

GOLD RIVER PRODUCTIONS, INC.

**For the Six Months Ended
June 30, 2018**

CONTENTS

	Page
BALANCE SHEET	3
STATEMENTS OF OPERATIONS.....	4
STATEMENTS OF STOCKHOLDERS' EQUITY.....	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS.....	7

GOLD RIVER PRODUCTIONS, INC.
BALANCE SHEET
June 30, 2018

		Six Months Ended June 30, 2018
		Unaudited
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$	231
Deferred income taxes		431,200
TOTAL CURRENT ASSETS		<u>431,431</u>
OTHER ASSETS		
Stockholder notes receivable		25,312
TOTAL ASSETS	\$	<u>456,743</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued expenses	\$	4,109
Income taxes payable		300
TOTAL CURRENT LIABILITIES	\$	4,409
STOCKHOLDERS' EQUITY		
Common stock, \$.000001 par value, 1,000,000,000 shares authorized, 941,909,396 shares issued and outstanding		112,502
Preferred stock, \$.001 par value, 20,000,000 shares authorized, 7,782,000 shares issued and outstanding		7,782
Capital in excess of par value - common stock		592,642
Capital in excess of par value - preferred stock		46,568
Retained deficit		(307,160)
TOTAL STOCKHOLDERS EQUITY		<u>452,334</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	<u>456,743</u>

These financial statements have not been subject to audit, review or compilation engagement and no assurance is provided on them.

GOLD RIVER PRODUCTIONS, INC.
STATEMENTS OF OPERATIONS
For The Three & Six Months Ended June 30, 2018

		<u>Six Months Ended June 30, 2018</u>
		Unaudited
INCOME		
Revenues earned	\$ -	
Cost of revenues earned	<u>-</u>	
GROSS PROFIT		-
EXPENSES		
General and administrative	16	
Depreciation & amortization and amortization	<u>-</u>	
OPERATING LOSS		<u>16</u> (16)
OTHER INCOME (EXPENSE)		
Other income	<u>-</u>	
		<u>-</u>
Loss before income taxes		(16)
Income tax expense		<u>-</u>
NET LOSS		<u>\$ (16)</u>

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GOLD RIVER PRODUCTIONS, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
For the Six Months Ended June 30, 2018

	<u>Common Stock</u>		<u>Preferred Stock</u>		<u>Capital in</u>	<u>Capital in</u>	<u>Retained</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Excess of</u>	<u>Excess of</u>		
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Par Value</u>	<u>Par Value</u>	<u>Earnings</u>	<u>Stockholders'</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Common</u>	<u>Preferred</u>	<u>Unaudited</u>	<u>Equity</u>
Balance January 1, 2017	941,909,396	\$ 112,502	7,782,000	\$ 7,782	\$ 592,642	\$ 46,568	\$ (307,144)	\$ 452,350
Net income	-	-	-	-	-	-	(16)	(16)
Balance June 30, 2018	<u>941,909,396</u>	<u>\$ 112,502</u>	<u>7,782,000</u>	<u>\$ 7,782</u>	<u>\$ 592,642</u>	<u>\$ 46,568</u>	<u>\$ (307,160)</u>	<u>\$ 452,334</u>

These financial statements have not been subject to audit, review or compilation engagement and no assurance is provided on them.

GOLD RIVER PRODUCTIONS, INC.
STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2018

		Six Months Ended June 30, 2018
		Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Less cash paid for:		
General and administrative expenses	\$ (16)	
Net cash flows from (used by) operating activities		(16)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(16)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		247
CASH AND CASH EQUIVALENTS AT END OF YEAR		\$ 231

These financial statements have not been subject to audit, review or compilation engagement and no assurance is provided on them.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies conform to U.S. generally accepted accounting principles. The following policies are considered to be significant:

Business Organization

Gold River Productions, Inc. was incorporated in the State of Delaware before converting to the State of Colorado in July of 2018. The Company is currently being reorganized to operate in the medical marijuana industry. The Company has changed its headquarters from Salt Lake City, Utah to Denver, Colorado.

Cash and Cash Equivalents

Cash equivalents are generally comprised of certain highly liquid investments with original maturities of less than three months.

