

IsoRay, Inc.
Form 10QSB/A
May 15, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

**Form 10-QSB/A
Amendment No. 1**

(Mark one)

Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2005

Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 0-14247

IsoRay, Inc.

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

Minnesota
(State of incorporation)

41-1458152
(IRS Employer ID Number)

350 Hills Street, Suite 106, Richland, WA 99354
(Address of principal executive offices)

(509) 375-1202
(Issuer's telephone number)

Century Park Pictures Corporation, 4701 IDS Center, Minneapolis, MN 55402
(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): YES NO

State the number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date: May 2, 2006: 14,722,686

Transitional Small Business Disclosure Format (check one): YES NO

IsoRay, Inc.

(formerly Century Park Pictures Corporation)

Form 10-QSB/A for the Quarter ended March 31, 2005

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PART I**Item 1 - Financial Statements**

IsoRay, Inc.
(formerly Century Park Pictures Corporation)
Restated Balance Sheets
March 31, 2005 and 2004

(Unaudited)

	(Restated) March 31, 2005	(Restated) March 31, 2004
<u>Assets</u>		
Current Assets		
Cash on hand and in bank	\$ -	\$ -
Total current assets	-	-
Property and Equipment - at cost		
Furniture and fixtures	94,077	94,077
Less accumulated depreciation	(94,077)	(94,077)
Net property and equipment	-	-
Other Assets		
Rent deposits	926	926
Total Assets	\$ 926	\$ 926
<u>Liabilities and Shareholders' Equity</u>		
Current Liabilities		
Accounts payable - trade	\$ 470	\$ -
Other accrued expenses	-	9,027
Advances from shareholder	43,703	32,414
Accrued officer compensation	50,000	354,500
Total current liabilities	93,703	395,941
Commitments and contingencies		
Shareholders' Equity		
Common stock - \$0.001 par value. 200,000,000 shares authorized. 2,414,985 shares issued and outstanding	2,415	2,415
Additional paid-in capital	7,179,110	6,874,610
Accumulated deficit	(7,274,772)	(7,272,040)
Total shareholders' equity	(93,247)	(395,015)
Total Liabilities and Shareholders' Equity	\$ 926	\$ 926

The financial information presented herein has been prepared by management without audit by independent certified public accountants.

The accompanying notes are an integral part of these financial statements.

IsoRay, Inc.
(formerly Century Park Pictures Corporation)
Restated Statements of Operations and Comprehensive Loss
Six and Three months ended March 31, 2005 and 2004

(Unaudited)

	(Restated) Six months ended March 31, 2005	(Restated) Six months ended March 31, 2004	(Restated) Three months ended March 31, 2005	(Restated) Three months ended March 31, 2004
Revenues	\$ -	\$ -	\$ -	\$ -
Expenses				
General and administrative expenses	6,034	12,397	2,460	1,591
Statutory cancellation of notes payable and accrued interest	-	(86,956)	-	-
Total expenses	6,034	(74,559)	2,460	1,591
Income (Loss) from operations	(6,034)	74,559	(2,460)	(1,591)
Other Income (Expense)				
Interest expense	-	(2,104)	-	-
Income (Loss) before provision for income taxes	(6,034)	72,455	(2,460)	(1,591)
Provision for income taxes	-	-	-	-
Net Income (Loss)	(6,034)	72,455	(2,460)	(1,591)
Other comprehensive income	-	-	-	-
Comprehensive Income (Loss)	\$ (6,034)	\$ 72,455	\$ (2,460)	\$ (1,591)
Net loss per weighted-average share of common stock outstanding, calculated on Net Loss - basic and fully diluted	\$ (0.00)	\$ 0.03	\$ (0.00)	\$ (0.00)
Weighted-average number of shares of common stock outstanding	2,414,985	2,306,395	2,414,985	2,414,985

The financial information presented herein has been prepared by management without audit by independent certified public accountants.

The accompanying notes are an integral part of these financial statements.

