

AVAS PET PALACE

FINANCIAL STATEMENTS

For the year ended December 31, 2024 and 2023

We have compiled the accompanying balance sheet of Ava's Pet Palace as of December 31, 2023 and 2024 and the related statements of income, and retained earnings for the year then ended.

Management (owners) is (are) responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Please see the attached and feel free to reach out to our office directly if any questions or points of clarification.

Thank you,

Qiara Johnson, CPA

312-612-0082

**Avas Pet Palace
Balance Sheet**

AS OF DEC 31, 2024

AS OF DEC 31, 2023 (PY)

Current Assets	56,244.30	79,630.78
Fixed Assets Other Assets	\$288.15	\$407.31
Research and Development	2,766.05	3,111.05
Total Other Assets	2,766.05	3,111.05
TOTAL ASSETS	59,298.50	83,149.14
Total Current Liabilities	92,856.81	53,033.21
Long-Term Liabilities	182,479.84	190,377.47
Total Liabilities	275,336.65	243,410.68
Equity	(216,038.15)	(160,261.54)
TOTAL LIABILITIES AND	59,298.50	83,149.14

Avas Pet Palace

Income Statement

	JAN - DEC 2024	JAN - DEC 2023 (PY)
Income		
Total Income	\$141,310.42	\$174,867.08
Cost of Goods Sold	\$105,474.44	\$80,762.33
GROSS PROFIT	\$35,835.98	\$94,104.75
Expenses		
5500 Payroll Expenses	168.52	30,250.01
6000 Advertising and Promotion	12,068.65	46,878.90
6010 Bank Service Charges	1,283.83	496.16
6020 Business Licenses and Permits	2,739.36	2,997.99
6030 Charitable Contributions	351.99	4,766.08
6040 Dues and Subscriptions	1,760.68	3,415.03
6050 Insurance Expense	777.70	250.22
6060 Rent & Lease Expense	4,345.05	3,606.65
6070 Sales Tax	298.74	-252.59
6080 Meals & Entertainment	3,561.04	6,083.89
6090 Merchant Account Fees	1,810.56	3,809.11
6100 Third Party Selling Expenses		19.08
6110 Office Expenses	15,961.47	16,512.47
6120 Other Business Expenses	1365.18	5135.05
6140 Travel	5,118.66	7,960.90
6150 Prof Fees Legal, accounting,	6,637.42	10,234.00
6180 Car & Truck	98.60	184.49
6190 Commissions And Fees	286.45	423.82
6240 Utilities	3,591.05	2,573.31
6250 Training & Continuous Learning	358.00	
Bad Debt		138.00
Total Expenses	\$62,582.95	\$145,482.57
NET OPERATING INCOME	-\$ 26,746.97	-\$ 51,377.82
Other Income	\$20,568.60	\$425.01
Other Expenses	\$23,143.32	\$14,077.41
NET OTHER INCOME	-\$ 2,574.72	-\$ 13,652.40
NET INCOME	-\$ 29,321.69	-\$ 65,030.22

Avas Pet Palace
Consolidated Statement of Equity
For the year ended December 31, 2024

	Retained Earnings	Owner's Capital	Total
Beginning balance January 1, 2024	(170,856)	-	(170,856)
Net Income	(29,321)	-	(29,321)
Owner's contribution	-	2,600	2,600
Owner's Withdrawal	-	(18,461)	(18,461)
Ending Balance, December 31 2024	(200,177)	(15,861)	(216,038)

Avas Pet Palace
Statement of Cashflow

	2024	2023
OPERATING ACTIVITIES		
Net Income	-29,321.69	-65,030.22
Non-Cash Adjustments	60,611.97	-87,625.27
Net cash provided by operating activities	\$31,290.28	-\$ 152,655.49
INVESTING ACTIVITIES		
Computers, Hardware, Software:Galaxy		
Book:Depreciation- Galaxy Book	119.16	119.16
Net cash provided by investing activities	\$119.16	\$119.16
FINANCING ACTIVITIES		
Loan activities	-\$ 7,944.06	\$189,995.06
Owner Withdrawals	-\$ 19,757.44	\$1,400.00
Non cash adjustments	-\$ 9,251.01	-\$37,696.50
Owner's Investment	\$ 2,600.00	\$0.00
Net cash provided by Financing activities	-\$ 34,352.51	\$ 153,698.56
Cash at the beginning of period	\$ 9,258.23	\$8,096.00
Net cash increase/decrease for the period	-\$ 2,943.11	\$1,162.23
Cash at the end of period	\$ 6,315.12	\$ 9,258.23

Ava's Pet Palace

Notes to the Financial Statements

For the Year Ended December 31, 2024

1. Organization and Nature of Operations

Ava's Pet Palace ("the Company") operates as a retail and online provider of pet food, accessories, and related services. The Company's operations are primarily located in Chicago, Illinois and serve customers within the U.S.

2. Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and on a going concern basis, which assumes the realization of assets and settlement of liabilities in the ordinary course of business.

3. Net Loss

For the year ended December 31, 2024, the Company incurred a net loss of \$29,322, primarily attributable to increased operating costs without a corresponding increase in revenue.

4. Liquidity and Going Concern

The Company experienced operating losses during the year, which have placed pressure on its liquidity position. Management is actively evaluating cost reduction strategies, potential revenue growth initiatives, and funding opportunities to support ongoing operations. While these plans are intended to improve liquidity, the ability to continue as a going concern will depend on successful implementation of these measures.