Paid in Capital</b>	107,310.00	107,310.00
<b>Retained Earnings (Accumulated Deficit)</b>	-66,552.61	-34,262.00
<b>Net Income</b>	-42,971.47	-32,290.61
<b>Total Equity</b>	<u>19,975.92</u>	<u>62,947.39</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>20,254.25</u></b>	<b><u>65,496.13</u></b>

See Accountant's Compilation Report

**POWELL DEVELOPMENT GROUP, INC**  
**Statement of Income**  
**Years Ended December 31, 2015 and 2014**

Unaudited Financials

	<u>Year Ended</u> <u>Dec. 31, 2015</u>	<u>Year Ended</u> <u>Dec. 31, 2014</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
<b>Galactic Cap II Sales</b>	1,763.07	0.00
<b>Sales of Prototype Product</b>	3,273.63	391.73
<b>Refunds to Customers</b>	-34.49	-16.99
<b>Total Income</b>	<u>5,002.21</u>	<u>374.74</u>
<b>Cost of Goods Sold</b>		
<b>Materials</b>	900.00	0.00
<b>Production Costs- Prototypes</b>	11,055.29	847.85
<b>Total COGS</b>	<u>11,955.29</u>	<u>847.85</u>
<b>Gross Profit</b>	<u>-6,953.08</u>	<u>-473.11</u>
<b>Expense</b>		
<b>Advertising &amp; Promotion</b>	718.48	30.00
<b>Automobile Expense</b>	1,188.44	1,055.90
<b>Bank Service Charges</b>	0.00	159.00
<b>Cell Phone</b>	686.58	0.00
<b>Charitable Donation</b>	490.00	460.00
<b>Computer and Internet Expenses</b>	330.00	0.00
<b>Computer Assistance</b>	253.00	0.00
<b>Depreciation Expense</b>	557.00	0.00
<b>Dues and Subscriptions</b>	204.00	140.00
<b>Galactic Cap survey</b>	100.00	0.00
<b>Graphics</b>	200.00	0.00
<b>Legal</b>	1,086.00	1,456.00
<b>Market Research</b>	7,095.00	2,480.00
<b>Meals and Entertainment</b>	1,486.52	924.08
<b>Media Production</b>	50.00	1,000.00
<b>Miscellaneous Expenses</b>	152.57	256.07
<b>Office Supplies</b>	2,275.85	1,653.20
<b>Postage &amp; Delivery</b>	739.11	1,079.69
<b>Printing and Reproduction</b>	4,682.30	1,302.41
<b>Research &amp; Development</b>	7,387.38	7,980.09
<b>Supplies</b>	1,107.35	1,002.67
<b>Subcontractor</b>	3,515.00	9,207.74
<b>Telephone &amp; Communications</b>	900.35	846.75
<b>Travel Expense</b>	813.46	783.91
<b>Total Expense</b>	<u>36,018.39</u>	<u>31,817.51</u>
<b>Net Ordinary Income</b>	<u>-42,971.47</u>	<u>-32,290.62</u>
<b>Other Income/Expense</b>		
<b>Interest Income</b>	0.00	0.01
<b>Total Other Income/Expense</b>	<u>0.00</u>	<u>0.01</u>
<b>Net Income</b>	<u><b>-42,971.47</b></u>	<u><b>-32,290.61</b></u>

See Accountants Compilation Report

**POWELL DEVELOPMENT GROUP INC**  
**Statement of Cash Flows**

**Years ended December 31, 2015 and 2014**

	<u>Year Ended</u> <u>Dec. 31, 2015</u>	<u>Year Ended</u> <u>Dec. 31, 2014</u>
<b>OPERATING ACTIVITIES</b>		
Net Income	-42,971.47	-32,290.61
Adjustments to reconcile Net Income to net cash provided by operations:		
Depreciation	557.00	0.00
Delayed Delivery of Product	-300.94	300.94
Net cash provided by Operating Activities	<u>-42,715.41</u>	<u>-31,989.67</u>
<b>INVESTING ACTIVITIES</b>		
Mold Cost-Galactic Cap	-1,220.80	0.00
Computer Equipment	-1,912.47	0.00
Net cash provided by Investing Activities	<u>-3,133.27</u>	<u>0.00</u>
<b>FINANCING ACTIVITIES</b>		
Common Stock & Add'l Paid in Capital	0.00	84,500.00
Repayment of Loan from Stockholder	-1,969.47	-5,252.20
Net cash provided by Financing Activities	<u>-1,969.47</u>	<u>79,247.80</u>
Net cash increase for period	-47,818.15	47,258.13
Cash at beginning of period	65,496.13	18,238.00
 Cash at end of period	 <u>17,677.98</u>	<u>65,496.13</u>

**POWELL DEVELOPMENT GROUP INC**  
**Statement of Changes in Stockholder Equity**

**Years Ended December 2014 and 2015**

	<b>Number of Shares</b>	<b>Common Stock</b>	<b>Add'l Paid in Capital</b>	<b>Retained Earnings</b>
<b>Stockholder Equity:</b>				
<b>2014</b>				
January 1, 2014	2,050,000	20,500.00	24,500.00	-34,262.00
Issuance of Stock	169,000	1,690.00	82,810.00	-32,290.61
Net Income or Loss				
December 31, 2014	<u>2,219,000</u>	<u>22,190.00</u>	<u>107,310.00</u>	<u>-66,552.61</u>
<b>2015</b>				
January 1, 2015	2,219,000	22,190.00	107,310.00	-66,552.61
Net Income or Loss	0	0.00	0.00	-42,971.47
December 31, 2015	<u>2,219,000</u>	<u>22,190.00</u>	<u>107,310.00</u>	<u>-109,524.08</u>

POWELL DEVELOPMENT GROUP, INC.  
NOTES TO FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

Powell Development, Inc., a Nevada corporation, was incorporated March 20, 2013. There are 6,000,000 shares of common stock authorized.

The major stockholder owns the patent on the company's product. The company does not currently pay any royalties for the use of the patent.

For purposes of the statements of cash flows, the company considers highly liquid debt investments available for current use with initial maturities of three months or less to be cash equivalents.

The fixed assets, consisting of molds for production of the product and computers, are recorded at cost. The company provides for depreciation using an accelerated method over the estimated useful lives of the property of seven years and five years, respectively.

As of December 31, 2015, the federal tax returns for December 31, 2013, December 31, 2014 and December 31, 2015 remained open to examination by the Internal Revenue Service.

The preparation of 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through September 20, 2016, the date that the financial statements were available to be issued.