IsoRay, Inc.
(formerly Century Park Pictures Corporation)
Restated Statements of Cash Flows
Six months ended March 31, 2005 and 2004

(Unaudited)

	(Restated) Six months ended March 31, 2005	(Restated) Six months ended March 31, 2004
Cash Flows from Operating Activities		
Net Income (Loss)	\$ (6,034)	\$ 72,455
Adjustments to reconcile net income to net cash provided by operating activities		
Forgiveness of notes payable and accrued interest	-	(86,956)
Consulting fees paid with common stock	-	7,870
Contribution of interest expense related to suspended interest payable on notes payable	-	2,104
Increase (Decrease) in Accounts payable and accrued expenses	-	-
Net cash used in operating activities	(6,034)	(4,527)
Cash Flows from Investing Activities		
	-	-
Cash Flows from Financing Activities		
Funds advanced by officer/shareholder	6,034	4,527
Net cash provided by financing activities	6,034	4,527
Increase (Decrease) in Cash and Cash Equivalents		
	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	\$ -	\$ -
Supplemental Disclosures of Interest and Income Taxes Paid		
Interest paid during the period	\$ -	\$ -
Income taxes paid (refunded)	\$ -	\$ -
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Conversion of forgiven unpaid accrued officers compensation to contributed capital	\$ 304,500	\$ -
Conversion of outstanding notes payable into common stock	\$ -	\$ 50,000
Conversion of accrued interest payable into common stock	\$ -	\$ 36,758

The financial information presented herein has been prepared by management without audit by independent certified public accountants.

The accompanying notes are an integral part of these financial statements.

IsoRay, Inc.
(formerly Century Park Pictures Corporation)

Notes to Restated Financial Statements

Note A - Organization and Description of Business

Century Park Pictures Corporation (Company) was incorporated in 1983 in accordance with the Laws of the State of Minnesota.

In prior periods, the Company developed, produced and marketed various entertainment properties, including without limitation, the intellectual product(s) of entities engaged in the motion picture, television, and theatrical state productions, such as creative writers, producers and directors, for the motion picture, pay/cable and commercial television markets.

The Company has effectively had no operations, assets or liabilities since its fiscal year ended September 30, 1999.

On May 27, 2005, the Company's Board of Directors reallocated the Company's authorized capital stock into 2 categories with the designation of preferred stock. The effect of this action was to allocate the authorized aggregate 200,000,000 shares of capital stock into 194,000,000 shares of \$0.001 par value Common Stock and 6,000,000 shares of \$0.001 par value Preferred Stock. As filed with the State of Minnesota on June 29, 2005, the Board of Directors allocated the 6,000,000 shares of Preferred Stock as follows: 1,000,000 shares as \$0.001 par value Class A Convertible Preferred Stock and 5,000,000 shares as \$0.001 par value Class B Convertible Preferred Stock. The effect of this action is reflected in the accompanying financial statements as of the first day of the first period presented.

On May 27, 2005, the Company; a newly-formed, wholly-owned subsidiary, Century Park Transitory Subsidiary, Inc., a Delaware corporation (Merger Subsidiary), Thomas Scallen and Anthony Silverman, shareholders of the Company, and IsoRay Medical, Inc., a Delaware corporation (IsoRay) entered into a Merger Agreement. Pursuant to the Merger Agreement, the Merger Subsidiary will be merged with and into IsoRay and IsoRay will become a wholly-owned subsidiary of the Company (Merger). In the Merger, the IsoRay stockholders are entitled to receive approximately 82% of the then outstanding shares of common stock of the Company. The Merger Agreement is subject to the satisfaction of certain conditions, including the approval of the Merger by stockholders of IsoRay representing a majority of the outstanding shares of common stock of IsoRay entitled to vote, which occurred on June 28, 2005), the granting of certain "piggy-back" and demand registration rights to the purchasers of the certain debentures of IsoRay, Anthony Silverman and certain other affiliates of the Company, the agreements of the officers and directors of IsoRay to lock-up the shares of the Company received in the Merger for a period of one year from the closing of the Merger, the agreements of Thomas Scallen and Anthony Silverman to escrow certain shares of common stock of the Company, and the receipt by IsoRay from Anthony Silverman or his associates of One Million Dollars as the purchase price of certain securities of IsoRay before the closing.

On July 28, 2005, the Merger contemplated by the Merger Agreement dated May 27, 2005 was completed with the filing of a Certificate of Merger with the Secretary of State of Delaware, merging Century Park Transitory Subsidiary, Inc. into IsoRay Medical, Inc. As a result of the Merger and pursuant to the Merger Agreement, IsoRay Medical, Inc. became a wholly-owned subsidiary of the Company. The Company concurrently changed its name to IsoRay, Inc.

