

Edgar Filing: YAAK RIVER RESOURCES INC - Form 10QSB

YAAK RIVER RESOURCES INC
Form 10QSB
August 18, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period ended: June 30, 2004

Commission file number 0-30489

YAAK RIVER RESOURCES, INC.

(Exact name of small business issuer as specified in its charter)

Colorado

(State or other jurisdiction of
or organization)

84-1097796

(I.R.S. Employer incorporation
Identification No.)

423 Baybridge Drive, Sugarland, TX 77478

Address of principal executive offices)

(281) 242-7656

(Issuer's telephone number)

Check whether the registrant (1) filed all reports required to be filed by
Section 13 or 15(d) of the Exchange Act of 1934 during the past 12 months (or
for such shorter period that the registrant was required to file such reports),
and (2) has been subject to such filing requirements for the past 90 days.

Yes No

As of June 30, 2004, 67,308,857 shares of common stock were outstanding.

Transitional Small Business Disclosure Format: Yes No

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

For financial information, please see the financial statements and the
notes thereto, attached hereto and incorporated herein by this reference.

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The financial statements have been prepared by Yaak River Resources, Inc. without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations, and management believes that the disclosures are adequate to make the information presented not misleading. These financial statements include all of the adjustments which, in the opinion of management, are necessary to a fair presentation of financial position and results of operations. All such adjustments are of a normal and recurring nature. These financial statements should be read in conjunction with the audited financial statements at December 31, 2003, included in the Company's Form 10-KSB.

Yaak River Resources, Inc.

Financial Statements
For the Six Months Ended June 30, 2004
(Unaudited)

Michael Johnson & Co., LLC.
9175 Kenyon Ave., #100
Denver, CO 80237
Phone: 303-796-0099
Fax: 303-796-0137

REPORT ON REVIEW BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors
Yaak River Resources, Inc.
Casper, Wyoming

We have reviewed the accompanying balance sheet of Yaak River Resources, Inc. as of June 30, 2004 and the related statements of operations for the three months and six month periods ended June 30, 2004 and 2003, and the related cash flows for the six months ended June 30, 2004 and 2003 included in the accompanying Securities and Exchange Commission Form 10-QSB for the period ended June 30, 2004. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should

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be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States and the standards of PCAOB.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the balance sheet as of December 31, 2003, and the related statements of operations, stockholders' equity and cash flows for the year then ended (not presented herein). In our report dated March 24, 2004, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet as of June 30, 2004 is fairly stated in all material respects in relation to the balance sheet from which it has been derived.

/s/ Michael Johnson & Co., LLC.
 Michael Johnson & Co., LLC.
 Denver, Colorado
 August 6, 2004

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YAAK RIVER RESOURCES, INC.
 (A Development Stage Company)
 BALANCE SHEETS
 (Unaudited)

	June 30, 2004

ASSETS:	
Current Assets:	
Cash	\$ 185
Total Current Assets	----- 185
Other Assets:	
Investment - Properties	35,743
Total Other Assets	----- 35,743
 TOTAL ASSETS	 \$ 35,928 =====
 LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities:	
Accounts payable and accrued expenses	\$ 5,666
Advances from shareholders'	9,500
Total Current Liabilities	----- 15,166 -----

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Stockholders' Equity:

Preferred stock, \$.0001 par value, 50,000,000 share authorized, issued and outstanding - none	-
Series A - Common stock, \$.0001 par value; 250,000,000 shares authorized; issued and outstanding - 67,308,857 shares	6,730
Series B - Common stock, \$.0001 par value; 250,000,000 shares authorized; issued and outstanding - none	-
Capital paid-in excess of par value	378,099
Deficit accunulated during the development stage	(364,067)

Total Stockholders' Equity	20,762

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 35,928
	=====

See accountant's review report.

