Consolidated Financial Statements

AURI, Inc.

OTCPK: AURI

Quarterly Report

For the Three Months Ended September 30, 2020

(Unaudited)

Auri, Inc.

Table Of Contents

Auri, Inc.
Balance Sheet
As of September 30, 2020
(unaudited)

	September 30,2020
ASSETS	
Current Assets	
Checking/Savings	0
Other Current Assets	
Trade Notes	104,723
Total Current Assets	104,723
Fixed Assets	
Furniture and Equipment	0
Total Fixed Assets	0
TOTAL ASSETS	**104,723**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	754,728
Notes Payable	66,672
Accrued Salaries and Wages	207,050
Other Current Liabilities & Accrued Expenses	1,649,990
Total Current Liabilities	2,678,440
Long Term Liabilities	
Notes Payable	280,065
Total Long Term Liabilities	280,065
Total Liabilities	2,958,505
Equity	
Common stock, par value $.001, 3,000,000,000 shares authorized, 1,003,946,700 shares issued & outstanding as of June 9, 2020; and, 3,000,000,000 shares authorized,1,003,946,700 shares issued & outstanding as of June 9, 2020.	1,003,947
Additional Paid-In Capital	4,987,676
Adjustments to Equity	(876,979)
Accumulated Deficit	(7,968,426)
Net Income	0
Total Shareholders' Equity (Deficiency)	(2,853,782)
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**104,723**

See accompanying notes

Auri, Inc.
Income Statement
Period Ended September 30,2020
(Unaudited)

	3 Months Ended September 30,2020
Ordinary Income/Expense	
Income	
Revenue	0
Interest Income	0
Total Income	0
Cost of Goods Sold	
COGS	0
Total COGS	0
Gross Profit	0
Expense	
Automobile and Truck Expense	0
Bank Service Charges	0
Computer and Internet Expense	0
General & Administrative	0
Travel Expense	0
Total Expenses	0
Net Ordinary Income	0
Other Income/Expense	
Other Income	
Rebates	0
Total Other Income	0
Other Expense	
Commissions Expense	0
Total Other Expense	0
Net Other Income	0
Net Income (Loss)	**0**

See accompanying notes

AURI, INC.
STATEMENT OF STOCKHOLDERS EQUITY (DEFICIT)
FOR THE PERIOD ENDED September 30,2020
(Unaudited)

	Common Stock		Preferred Stock						
	Shares	Amount	Shares	Amount	Paid-in Capital	Retained Earnings	Adjustments to Equity	Profit (Loss)	Total Equity
Balance, October 08 ,2020 (unaudited)	1,003,946,700	$ 1,003,947	0	$ 0	$ 4,987,676	$ (7,968,426)	$ (876,979)	0	$ (2,853,782)
Shares issued from debt conversions	317,567,648	0							
Shares issued for services	0	0							
Shares issued for Compensation	0	0							
Net Profit (Loss)									
Balance, October 08, 2020 (unaudited)	1,321,514,348	$ 1,321,514	0	$ 0	$ 4,987,676	$ (7,968,426)	$ (876,979)	$ 0	$ (2,853,782)

Auri, Inc.
Statement of Cash Flows
Period Ended September 30,2020
(Unaudited)

	July-September 2020
OPERATING ACTIVITIES	
Net Income	0
Adjustments to reconcile Net Income to net cash provided by operations:	
Accrued Salary & Wages	0
Notes Payable	0
Loans from Officers	0
Net cash provided by Operating Activities	0
INVESTING ACTIVITIES	
Trade Notes Receivable	0
Net cash provided by Investing Activities	0
FINANCING ACTIVITIES	
Issuance of Capital Stock	0
Net cash provided by Financing Activities	0
Net cash increase for period	0
Cash at beginning of period	0
Cash at end of period	**0**

See accompanying notes

AURI, INC.
Notes to Financial Statements
FOR THE 3 MONTHS ENDED September 30, 2020

NOTE 1 - Organization and Nature of Business History

Wellstone Filters, LLC (Wellstone) was organized as a Delaware limited liability company on February 17, 1998. On May 25, 2001, Wellstone Filters, Inc. (formerly Farallon Corporation) acquired Wellstone. In September 2009, Wellstone changed its name to “Wellstone Filter Sciences, Inc." The Company was engaged in the development and marketing of a proprietary cigarette filter technology.

On February 14, 2011, we entered into a Merger Agreement and Plan of Reorganization with Auri Design Group, LLC and its members, pursuant to which Auri Design Group, LLC merged with and into Auri, our wholly owned subsidiary.

On March 25, 2011, we filed a Definitive Schedule 14C with the SEC and commenced mailing the Schedule 14C to our stockholders of record on March 7, 2011. The Schedule 14C relates to a change in our name from Wellstone Filter Sciences, Inc. to Auri, Inc., which was approved by our Board of Directors and consented to by stockholders owning in excess of a majority of our outstanding common stock. The name change became effective on April 14, 2011, twenty (20) days after we commenced mailing the Schedule 14C to our stockholders.

On July 14, 2014, the Company re-domiciled to Wyoming.

In August 2014, Auri acquired Phoenix Fulfillment Group LLC and the associated Hong Kong company, Phoenix Fulfillment Group Limited. Phoenix Fulfillment Group markets art and other décor products to major retail customers throughout North America.