The Company issued shares of its common stock and shares of its preferred stock to holders of common and preferred stock of IsoRay Medical, Inc. at a rate of 0.842362 share of the Company's common stock for each share of IsoRay Medical, Inc. stock. Options and warrants to purchase common and preferred stock of IsoRay Medical, Inc. will also be converted at the same rate into options and warrants to purchase common and preferred stock of the Company. At the time of the Merger, subsequent to the aforementioned 1:30 reverse stock split, the Company had 2,498,319

post-reverse split shares of common stock outstanding. Following the Merger, the Company has approximately 10,237,797 shares of common and preferred stock outstanding. The total amount of shares outstanding, on a fully-diluted basis, post merger will be 13,880,822, which includes not only shares of common stock, but also shares of preferred stock, warrants, options and convertible debentures that could be exercised or converted into shares of common stock. Following the Merger, on a fully diluted basis, the shareholders of IsoRay Medical, Inc. own 82% of the Company's outstanding securities.

IsoRay, Inc.
(formerly Century Park Pictures Corporation)

Notes to Restated Financial Statements - Continued

Note B - Preparation of Financial Statements

The Company follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and has adopted a year-end of September 30.

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.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented

During interim periods, the Company follows the accounting policies set forth in its annual audited financial statements filed with the U. S. Securities and Exchange Commission on its Annual Report on Form 10-KSB for the year ended September 30, 2004. The information presented within these interim financial statements may not include all disclosures required by generally accepted accounting principles and the users of financial information provided for interim periods should refer to the annual financial information and footnotes when reviewing the interim financial results presented herein.

In the opinion of management, the accompanying interim financial statements, prepared in accordance with the U. S. Securities and Exchange Commission's instructions for Form 10-QSB, are unaudited and contain all material adjustments, consisting only of normal recurring adjustments necessary to present fairly the financial condition, results of operations and cash flows of the Company for the respective interim periods presented. The current period results of operations are not necessarily indicative of results which ultimately will be reported for the full fiscal year ending September 30, 2005.

For segment reporting purposes, the Company operated in only one industry segment during the periods represented in the accompanying financial statements and makes all operating decisions and allocates resources based on the best benefit to the Company as a whole.

Note C - Going Concern Uncertainty

The Company has effectively had no operations, assets or liabilities since its fiscal year ended September 30, 1999.

The Company has no operating activities, no cash on hand, no profit and operates a business plan with inherent risk. Because of these factors, our auditors have issued an audit opinion for the Company which includes a statement describing our going concern status. This means, in our auditor's opinion, substantial doubt about our ability to continue as a going concern exists at the date of their opinion.

The Company's continued existence is dependent upon its ability to generate sufficient cash flows from operations to support its daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis.

The Company anticipates offering future sales of equity securities. However, there is no assurance that the Company will be able to obtain additional funding through the sales of additional equity securities or, that such funding, if available, will be obtained on terms favorable to or affordable by the Company.

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IsoRay, Inc.
(formerly Century Park Pictures Corporation)

Notes to Restated Financial Statements - Continued

Note C - Going Concern Uncertainty - Continued

If no additional operating capital is received during the next twelve months, the Company will be forced to rely on existing cash in the bank and upon additional funds loaned by management and/or significant stockholders to preserve the integrity of the corporate entity at this time. In the event, the Company is unable to acquire advances from management and/or significant stockholders, the Company's ongoing operations would be negatively impacted.

It is the intent of management and significant stockholders to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, no formal commitments or arrangements to advance or loan funds to the Company or repay any such advances or loans exist. There is no legal obligation for either management or significant stockholders to provide additional future funding.

While the Company is of the opinion that good faith estimates of the Company's ability to secure additional capital in the future to reach our goals have been made, there is no guarantee that the Company will receive sufficient funding to sustain operations or implement any future business plan steps.

Note D - Summary of Significant Accounting Policies

1. Cash and cash equivalents

For Statement of Cash Flows purposes, the Company considers all cash on hand and in banks, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents.

2. Property and equipment

Property and equipment consists of furniture and fixtures and is stated at the lower of depreciated cost or net realizable value.