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YAAK RIVER RESOURCES INC.
(A Development Stage Company)
STATEMENTS OF OPEATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
	-----	-----	-----	-----
REVENUES:	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES:				
Amortization	-	-	-	-
Bank charges	18	19	36	31
Legal and accounting	1,000	1,006	1,000	4,006
Director fees	-	-	-	-
Office expenses	-	-	-	-
Stock fees and other costs	300	962	1,693	962
Administration and consulting	-	1,010	-	1,010
Mining assessments and fees	-	-	-	-
Bad debt	-	-	-	-
Rent/telephone	-	-	-	-
	-----	-----	-----	-----
Total Operating Expenses	1,318	2,997	2,729	6,009
	-----	-----	-----	-----
Net Loss from Operations	(1,318)	(2,997)	(2,729)	(6,009)
	-----	-----	-----	-----
Other Income and expenses:				
Interest income	-	-	-	-

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Interest expense	-	-	-	-
Other	-	-	-	-
	-----	-----	-----	-----
	-	-	-	-
	-----	-----	-----	-----
Net Loss	\$ (1,318)	\$ (2,997)	\$ (2,729)	\$ (6,009)
	=====	=====	=====	=====
Weighted average number of shares outstanding	67,308,857	67,308,857	67,308,857	67,308,857
	=====	=====	=====	=====
Basic and diluted net loss per share	*	*	*	*
	=====	=====	=====	=====

* Less than \$.01

See accountant's review report.

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YAAK RIVER RESOURCES, INC.
STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)

	# of Shares	Common Stock	Capital Paid In Excess of Par Value	t
	-----	-----	-----	-----
Balance - December 31, 2000	64,808,857	6,480	360,849	
Issuance of common stock for cash	1,500,000	150	10,350	
Net Loss for year	-	-	-	
	-----	-----	-----	
Balance - December 31, 2001	66,308,857	6,630	371,199	
	-----	-----	-----	
Issuance of common stock for cash	1,000,000	100	6,900	
Net Loss for year	-	-	-	
	-----	-----	-----	
Balance - December 31, 2002	67,308,857	6,730	378,099	
	-----	-----	-----	
Net Loss for year	-	-	-	
	-----	-----	-----	
Balance - December 31, 2003	67,308,857	6,730	378,099	
	-----	-----	-----	
Net Loss for period	-	-	-	
	-----	-----	-----	
Balance - June 30, 2004	67,308,857	\$6,730	\$ 378,099	
	=====	=====	=====	

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See accountant's review report.

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YAAK RIVER RESOURCES, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2004	2003
	-----	-----
Cash Flows From Operating Activities:		
Net (Loss)	\$ (2,729)	\$ (6,009)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation	-	-
Organization costs	-	-
Stock issued for services	-	-
Changes in assets and liabilities:		
Increase in accounts payable and accrued expenses	695	4,011
Total adjustments	695	4,011
Net Cash Used in Operating Activities	(2,034)	(1,998)
Cash Flow From Investing Activities:		
Exchange of properties - net	-	-
Investment purchase	-	-
Net Cash Provided By Investing Activities	-	-
Cash Flow From Financing Activities:		
Proceeds from long-term debt	-	-
Payment of long-term debt	-	-
Issuance of common stock	-	-
Advance from shareholder	-	2,000
Net Cash Provided By Financing Activities	-	2,000
Increase (Decrease) in Cash	(2,034)	2
Cash and Cash Equivalents - Beginning of period	2,219	754
Cash and Cash Equivalents - End of period	\$ 185	\$ 756
	=====	=====

Supplemental Cash Flow Information:

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Interest paid	\$ -	\$ -
	=====	=====
Taxes paid	\$ -	\$ -
	=====	=====
Noncash Investing and financing activities:		
In 1999, the Company exchanged properties with a book value of \$182,910 to a related party in lieu of payment of		
	=====	=====
liabilities of \$147,167 and land with book value of \$35,743.	\$ -	\$ -
	=====	=====

See accountant's review report.

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YAAK RIVER RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS

1. Presentation of Interim Information

In the opinion of the management of Yaak River Resources, Inc., the accompanying unaudited financial statements include all normal adjustments considered necessary to present fairly the financial position as of June 30, 2004, and the results of operations for the three months and six months ended June 30, 2004 and 2003, and cash flows for the six months ended June 30, 2004 and 2003. Interim results are not necessarily indicative of results for a full year.

The financial statements and notes are presented as permitted by Form 10-QSB, and do not contain certain information included in the Company's audited financial statements and notes for the fiscal year ended December 31, 2003.

2. Going Concern

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States, which contemplates continuation of the Company as a going concern. The Company's operations generated no income during the current period ended and the Company's deficit is \$364,067.

The future success of the Company is likely dependent on its ability to attain additional capital to develop its proposed products and ultimately, upon its ability to attain future profitable operations. There can be no assurance that the Company will be successful in obtaining such financing, or that it will attain positive cash flow from operations.