Equipment

Equipment is carried at cost net of accumulated depreciation. Depreciation expense is computed principally on the straight-line method in amounts sufficient to write off the cost of depreciable assets over their estimated useful lives.

Normal maintenance and repair items are charged to costs and expenses as incurred. The cost and accumulated depreciation of property and equipment sold or otherwise retired are removed from the accounts and gain or loss on disposition is reflected in net income in the period of disposition.

Intangible Assets

Intangible assets subject to amortization include patents and goodwill. Patents are amortized over the shorter of their legal or useful lives while goodwill is periodically reviewed for impairment.

Income Taxes

The Company uses an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period, plus or minus the net change in the deferred tax assets and liabilities.

The Company's income tax returns are subject to examination by the appropriate tax jurisdictions. As of August 6, 2018, the Company needs to file federal and state tax returns for the years ended 2017, 2016, 2015, 2014, 2013, 2012 and 2011. Upon filing, those returns would subject to review by federal and state tax authorities for three years from the filing date.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. In these financial statements assets, liabilities, and earnings involve reliance on management's estimates. Actual results could differ from those estimates.

Advertising and Promotion

All costs associated with advertising and promoting the Company's goods and services are expensed in the year incurred. The Company incurred no advertising expenses for the six months ended June 30, 2018.

Sales and Use Taxes

The Company is domiciled in the State of Delaware with its headquarters in Utah and is required to collect sales tax on all in-state transactions. During the six month ended June 30, 2018, the Company collected and remitted no sales and use tax.

Management Review Date

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through August 10, 2018 the date the financial statements were issued.

NOTE 2 - STOCKHOLDER NOTE RECEIVABLE

During 2011 the Company loaned the controlling shareholder \$31,418. As of the six month ended June 30, 2018 the balance on the note was \$25,312.

NOTE 3 - COMMON STOCK ACTIVITY

The number of issued and outstanding shares was 941,909,396 of .000001 par value for the six month ended June 30, 2018.

NOTE 4 - PREFERRED STOCK

As of December 31, 2017, the Company has authorized the issue of up to 20,000,000 of .001 par value preferred stock. The preferred stock carries a voting right of 100 votes per share and each share is convertible to 100 shares of common stock. As of June 30, 2018, 7,782,000 shares of preferred stock were issued.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - INCOME TAXES

The components of income tax expense (benefit) attributable to continuing operations are as follows:

	Unaudited
Current	\$ 100
Deferred	<u>(100)</u>
	<u>\$ -</u>

The Company's income tax expense differed from the statutory federal rate due primarily to state income taxes and surtax exemptions.

The net deferred income taxes in the accompanying balance sheet include the following amounts of deferred income tax assets and liabilities:

	Unaudited
Deferred income tax assets:	
Net operating loss carryforward	\$ 431,200
Less deferred income tax liabilities:	-
Net deferred income tax asset (liability)	<u>\$ 431,200</u>

NOTE 5 - INCOME TAXES - CONTINUED

Deferred income taxes disclosed in the financial statements as follows:

	Unaudited
Current deferred income tax assets	\$ 431,200
Non-current deferred income tax assets	-
Current deferred income tax liabilities	-
Non-current deferred income tax liabilities	<u>-</u>
	<u>\$ 431,200</u>

The Company has an estimated net operating loss carry forward totaling \$1,234,547 as of December 31, 2017 that may be offset against future income. If not used, the carryforwards will begin to expire in 2026.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 9 - CASH FLOWS FROM OPERATING ACTIVITIES

The following schedule reconciles net income as reported in the accompanying statements of operations with net cash flows from operating activities in the statements of cash flows for the six months ended June 30, 2018.

	Unaudited
Net loss	\$ (16)
Adjustments to reconcile net loss to net cash flows from (used by) operating activities:	-
Increase (decrease) in liabilities:	<u>-</u>
Net cash flows from (used by) operating activities	<u>\$ (16)</u>

NOTE 10 - SUBSEQUENT EVENTS

In July 2017, the Company changed its state of incorporation from Delaware to Colorado and changed its name to XYZ Hemp, Incorporated.