3. Income Taxes

The Company uses the asset and liability method of accounting for income taxes. At March 31, 2005 and 2004, respectively, the deferred tax asset and deferred tax liability accounts, as recorded when material to the financial statements, are entirely the result of temporary differences. Temporary differences represent differences in the recognition of assets and liabilities for tax and financial reporting purposes, primarily accumulated depreciation and amortization, allowance for doubtful accounts and vacation accruals.

As of March 31, 2005 and 2004, the deferred tax asset related to the Company's net operating loss carryforward is fully reserved. Due to the provisions of Internal Revenue Code Section 338, the Company may have limited net operating loss carryforwards available to offset financial statement or tax return taxable income in future periods as a result of any future change in control involving 50 percentage points or more of the issued and outstanding securities of the Company.

4. Income (Loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) available to common shareholders by the weighted-average number of common shares outstanding during the respective period presented in our accompanying financial statements.

Fully diluted earnings (loss) per share is computed similar to basic income (loss) per share except that the denominator is increased to include the number of common stock equivalents (primarily outstanding options and warrants).

IsoRay, Inc.
(formerly Century Park Pictures Corporation)

Notes to Restated Financial Statements - Continued

Note D - Summary of Significant Accounting Policies - Continued

4. Income (Loss) per share - continued

Common stock equivalents represent the dilutive effect of the assumed exercise of the outstanding stock options and warrants, using the treasury stock method, at either the beginning of the respective period presented or the date of issuance, whichever is later, and only if the common stock equivalents are considered dilutive based upon the Company's net income (loss) position at the calculation date.

At March 31, 2005 and 2004, and subsequent thereto, the Company has no outstanding stock warrants, options or convertible securities which could be considered as dilutive for purposes of the loss per share calculation.

Note E - Fair Value of Financial Instruments

The carrying amount of cash, accounts receivable, accounts payable and notes payable, as applicable, approximates fair value due to the short term nature of these items and/or the current interest rates payable in relation to current market conditions.

Interest rate risk is the risk that the Company's earnings are subject to fluctuations in interest rates on either investments or on debt and is fully dependent upon the volatility of these rates. The Company does not use derivative instruments to moderate its exposure to interest rate risk, if any.

Financial risk is the risk that the Company's earnings are subject to fluctuations in interest rates or foreign exchange rates and are fully dependent upon the volatility of these rates. The company does not use derivative instruments to moderate its exposure to financial risk, if any.

Note F - Notes Payable

On July 31, 2002, the Company's Board of Directors and the respective noteholders approved the extension of the ultimate maturity date of the notes through December 3, 2003. In conjunction with the extension, the noteholders agreed to discontinue the accrual of interest subsequent to July 31, 2002.

The effect of the discontinuance of interest accruals subsequent to July 31, 2002 will be charged to operations as a component of interest expense with an offset to contributed additional paid-in capital to recognize the economic effect of the suspended and forgiven interest on these notes in the respective future period.

On June 25, 2003, noteholders aggregating \$300,000 in outstanding principal and \$231,900 in accrued interest payable exercised their respective conversion rights and received an aggregate 53,106,900 shares of restricted, common stock upon conversion.

On December 3, 2003, the final ultimate maturity date, one remaining noteholder exercised his conversion rights and converted approximately \$50,000 in principal and \$36,758 in accrued interest payable into 8,675,800 shares of restricted, unregistered common stock.

On December 3, 2003, upon the failure to timely convert or post a timely claim for repayment, the Company's Board of Directors, acting upon the advise of legal counsel, voided the remaining outstanding unconverted notes payable of approximately \$50,000 and the associated accrued interest of approximately \$36,956 and recognized a one-time gain on the technical forgiveness of these debts.

For the respective years ended September 30, 2004 and 2003, the Company has recognized approximately \$2,104 and \$41,005 in additional paid-in capital for imputation of suspended interest on these notes.

IsoRay, Inc.
(formerly Century Park Pictures Corporation)

Notes to Restated Financial Statements - Continued

Note G - Related Party Transactions

Through March 31, 2005, the Company's Chief Executive Officer has advanced the Company approximately \$44,000 to support operations, settle outstanding trade accounts payable and provide working capital. The advance was repayable upon demand and is non-interest bearing and is unsecured. Effective June 30, 2005, with the anticipation of the consummation of the reverse acquisition transaction with IsoRay Medical, Inc., as previously discussed, these advances were forgiven and reclassified as additional paid-in capital in the accompanying financial statements as of that date.