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Item 2. Management's Discussion and Analysis or Plan of Operation

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The Company had no operations in the six month period.

Results of Operations for the Three Month Period Ended June 30, 2004 Compared to

the Three Month Period Ended June 30, 2003

The Company incurred expenses totaling \$1,318 for the three months ending June 30, 2004 compared to \$2,997 for the same period in 2003. The Company generated no revenues in this period as well as for the same period in 2003. The net loss for the three months ending June 30, 2004 was \$(1,318) as compared to a loss of \$(2,997) in the same period 2003.

Results of Operations for the Six Month Period Ended June 30, 2004 Compared to

the Six Month Period Ended June 30, 2003

The Company incurred expenses totaling \$2,729 for the three months ending June 30, 2004 compared to \$6,009 for the same period in 2003. The Company generated no revenues in this period as well as for the same period in 2003. The net loss for the six months ending June 30, 2004 was \$(2,729) as compared to a loss of \$(6,009) in the same period 2003.

Liquidity and Capital Resources

The Company had a net working capital (deficit) at June 30, 2004 of \$(15,000). There were no cash flows provided from operations during the year-to-date ended June 30, 2004.

Cash and cash equivalents at June 30, 2004 were \$185, a decrease of \$2,034 from June 30, 2003. During the three-month period ended, June 30, 2004, the Company used (\$2,034) net cash in operating activities as compared to (\$1,998) for the same period 2003. This increase of cash used in operations of \$4,032 was as a result of administrative expenses.

We had, at June 30, 2004, working capital of \$185. We anticipate that there will be no cash generated from operations in the current year necessary to fund our current and anticipated cash requirements. We plan to obtain additional financing from equity and debt placements. We have been able to raise capital in a series of equity and debt offerings in the past. While there can be no assurances that we will be able to obtain such additional financing, on terms acceptable to us and at the times required, or at all, we believe that sufficient capital can be raised in the foreseeable future.

NEED FOR ADDITIONAL FINANCING

The Company does not have capital sufficient to meet the Company's cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934. The Company will have to seek loans or equity placements to cover such cash needs. Lack of its existing capital may be a sufficient impediment to prevent it from accomplishing the goal of expanding its operations. There is no assurance, however, that without funds it will ultimately allow company to carry out its business

The Company will need to raise additional funds to expand its business

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activities in the next twelve months.

No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any additional funds will be available to the Company to allow it to cover its expenses as they may be incurred.

Irrespective of whether the Company's cash assets prove to be inadequate to meet the Company's operational needs, the Company might seek to compensate providers of services by issuances of stock in lieu of cash.

GOING CONCERN

The Company's auditor has issued a "going concern" qualification as part of his opinion in the Audit Report. There is substantial doubt about the ability of the Company to continue as a "going concern." The Company has no business, limited capital, debt in excess of \$78,000, \$47,552 of which is current, \$3,044 in cash, minimal other liquid assets, and no capital commitments. The effects of such conditions could easily be to cause the Company's bankruptcy.

Management hopes to seek and obtain funding, via loans or private placements of stock for operations, debt and to provide working capital. Management has plans to seek capital in the form of loans or stock private placements.

Item 3. Controls and Procedures

The management of the Company has evaluated the effectiveness of the issuer's disclosure controls and procedures as of a date within 90 days prior to the filing date of the report (evaluation date) and have concluded that the disclosure controls and procedures are adequate and effective based upon their evaluation as of the evaluation date.

There were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of the most recent evaluation of such, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

On June 24, 2004, the shareholders of the Company, at a Special Meeting of the Shareholders, approved a change of name of the Company to a name to be determined by the Board of Directors and further approved a reverse split of the

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Company's common stock on a one for 68 basis to become effective when determined by the Board of Directors.

There were 67,303,857 shares issued and outstanding at the date of the meeting, and 39,306,177 shares attended the meeting in person or by proxy. The shares represented constituted a quorum, and the shareholders approved the actions to change the name by a vote of 39,306,177 shares in favor of the proposal to change the name and none against the proposal. A total of 39,296,177 shares voted in favor of the reverse split, and 10,000 shares voted against the reverse split.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

- a. Exhibits: 31 and 32
- b. Reports on Form 8-K: June 25, 2004

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Yaak River Resources, Inc.
(Registrant)

Dated: August 16, 2004

By: Blaize N. Kaduru

Blaize N. Kaduru
President, Secretary/Treasurer, and
Director