

GOLD RIVER PRODUCTIONS, INC.

Unaudited

**For the Three & Nine Months Ended
September 30, 2015**

C O N T E N T S

	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
September 30, 2015

ASSETS		Unaudited
CURRENT ASSETS		
Cash and cash equivalents		\$ 967
Prepaid expenses		<u>1,500</u>
TOTAL CURRENT ASSETS		2,467
 PROPERTY AND EQUIPMENT		 360,767
OTHER ASSETS		
Stockholder notes receivable		39,184
Deferred income taxes		<u>397,300</u>
TOTAL ASSETS		<u><u>\$ 799,718</u></u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued expenses	\$ 1,239	
Income taxes payable	<u>400</u>	
TOTAL CURRENT LIABILITIES		\$ 1,639
 LONG-TERM LIABILITIES		 277,869
DEFERRED INCOME TAXES		22,600
 STOCKHOLDERS' EQUITY		
Common stock, \$.000001 par value, 1,000,000,000 shares authorized, 942,009,396 shares issued and outstanding	112,502	
Preferred stock, \$.000001 par value, 20,000,000 shares authorized, 7,782,000 shares issued and outstanding	7,053	
Capital in excess of par value - common stock	592,642	
Capital in excess of par value - preferred stock	47,162	
Retained deficit	<u>(261,749)</u>	
TOTAL STOCKHOLDERS EQUITY		<u>497,610</u>
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		 <u><u>\$ 799,718</u></u>

GOLD RIVER PRODUCTIONS, INC.
STATEMENTS OF OPERATIONS
For The Three & Nine Months Ended September 30, 2015

	<u>Three Months Ended</u> <u>September 30, 2015</u>	<u>None Months Ended</u> <u>September 30, 2015</u>
INCOME	Unaudited	Unaudited
Revenues earned	\$ -	\$ -
Cost of revenues earned	<u>-</u>	<u>-</u>
	-	-
EXPENSES		
General and administrative	3,840	43,408
Depreciation & amortization and amortizat	<u>4,942</u>	<u>14,825</u>
	<u>8,782</u>	<u>58,233</u>
	(8,782)	(58,233)
OTHER INCOME (EXPENSE)		
Interest expense	<u>-</u>	<u>(3)</u>
	<u>-</u>	<u>(3)</u>
Loss before income taxes	(8,782)	(58,236)
Income tax expense	<u>-</u>	<u>-</u>
	<u>\$ (8,782)</u>	<u>\$ (58,236)</u>

GOLD RIVER PRODUCTIONS, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
For The Three & Nine Months Ended September 30, 2015

	Common Stock		Preferred Stock		Capital in Excess of Par Value Common	Capital in Excess of Par Value Preferred	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Unaudited	Unaudited	Unaudited	Unaudited
Balance December 31, 2014	941,909,396	\$ 112,501	7,500,000	\$ 7,050	\$ 592,633	\$ 42,950	\$ (203,513)	\$ 551,621
Sale of common stock	100,000	1	-	-	9	-	-	10
Sale of preferred stock	-	-	282,000	3	-	4,212	-	(277,785)
Net income	-	-	-	-	-	-	(49,454)	(49,454)
Balance June 30, 2015	942,009,396	\$ 112,502	7,782,000	\$ 7,053	\$ 592,642	\$ 47,162	\$ (252,967)	\$ 506,392
Net income	-	-	-	-	-	-	(8,782)	(8,782)
Balance September 30, 2015	<u>942,009,396</u>	<u>\$ 112,502</u>	<u>7,782,000</u>	<u>\$ 7,053</u>	<u>\$ 592,642</u>	<u>\$ 47,162</u>	<u>\$ (261,749)</u>	<u>\$ 497,610</u>

GOLD RIVER PRODUCTIONS, INC.
STATEMENTS OF CASH FLOWS
For The Nine Months Ended September 30, 2015

		Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Less cash paid for:		
General and administrative expenses	\$ 43,757	
Interest expense	<u>3</u>	
		<u>43,760</u>
Net cash used by operating activities		(43,760)
CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES		
Cash received from stockholder loans	16,753	
Cash received from long-term liabilities	5,000	
Cash received from issuance of common stock	10	
Cash received from issuance of preferred stock	<u>4,215</u>	
Net cash flows from financing activities		<u>25,978</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(17,782)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>18,749</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>\$ 967</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest		<u><u>\$ 3</u></u>

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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 November 15, 2015, the Company needs to file federal and state tax returns for the years ended 2014, 2013, 2012 and 2011. Upon filing, those returns would subject to review by federal and state tax authorities for three years.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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 advertising expenses of \$8,595 for the nine months ended September 30, 2015.