During the quarter ended March 31, 2005, the Company's former Chief Executive Officer forgave approximately \$304,500 in accrued salary for prior periods and this forgiveness was credited as "additional paid-in capital" to reflect the contribution effect of this action.

Note H - Income Taxes

The components of income tax (benefit) expense for each of the six month periods ended March 31, 2005 and 2004, respectively, are as follows:

	(Restated) Six months ended March 31, 2005	(Restated) Six months ended March 31, 2004
Federal:		
Current	\$ -	\$ -
Deferred	-	-
	-	-
State:		
Current	-	-
Deferred	-	-
	-	-
Total	\$ -	\$ -

As of June 30, 2005, the Company has a Federal net operating loss carryforward of approximately \$3,900,000 and a State net operating loss carryforward of approximately \$1,200,000 to offset future taxable income. Subject to current regulations, these carryforwards expire, if unused, through 2015. Due to the July 2005 business combination transaction, the utilization of these carryforwards, if any, will be governed by the appropriate Federal and State statutes.

The Company's income tax benefit (expense) for each of the six month periods ended March 31, 2005 and 2004, respectively, differed from the statutory federal rate of 34 percent as follows:

Six months ended March 31,	Six months ended March 31,

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	2005	2004
Statutory rate applied to earnings (loss) before income taxes	\$ (2,050)	\$ 24,635
Increase (decrease) in income taxes resulting from:		
State income taxes	-	-
Other, including reserve for deferred tax asset	2,050	(24,635)
Income tax expense	\$ -	\$ -

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IsoRay, Inc.
(formerly Century Park Pictures Corporation)

Notes to Restated Financial Statements - Continued

Note H - Income Taxes - Continued

Temporary differences, consisting primarily of statutory differences between the financial statement carrying amounts and tax bases of assets and liabilities give rise to deferred tax assets and liabilities as of the respective years ended September 30, 2004 and 2003.

	Year ended September 30, 2004		
	Federal	State	Total
Deferred tax assets:			
Other (current)	\$ 96,000	\$ 35,000	\$ 131,000
Net operating loss carryforwards (non-current)	932,000	77,000	1,009,000
	1,028,000	112,000	1,140,000
Valuation allowance	(1,028,000)	(112,000)	(1,140,000)
Net Deferred tax asset	\$ -	\$ -	\$ -
Deferred tax liabilities	\$ -	\$ -	\$ -

	Year ended September 30, 2003		
	Federal	State	Total
Deferred tax assets:			
Other (current)	\$ 96,000	\$ 35,000	\$ 131,000
Net operating loss carryforwards (non-current)	932,000	77,000	1,009,000
	1,028,000	112,000	1,140,000
Valuation allowance	(1,028,000)	(112,000)	(1,140,000)
Net Deferred tax asset	\$ -	\$ -	\$ -
Deferred tax liabilities	\$ -	\$ -	\$ -

During the years ended September 30, 2004 and 2003, respectively, the valuation allowance increased (decreased) by approximately \$-0- and \$-0-. Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carryforwards are expected to be available to reduce taxable income.

Note J - Common Stock Transactions

On April 29, 2005, the Company's Board of Directors approved and authorized a 1-for-30 reverse split of the then issued and outstanding common stock of the Company. The reverse stock split did not change the number of authorized shares of common stock or the par value of the Company's common stock. Except for any changes as a result of the treatment of fractional shares, each shareholder holds the same percentage of common stock outstanding immediately following the reverse stock split as such shareholder did immediately prior to the reverse stock split. The effect of this action is reflected in the accompanying financial statements as of the first day of the first period presented

On June 25, 2003, the Company issued an aggregate 1,770,230 post-reverse split shares of restricted, unregistered common stock (53,106,900 pre-reverse split shares) in redemption of various outstanding notes payable in the face amount of approximately \$300,000 and accrued interest payable of approximately \$237,835, pursuant to the conversion terms of the respective notes. The valuation of this transaction was equal to the “fair value” of the Company’s common stock on the conversion date.

IsoRay, Inc.
(formerly Century Park Pictures Corporation)

Notes to Restated Financial Statements - Continued

Note J - Common Stock Transactions - Continued

On December 3, 2003, the Company issued 289,194 post-reverse split shares of restricted, unregistered common stock (8,675,800 pre-reverse split shares) in redemption of two (2) notes payable in the face amount of approximately \$50,000 and accrued interest payable of approximately \$36,758, pursuant to the conversion terms of the respective notes. The valuation of this transaction was equal to the "fair value" of the Company's common stock on the conversion date. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction.

