

Financial Statements

**of
EVER PURE INC
For the Period Ended December 31, 2011**

See Accompanying Accountant's Compilation Report

EVER PURE INC
Balance Sheet
December 31, 2011

ASSETS

Current Assets

| | | |
|-------------------------|----|-------------------|
| Cash in Bank - Checking | \$ | 2,206.74 |
| Wells Fargo - #0658 | | 3,629.68 |
| Cash in Paypal | | 683.01 |
| Inventory | | <u>111,292.52</u> |

Total Current Assets \$ 117,811.95

Fixed Assets

Other Assets

| | | |
|------------------------------|--|----------------|
| Organization Costs | | 600.00 |
| Accum Amort - Organiz. Costs | | <u>(97.00)</u> |

Total Other Assets 503.00

Total Assets \$ 118,314.95

EVER PURE INC
Balance Sheet
December 31, 2011

LIABILITIES AND EQUITY

Current Liabilities

| | | |
|--------------------------|----|---------------|
| Accounts Payable | \$ | 32,734.94 |
| Credit Card Payable | | 2,375.57 |
| Accrued Salaries & Wages | | 18,214.50 |
| Accrued Interest | | 7,330.04 |
| Accrued Payroll Taxes | | 1,326.80 |
| Sales Taxes Payable | | <u>381.00</u> |

Total Current Liabilities \$ 62,362.85

Long Term Liabilities

| | |
|------------------------|------------------|
| Loan from Shareholders | <u>98,150.47</u> |
|------------------------|------------------|

Total Long Term Liabilities 98,150.47

Equity

| | |
|-------------------------------|--------------------|
| Capital Stock | 30,000.00 |
| Retained Earnings - Unapprop. | (4,829.85) |
| Current Income (Loss) | <u>(67,368.52)</u> |

Total Equity (42,198.37)

Total Liabilities & Equity \$ 118,314.95

EVER PURE INC
Income Statement
For the Period Ended December 31, 2011

| | 12 Months Ended Dec. 31, 2011 | Pct | 12 Months Ended Dec. 31, 2011 | Pct |
|---------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Revenue | | | | |
| Sales - Products | \$ 149,165.17 | 101.57 | \$ 149,165.17 | 101.57 |
| Sales Returns & Allowances | <u>(2,301.22)</u> | <u>(1.57)</u> | <u>(2,301.22)</u> | <u>(1.57)</u> |
| Total Revenue | 146,863.95 | 100.00 | 146,863.95 | 100.00 |
| Cost of Sales | | | | |
| Beginning Inventory | 111,292.52 | 75.78 | 111,292.52 | 75.78 |
| Purchases | 115,940.96 | 78.94 | 115,940.96 | 78.94 |
| Freight In | 8,566.88 | 5.83 | 8,566.88 | 5.83 |
| Less Ending Inventory | <u>111,292.52</u> | <u>75.78</u> | <u>111,292.52</u> | <u>75.78</u> |
| Total Cost of Sales | <u>124,507.84</u> | <u>84.78</u> | <u>124,507.84</u> | <u>84.78</u> |
| Gross Profit | 22,356.11 | 15.22 | 22,356.11 | 15.22 |
| Operating Expenses | | | | |
| Accounting | 2,040.00 | 1.39 | 2,040.00 | 1.39 |
| Amortization Expense | 40.00 | 0.03 | 40.00 | 0.03 |
| Auto/Truck Expenses | 1,675.03 | 1.14 | 1,675.03 | 1.14 |
| Bank Service Charges | 258.74 | 0.18 | 258.74 | 0.18 |
| Credit & Collection Costs | 4,000.59 | 2.72 | 4,000.59 | 2.72 |
| Freight Out | 16,875.55 | 11.49 | 16,875.55 | 11.49 |
| Interest Expense | 7,575.82 | 5.16 | 7,575.82 | 5.16 |
| Internet & Cable | 475.69 | 0.32 | 475.69 | 0.32 |
| Penalties | 105.00 | 0.07 | 105.00 | 0.07 |
| Postage | 70.46 | 0.05 | 70.46 | 0.05 |
| Rent - Warehouse | 4,777.50 | 3.25 | 4,777.50 | 3.25 |
| Supplies - Business | 69.43 | 0.05 | 69.43 | 0.05 |
| Supplies - Office | 177.62 | 0.12 | 177.62 | 0.12 |
| Salaries & Wages | 46,000.00 | 31.32 | 46,000.00 | 31.32 |
| Taxes - Payroll | 4,107.00 | 2.80 | 4,107.00 | 2.80 |
| Travel | <u>1,175.86</u> | <u>0.80</u> | <u>1,175.86</u> | <u>0.80</u> |
| Total Operating Expenses | <u>89,424.29</u> | <u>60.89</u> | <u>89,424.29</u> | <u>60.89</u> |
| Operating Income | (67,068.18) | (45.67) | (67,068.18) | (45.67) |
| Other Income | 499.66 | 0.34 | 499.66 | 0.34 |
| State Income Tax | <u>800.00</u> | <u>0.54</u> | <u>800.00</u> | <u>0.54</u> |
| Total Other Income | <u>(300.34)</u> | <u>(0.20)</u> | <u>(300.34)</u> | <u>(0.20)</u> |
| Net Income (Loss) | \$ <u><u>(67,368.52)</u></u> | <u><u>(45.87)</u></u> | \$ <u><u>(67,368.52)</u></u> | <u><u>(45.87)</u></u> |