

GOLD RIVER PRODUCTIONS, INC.

Unaudited

**For the Years Ended
December 31, 2017 and 2016**

CONTENTS

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

GOLD RIVER PRODUCTIONS, INC.
BALANCE SHEETS
December 31, 2017 and 2016

	<u>Twelve Months Ended</u> <u>December 31, 2017</u>	<u>Twelve Months Ended</u> <u>December 31, 2016</u>
ASSETS	Unaudited	Unaudited
CURRENT ASSETS		
Cash and cash equivalents	\$ 247	\$ 271
Deferred income taxes	431,200	431,100
TOTAL CURRENT ASSETS	<u>431,447</u>	<u>431,371</u>
OTHER ASSETS		
Stockholder notes receivable	25,312	25,312
TOTAL ASSETS	<u>\$ 456,759</u>	<u>\$ 456,683</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued expenses	4,109	4,109
Income taxes payable	300	200
TOTAL CURRENT LIABILITIES	<u>4,409</u>	<u>4,309</u>
STOCKHOLDERS' EQUITY		
Common stock, \$.000001 par value, 1,000,000,000 shares authorized, 941,909,396 shares issued and outstanding	112,502	112,502
Preferred stock, \$.001 par value, 20,000,000 shares authorized, 7,782,000 shares issued and outstanding	7,782	7,782
Capital in excess of par value - common stock	592,642	592,642
Capital in excess of par value - preferred stock	46,568	46,568
Retained deficit	(307,144)	(307,120)
TOTAL STOCKHOLDERS EQUITY	<u>452,350</u>	<u>452,374</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 456,759</u>	<u>\$ 456,683</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 Years Ended December 31, 2017 and 2016

	<u>Twelve Months Ended December 31, 2017</u>	<u>Twelve Months Ended December 31, 2016</u>
	<u>Unaudited</u>	<u>Unaudited</u>
INCOME		
Revenues earned	\$ -	\$ -
Cost of revenues earned	-	-
GROSS PROFIT	<u>-</u>	<u>-</u>
EXPENSES		
General and administrative	24	4,770
Depreciation & amortization and amortization	-	-
	<u>24</u>	<u>4,770</u>
OPERATING LOSS	(24)	(4,770)
OTHER INCOME (EXPENSE)		
Other income	-	35,000
	<u>-</u>	<u>35,000</u>
Income (loss) before income taxes	(24)	30,230
Income tax expense	-	11,400
NET INCOME (LOSS)	<u>\$ (24)</u>	<u>\$ 18,830</u>

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GOLD RIVER PRODUCTIONS, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2017 and 2016

	<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>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Balance January 1, 2016	941,909,396	\$ 112,502	7,782,000	\$ 7,782	\$ 592,642	\$ 46,568	\$ (325,950)	\$ 433,544
Net income	-	-	-	-	-	-	18,830	18,830
Balance December 31, 2016	941,909,396	\$ 112,502	7,782,000	\$ 7,782	\$ 592,642	\$ 46,568	\$ (307,120)	\$ 452,374
Net income	-	-	-	-	-	-	(24)	(24)
Balance December 31, 2017	<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>\$ (307,144)</u>	<u>\$ 452,350</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 Years Ended December 31, 2017 and 2016

	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from sales	\$ -	\$ -
Cash received from other income	-	35,000
	-	35,000
Less cash paid for:		
General and administrative expenses	24	4,770
	24	(4,770)
Net cash flows from (used by) operating activities	(24)	30,230
 CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES		
Cash received from stockholder loans	-	4,900
Cash paid to reduce long-term liabilities	-	(35,000)
Net cash flows from (used by) financing activities	-	(30,100)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (24)	 130
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 271	 141
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 \$ 247	 \$ 271

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
December 31, 2017 and 2016

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. is incorporated in the State of Delaware. The Company was organized to engage in the business of manufacturing composite materials into sandwich panels that are light in weight, stronger, more durable and more impact resistant than conventional materials. The Company is currently headquartered in Salt Lake City, Utah.

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 July 31, 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
December 31, 2017 and 2016

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 years ended December 31, 2017 and 2016, respectively.

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 years ended December 31, 2017 and 2016, 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 July 26, 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 December 31, 2017 and 2016, 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 years ended December 31, 2017 and 2016.

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 December 31, 2017 and 2016, 7,782,000 shares of preferred stock were issued.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 5 - INCOME TAXES

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

	2017	2016
Current	\$ 100	\$ 100
Deferred	(100)	(11,300)
	\$ -	\$ (11,200)

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:

	2017	2016
Deferred income tax assets:		
Net operating loss carryforward	\$ 431,200	\$ 431,100
Less deferred income tax liabilities:		
Depreciation differences	\$ -	\$ -
Net deferred income tax asset (liability)	\$ 431,200	\$ 431,100

NOTE 5 - INCOME TAXES - CONTINUED

Deferred income taxes disclosed in the financial statements as follows:

	2017	2016
Current deferred income tax assets	\$ 431,200	\$ 431,100
Non-current deferred income tax assets	-	-
Current deferred income tax liabilities	-	-
Non-current deferred income tax liabilities	-	-
	\$ 431,200	\$ 431,100

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
December 31, 2017 and 2016

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 year ended December 31, 2017 and 2016.

	2017	2016
Net income (loss)	\$ (24)	\$ 18,830
Adjustments to reconcile net income (loss) to net cash flows from (used by) operating activities:		
Deferred income taxes	(100)	11,300
Increase (decrease) in liabilities:		
Income taxes payable	100	100
Net cash flows from (used by) operating activities	\$ (24)	\$ 30,230

NOTE 10 - SUBSEQUENT EVENTS

The Company intends to pursue formally changing the name from Gold River Productions, Incorporated, to XYZ Hemp, Incorporated, although an effective date for that has not been determined.

In July 2017, the Company changed its state of incorporation from Delaware to Colorado.