On December 3, 2003, the Company issued 26,237 post-reverse split shares of restricted, unregistered common stock (787,100 pre-reverse split shares) as compensation for fees associated with the conversion of the outstanding notes payable and accrued interest payable. This transaction was valued at approximately \$7,871, which was equal to the "fair value" of the Company's common stock on the conversion date. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction.

On or about May 2, 2005, the Company sold an aggregate 83,334 post-reverse split shares of unregistered, restricted common stock (2,500,000 pre-reverse split shares) for cash proceeds of approximately \$85,000 to three (3) separate individuals, including 148,000 shares to the Company's former President. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction. The Company granted "piggy-back" registration rights to the holders of the shares of common stock which would entitle a holder to request that the Company register the common stock if the Company files a registration statement at any time prior to three years from the date the Company sold such shares of common stock. The Company has agreed to keep such registration statement current for up to 270 days. The Company has agreed to pay all expenses associated with any registration of the common stock except any underwriter's commissions or fees or any fees of others employed by a selling shareholder, including attorneys' fees; which shall be the responsibility of the selling shareholder.

Note K - Commitments and Contingencies

The Company leases office space under a noncancellable operating lease that expired on August 31, 2002. The space has been sub-leased to a separate company owned by the Company's CEO. The Company incurred no expense related to this lease during either of the years ended September 30, 2003 and 2002, respectively, or subsequent thereto.

Note L - Subsequent Events

On or about May 2, 2005, the Company sold an aggregate 83,334 post-reverse split shares of unregistered, restricted common stock (2,500,000 pre-reverse split shares) for cash proceeds of approximately \$85,000 to three (3) separate individuals, including 148,000 shares to the Company's former President. The Company relied upon Section 4(2) of the Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction. The Company granted "piggy-back" registration rights to the holders of the shares of common stock which would entitle a holder to request that the Company register the common stock if the Company files a registration statement at any time prior to three years from the date the Company sold such shares of common stock. The Company has agreed to keep such registration statement current for up to 270 days. The Company has agreed to pay all expenses associated with any registration of the common stock except any underwriter's commissions or fees

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IsoRay, Inc.
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Notes to Restated Financial Statements - Continued

Note L - Subsequent Events - Continued

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On May 27, 2005, the Company; a newly-formed, wholly-owned subsidiary, Century Park Transitory Subsidiary, Inc., a Delaware corporation (Merger Subsidiary), Thomas Scallen and Anthony Silverman, shareholders of the Company, and IsoRay Medical, Inc., a Delaware corporation (IsoRay) entered into a Merger Agreement. Pursuant to the Merger Agreement, the Merger Subsidiary will be merged with and into IsoRay and IsoRay will become a wholly-owned subsidiary of the Company (Merger). In the Merger, the IsoRay stockholders are entitled to receive approximately 82% of the then outstanding shares of common stock of the Company. The Merger Agreement is subject to the satisfaction of certain conditions, including the approval of the Merger by stockholders of IsoRay representing a majority of the outstanding shares of common stock of IsoRay entitled to vote, which occurred on June 28, 2005, the granting of certain "piggy-back" and demand registration rights to the purchasers of the certain debentures of IsoRay, Anthony Silverman and certain other affiliates of the Company, the agreements of the officers and directors of IsoRay to lock-up the shares of the Company received in the Merger for a period of one year from the closing of the Merger, the agreements of Thomas Scallen and Anthony Silverman to escrow certain shares of common stock of the Company, and the receipt by IsoRay from Anthony Silverman or his associates of One Million Dollars as the purchase price of certain securities of IsoRay before the closing.

On July 28, 2005, the Merger contemplated by the Merger Agreement dated May 27, 2005 was completed with the filing of a Certificate of Merger with the Secretary of State of Delaware, merging Century Park Transitory Subsidiary, Inc. into IsoRay Medical, Inc. As a result of the Merger and pursuant to the Merger Agreement, IsoRay Medical, Inc. became a wholly-owned subsidiary of the Company. The Company concurrently changed its name to IsoRay, Inc.