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, 2014, 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 November 15, 2015, the date the financial statements were issued.

NOTE 2 - EQUIPMENT

Equipment as of September 30, 2015:

Cost:	Unaudited
Computer equipment	14,300
Office equipment	2,000
Other equipment	7,440
	23,740
Less accumulated depreciation	(23,458)
Net book value	\$ 282

Depreciation expense for the nine months ended September, 30 2015 totaled \$191.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 3 - INTANGIBLE ASSETS

During 2009, the Company acquired from AeroQuest, LLC certain intellectual property including a patent and patents under development. The patents underdevelopment relate to the design and use of sturdy, light-weight composite materials that can be used in manufacturing new and innovative products. The patent obtained from AeroQuest, LLC will expire in December 2025. The Company allocated \$220,000 to the purchase of the patent and \$180,000 to goodwill.

Cost:	Unaudited
Goodwill	\$ 180,000
Patents	220,000
	400,000
Less accumulated depreciation	(39,515)
Net book value	<u>\$ 360,485</u>

Amortization expense for the nine months ended September 30, 2015 totaled \$14,634. As of November 15, 2015, the Company determined that the goodwill is not impaired. See Note 5 for additional details.

NOTE 4 - STOCKHOLDER NOTE RECEIVABLE

During 2011 the Company loaned the controlling shareholder \$31,418. The payments on the note, along with accrued interest at 5% are to begin on January 31, 2015 at \$1,000 per month. As of September 30, 2015, the balance on the note, including interest accrued through the end of the prior calendar year and an addition \$20,000 of principal added in June of 2014, was \$42,425.

NOTE 5 - LONG-TERM LIABILITIES

The Company also acquired from AeroQuest, LLC \$200,000 of notes payable, including accrued interest, due to a former owner of that limited liability company. The note is expected to be repaid before that date after which it will begin accruing interest at 12% annually. This note payable was refinanced during 2014. The new agreement entered into on October 19, 2014 calls for interest to accrue on the outstanding balance plus an additional balance of \$200,000 at 7% per annum and allows the company to maintain access to technology rights granted the company in 2010 through December 31, 2025. As of September 30, 2015, the balance due was \$242,868.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 5 - LONG-TERM LIABILITIES - CONTINUED

In August of 2014, the Company entered into a promissory note with RLS Premiere Financial, LLC (RLS). The note is for \$30,000 for a period of 1 year and at the end of that year, at the discretion of RLS, the Company will convert the note payable to common shares totaling 30,000,000 shares at a value of \$.0001 per share. On April 15, 2015, an addendum was signed providing the Company an additional \$5,000 that will be due on April 15, 2016.

NOTE 6 - COMMON STOCK ACTIVITY

The number of issued and outstanding shares was 942,009,396 as of June 30, 2015.

NOTE 7 - PREFERRED STOCK

As of June 30, 2015, 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, 2015, 7,782,000 shares of preferred stock were issued.

NOTE 8 - INCOME TAXES

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

	Unaudited
Current	\$ 100
Deferred	<u>(15,200)</u>
	<u><u>\$ (15,100)</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:

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 8 - INCOME TAXES - CONTINUED

Deferred income taxes disclosed in the financial statements as follows:

	Unaudited
Deferred income tax assets:	
Net operating loss carryforward	397,300
Less deferred income tax liabilities:	
Depreciation differences	<u>22,600</u>
Net deferred income tax asset (liability)	<u><u>\$ 374,700</u></u>

Deferred income taxes are disclosed in the financial statements as follows:

	Unaudited
Non-current deferred income tax assets	397,300
Non-current deferred income tax liabilities	<u>(22,600)</u>
	<u><u>\$ 374,700</u></u>

The Company has an estimated net operating loss carry forward totaling \$1,143,694 as of December 31, 2014 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
September 30, 2015

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 nine months ended September 30, 2015.

		Unaudited
Net loss		\$ (58,236)
Adjustments to reconcile net loss to net cash flows from (used by) operating activities:		
Depreciation	\$ 191	
Amortization	14,634	
Increase (decrease) in liabilities:		
Accrued expenses	(349)	
Net cash flows from (used by) operating activities		14,476 \$ <u>(43,760)</u>

NOTE 9 - RESEARCH AND DEVELOPMENT

The amount the Company charged no expenses to research and development expense for the nine months ended September 30, 2015.

NOTE 10 - SUBSEQUENT EVENTS

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