In September 2019, Auri acquired Evap Inc. a company with patent pending technology to assist with one of the biggest issues in the oil and gas industry, "PRODUCED WATER". The technology can take produced saltwater and turn it into a steam cleaner than most cities tap water by removing most of the metals, suspended solids, and chlorides that are extremely harmful to the environment from the vapor. With our technology in the oil field we feel it will help reduce large truck fatalities and injuries, environmental contamination, and earthquakes in certain areas due to SWD wells. Evap Inc. will also help oil and gas companies bottom line due to the fact we can evaporate for less than it cost to haul produced water in most circumstances.

NOTE 2 - Summary of Significant Accounting Policies, Principles of Consolidation

The accompanying consolidated financial statements for Auri, Inc. include the accounts, revenues, and expenses of its wholly owned subsidiaries for the period ending Sept. 30, 2019.

Cash Equivalents

For purposes of reporting of cash flows, the Company classifies all cash and short-term investments with maturities of three months or less to be cash equivalents.

Receivables

Accounting principles generally accepted in the United States require that the allowance for uncollectibles method be used to reflect bad debts. The Company uses the direct write-off method instead; but it approximates the allowance for uncollectibles in the case of these financial statements.

Property and Equipment

Property and equipment are valued at cost. Depreciation is provided by use of the straight-line method over the estimated useful lives of the assets. Useful lives of the respective assets are generally from three to seven years. Purchase of property and equipment greater than $500 and major repairs of existing equipment that extends the useful life of the asset are capitalized.

The Financial Accounting Standards Board issued SFAS No.142 “Goodwill and Other Intangible Assets” effective for fiscal years beginning after December 15, 2001. According to SFAS 142, goodwill should not be amortized. Instead, it should be reviewed for impairment at least annually and charged to earnings only when its recorded value exceeds its fair value. The Company has elected to follow SFAS 142. The Company has no recorded goodwill on its financial statements and does not believe this accounting standard will affect the Company.

Impairment of Long-Lived Assets
It is the policy of the Company to periodically evaluate the economic recoverability of all of its long-lived assets. In accordance with that policy, when it is determined that an asset has been impaired the loss is recognized in the statement of operations.

Fair Value of Financial Instruments
The methods and assumptions used to estimate the fair value of each class of financial instruments are as follows:
Cash and cash equivalents, receivables, prepaid premiums, accounts payable, accrued expense, deferred revenue, notes payable are reflected in the financial statements at cost, which approximates fair value because of the relatively short maturity of these instruments.

Concentration of Credit Risk
Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash deposits. The Company will only exceed the FDIC insurable limit in an account when gross payrolls billed and collected post to the payroll bank account before the payroll checks and tax deposits are posted. The timeliness of the deposits and withdrawals are such that management estimates no material credit risk.

Income Taxes
The Company has adopted the provisions of SFAS No. 109, “Accounting for Income Taxes,” which incorporates the use of the asset and liability approach of accounting for income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future consequences of temporary differences between the financial reporting basis and the income tax basis of assets and liabilities.

Comprehensive Income
The Company has adopted SFAS No. 130 Reporting Comprehensive Income. The Company has no reportable differences between net income and comprehensive income, therefore a statement of comprehensive income has not been presented.

Stock-Based Compensation
FASB No. 123, and FASB No 123R. “Accounting for Stock-Based Compensation” established accounting and disclosure requirements using a fair-value based method of accounting for stock-based employee compensation plans. In addition, the Emerging Issues Task Force has issued EITF 96-18 to further clarify FASB No. 123 & 123R.

Net (Loss) Per Share of Common Stock
The basic and diluted net income (loss) per common share in the accompanying statements of operations are based upon the net income (loss) divided by the weighted average number of shares outstanding during the periods presented. Diluted net (loss) per common share is the same as basic net (loss) per share because including any pending shares to issued services or otherwise would be anti-dilutive.

Advertising Costs
The Company's advertising costs are expensed when incurred.

Use of Accounting Estimates
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 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.

Other Recent Accounting Pronouncements
The Company does not expect that the adoption of other recent accounting pronouncements to have any material impact on its financial statements.

NOTE 3 - Equity & Common Stock
No warrants were issued in the 9 months ended September 31, 2019.

The fair values of the warrants granted are reported as equity grants using the guidance of FASB no. 123R and EITF 96-18. The fair values of the restricted stock issued are reported using the guidance of FASB no. 123R and EITF 96-18 and are computed at fair market value. In accordance with EITF 96-18 regarding value of non-employee services paid with stock warrants granted, management has determined the services received on which the warrants were granted has no value. The Company has also determined that the value of the warrants using the stock price leaves no value for the warrants because the market value has continued to remain below the exercisable price of the warrants and the stock market continues to decline from what it was when the warrants were originally issued. Because the Company recognizes no value for the services received and no definitive value for the warrants granted using the market value of the stock, management has not recognized any value associated with the granting of warrants in this year or any prior year.

NOTE 4 – Going Concern
As reflected in the accompanying consolidated financial statements, the Company has had continuing net losses year-over-year through June 9th,2020. These accrued and ongoing losses rise doubts that the Company can continue as a going concern. The Company's ability to continue will be dependent on its ability to increase sales as well as raise funds for its operations. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The Company anticipates raising additional working capital through the issuance of debt and equity securities in order to further expand its business. Management believes that actions presently being undertaken to obtain additional funding provide the Company with the opportunity to continue to operate as a going concern.

NOTE 5 – Long Term Debt
Each Note-holder is entitled, at its option, at any time or from time to time, and in whole or in part, to convert the outstanding principal and accrued interest amounts of any Note, or any portion thereof, into shares of the common stock of the Company, according to any and all federal and state regulations.