On July 28, 2005, the Company issued approximately 7,739,478 post-reverse split shares of restricted, unregistered common stock for 100.0% of the issued and outstanding shares of IsoRay Medical, Inc. at a rate of 0.842362 share of the Company's common stock for each share of IsoRay Medical, Inc. stock. Options and warrants to purchase common and preferred stock of IsoRay Medical, Inc. will also be converted at the same rate into options and warrants to purchase common and preferred stock of the Company. At the time of the Merger and following its recent 1:30 reverse stock split, the Company had 2,498,319 shares of common stock outstanding. Following the Merger, the Company has approximately 10,237,797 shares of common and preferred stock outstanding. The total amount of shares outstanding, on a fully-diluted basis, post merger will be 13,880,822, which includes not only shares of common stock, but also shares of preferred stock, warrants, options and convertible debentures that could be exercised or converted into shares of common stock. Following the Merger, on a fully diluted basis, the shareholders of IsoRay Medical, Inc. own 82% of the Company's outstanding securities.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

(1) Caution Regarding Forward-Looking Information

Certain statements contained in this quarterly filing, including, without limitation, statements containing the words "believes", "anticipates", "expects" and words of similar import, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following: international, national and local general economic and market conditions; demographic changes; the ability of the Company to sustain, manage or forecast its growth; the ability of the Company to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other factors referenced in this and previous filings.

Given these uncertainties, readers of this Form 10-QSB and investors are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

(2) Results of Operations, Liquidity and Capital Resources

Century Park Pictures Corporation (Company) was incorporated in 1983 in accordance with the Laws of the State of Minnesota.

The Company developed, produced and marketed various entertainment properties, including without limitation, the intellectual product(s) of entities engaged in the motion picture, television, and theatrical state productions, such as creative writers, producers and directors, for the motion picture, pay/cable and commercial television markets.

The Company has had no operations, assets or liabilities since its fiscal year ended September 30, 1999.

General and administrative expenses for the six months ended March 31, 2005 and 2004 were approximately \$6,034 and \$12,400, respectively. Interest expense on the outstanding \$-0- and \$100,000 in notes payable was approximately \$-0- and \$2,107 for each of the respective six month periods.

On July 31, 2002, the Company's Board of Directors and the respective noteholders approved the extension of the ultimate maturity date of the notes through December 3, 2003. In conjunction with the extension, the noteholders agreed to discontinue the accrual of interest subsequent to July 31, 2002. The effect of the discontinuance of interest accruals subsequent to July 31, 2002 will be charged to operations as a component of interest expense with an offset to contributed additional paid-in capital to recognize the economic effect of the suspended and forgiven interest on these notes in the respective future period.

On June 25, 2003, noteholders aggregating \$300,000 in outstanding principal and \$231,900 in accrued interest payable exercised their respective conversion rights and received an aggregate 53,106,900 shares of restricted, common stock upon conversion.

On December 3, 2003, the final ultimate maturity date, one remaining noteholder exercised his conversion rights and converted approximately \$50,000 in principal and \$36,758 in accrued interest payable into 8,675,800 shares of restricted, unregistered common stock.

On December 3, 2003, upon the failure to convert or post a claim for repayment, the Company's Board of Directors, with the approval of legal counsel, voided the remaining outstanding unconverted notes payable of approximately \$50,000 and the associated accrued interest of approximately \$36,956 and recognized a one-time gain on the technical forgiveness of these debts.

On December 3, 2003, the Company issued 787,100 shares of restricted, unregistered common stock as compensation for fees associated with the conversion of the outstanding notes payable and accrued interest payable. This transaction was valued at approximately \$7,871, which was equal to the "fair value" of the Company's common stock on the conversion date. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction.

During the quarter ended March 31, 2005, the Company's former Chief Executive Officer forgave approximately \$304,500 in accrued salary for prior periods and this forgiveness was credited as "additional paid-in capital" to reflect the contribution effect of this action.

Net income (loss) for the six months ended March 31, 2005 and 2004, respectively, was approximately \$(6,000) and \$72,500, respectively. Earnings per share for the respective six month periods and quarters ended March 31, 2005 and 2004 was \$0.00, \$0.03, \$0.00 and \$0.00 on the weighted-average shares issued and outstanding.

The Company does not expect to generate any meaningful revenue or incur operating expenses for purposes other than fulfilling the obligations of a reporting company under the Securities Exchange Act of 1934 (Exchange Act).

At March 31, 2005, September 30, 2004 and March 31, 2004, respectively, the Company had working capital of approximately \$(93,000), \$(392,600) and \$(395,900).

Management intends to continue to restrict expenditures with respect to the future development of entertainment properties and has suspended the marketing of its completed properties due to the lack of working capital. The Company has two completed properties. The costs of development have been written off. Accordingly, the Company will incur little, if any, costs of marketing. Management believes these actions may contribute to the Company's future liquidity. The Company has no material commitments for capital expenditures as of March 31, 2005, or subsequent thereto, and anticipates no significant capital expenditures for future periods.

The Company intends to continue to seek out potential acquisitions. Since the Company has no available bank lines of credit, there are no assurances that the Company will be able to successfully identify any potential acquisitions or that, if identified, it will obtain financing under terms acceptable to the Company. Management presently considers an acquisition or a merger of the Company a viable alternative.

The Company has no operating activities, no cash on hand, no profit and operates a business plan with inherent risk. Because of these factors, our auditors have issued an audit opinion for the Company which includes a statement describing our going concern status. This means, in our auditor's opinion, substantial doubt about our ability to continue as a going concern exists at the date of their opinion.

The Company's continued existence is dependent upon its ability to generate sufficient cash flows from operations to support its daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis.

The Company anticipates offering future sales of equity securities. However, there is no assurance that the Company will be able to obtain additional funding through the sales of additional equity securities or, that such funding, if available, will be obtained on terms favorable to or affordable by the Company.

If no additional operating capital is received during the next twelve months, the Company will be forced to rely on existing cash in the bank and upon additional funds loaned by management and/or significant stockholders to preserve the integrity of the corporate entity at this time. In the event, the Company is unable to acquire advances from management and/or significant stockholders, the Company's ongoing operations would be negatively impacted.

It is the intent of management and significant stockholders to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, no formal commitments or arrangements to advance or loan funds to the Company or repay any such advances or loans exist. There is no legal obligation for either management or significant stockholders to provide additional future funding.

While the Company is of the opinion that good faith estimates of the Company's ability to secure additional capital in the future to reach our goals have been made, there is no guarantee that the Company will receive sufficient funding to sustain operations or implement any future business plan steps.

Item 3 - Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, within the 90 days prior to the filing date of this report, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of the Company's management, including the Company's President, Chief Executive and Financial Officer. Based upon that evaluation, the Company's President, Chief Executive and Financial Officer concluded that the Company's disclosure controls and procedures are effective. There have been no significant changes in the Company's internal controls or in other factors, which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive and Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

Part II - Other Information

Item 1 - Legal Proceedings

None

Item 2 - Recent Sales of Unregistered Securities and Use of Proceeds

On or about May 2, 2005, the Company sold an aggregate 83,334 post-reverse split shares of unregistered, restricted common stock (2,500,000 pre-reverse split shares) for cash proceeds of approximately \$85,000. The purchasing individuals are Andrew Eccelstone - 1,470,000 shares; Gary Boster - 882,000 shares and Philip and Stephanie Rogers - 148,000 shares. Mr. Rogers was the Company's President. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction.

The Company granted "piggy-back" registration rights to the holders of the shares of common stock which would entitle a holder to request that the Company register the common stock if the Company files a registration statement at any time prior to three years from the date the Company sold such shares of common stock. The Company has agreed to keep such registration statement current for up to 270 days. The Company has agreed to pay all expenses associated with any registration of the common stock except any underwriter's commissions or fees or any fees of others employed by a selling shareholder, including attorneys' fees; which shall be the responsibility of the selling shareholder.

Contractually, not more than \$50,000 of the gross proceeds could be used to either pay or repay accrued compensation to Thomas Scallen, the Company's Chief Executive Officer or advances made by Mr. Scallen to support the Company's operations.

Item 3 - Defaults on Senior Securities

None

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

None

Item 5 - Other Information

None

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Item 6 - Exhibits

Exhibits

- 31.1 Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002
- 31.2 Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
- 32.1 Certification pursuant to Section 906 of Sarbanes-Oxley Act of 2002.

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.

IsoRay, Inc.

Dated: May 12, 2006

By: /s/ Michael Dunlop

Michael Dunlop
Chief Financial Officer