

**PROFESSIONAL IDIOTS, INC**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD**

**APRIL 30, 2020 THRU MAY 31 2020**

# **PROFESSIONAL IDIOTS, INC**

## **FINANCIAL STATEMENTS**

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June 28, 2020

Professional Idiots, Inc  
Castle Rock, CO 80104

### **INDEPENDENT AUDITOR'S REPORT**

I have audited the accompanying balance sheet of Professional Idiots, Inc. as of May 31, 2020 and the related statements of income and retained earnings, comprehensive income, and cash flows for the period April 12 (inception) thru May 31, 12020. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

I conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness if the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Professional Idiots, Inc. as of May 31, 2020, and the results of their operations and their cash flows for the period April 13 (inception) thru May 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules are also presented for the purposes of additional analysis and are not a required part of the basic financial statements. The other accompanying information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Andrew Benvenut, CPA

**PROFESSIONAL IDIOTS, INC**  
BALANCE SHEET  
FOR THE PERIOD  
APRIL 13, 2020 (INCEPTION) TO MAY 31, 2020

**Assets**

Current Assets

|      |          |
|------|----------|
| Cash | \$ 2,062 |
|------|----------|

|                      |       |
|----------------------|-------|
| Total Current Assets | 2,062 |
|----------------------|-------|

|   |   |
|---|---|
| Property and Equipment, Net of Accumulated Depreciation | - |
|---|---|

|                     |               |
|---------------------|---------------|
| <u>Other Assets</u> | <u>13,237</u> |
|---------------------|---------------|

|              |                  |
|--------------|------------------|
| Total Assets | \$ <u>15,299</u> |
|--------------|------------------|

**Liabilities & Member's Equity**

Current Liabilities

|                  |   |
|------------------|---|
| Accounts Payable | - |
|------------------|---|

|                                  |   |
|----------------------------------|---|
| Current Portion - Long Term Debt | - |
|----------------------------------|---|

|                           |   |
|---------------------------|---|
| Total Current Liabilities | - |
|---------------------------|---|

Long Term Liabilities

|                           |        |
|---------------------------|--------|
| Shareholder Loans Payable | 10,443 |
|---------------------------|--------|

|                             |        |
|-----------------------------|--------|
| Total Long Term Liabilities | 10,443 |
|-----------------------------|--------|

|                   |        |
|-------------------|--------|
| Total Liabilities | 10,443 |
|-------------------|--------|

Stockholder's Equity

|               |       |
|---------------|-------|
| Capital Stock | 5,000 |
|---------------|-------|

|                   |       |
|-------------------|-------|
| Retained Earnings | (144) |
|-------------------|-------|

|                            |       |
|----------------------------|-------|
| Total Stockholder's Equity | 4,856 |
|----------------------------|-------|

|  |               |
|--|---------------|
| Total Liabilities & Stockholder's Equity | <u>15,299</u> |
|--|---------------|

**PROFESSIONAL IDIOTS, INC**  
STATEMENT OF INCOME  
FOR THE PERIOD  
APRIL 13, 2020 (INCEPTION) TO MAY 31, 2020

**Revenue**

|                                     |    |              |
|-------------------------------------|----|--------------|
| Membership Fees                     | \$ | 3,092        |
| Consulting                          |    | 200          |
| Sales - Adverting                   |    | <u>1,026</u> |
| Total Revenue                       |    | 4,318        |
| General and Administrative Expenses |    | 2,285        |
| Computer & Software Expenses        |    | <u>2,177</u> |
| Income before Taxes                 | \$ | (144)        |
| Income Tax                          |    | =            |
| Net Income                          | \$ | <u>(144)</u> |

**PROFESSIONAL IDIOTS, INC**  
STATEMENT OF RETAINED EARNINGS  
FOR THE PERIOD  
APRIL 13, 2020 (INCEPTION) TO MAY 31, 2020

|                          |    |              |
|--------------------------|----|--------------|
| Beginning Balance        | \$ | -            |
|                          |    | -            |
| Net Income               |    | (144)        |
|                          |    |              |
| Prior Period Adjustments |    | =            |
|                          |    |              |
| Balance - May 31, 2020   | \$ | <u>(144)</u> |
|                          |    |              |
|                          |    |              |

The accompanying notes are an integral part of the financial statement.  
See Accountant Report

**PROFESSIONAL IDIOTS, INC**  
**STATEMENT OF CASH FLOW**  
**FOR THE PERIOD**  
**APRIL 13, 2020 (INCEPTION) TO MAY 31, 2020**

Cash Flows from Operating Activities

|            |    |       |
|------------|----|-------|
| Net Income | \$ | (144) |
|------------|----|-------|

Adjustments to Reconcile Net Income to

Net Cash Provided by Operating Activities

|              |  |     |
|--------------|--|-----|
| Depreciation |  | 456 |
|--------------|--|-----|

(Increase) Decrease in Assets

|                     |  |   |
|---------------------|--|---|
| Accounts Receivable |  | 0 |
|---------------------|--|---|

|           |  |   |
|-----------|--|---|
| Inventory |  | 0 |
|-----------|--|---|

|              |  |   |
|--------------|--|---|
| Other Assets |  | 0 |
|--------------|--|---|

Increase (Decrease) in Liabilities

|   |  |   |
|---|--|---|
| Accounts Payable and Accrued Payroll & Taxes Payables |  | 0 |
|---|--|---|

|                          |  |   |
|--------------------------|--|---|
| Accrued Interest Payable |  | 0 |
|--------------------------|--|---|

|                                |    |     |
|--------------------------------|----|-----|
| Net Cash Provided by Operating | \$ | 312 |
|--------------------------------|----|-----|

Cash Flows from Investing Activities

|                                |  |   |
|--------------------------------|--|---|
| Proceeds Sales of Fixed Assets |  | - |
|--------------------------------|--|---|

|                             |  |          |
|-----------------------------|--|----------|
| Acquisition of Fixed Assets |  | (13,693) |
|-----------------------------|--|----------|

|                                |  |          |
|--------------------------------|--|----------|
| Net Cash Provided by Investing |  | (13,693) |
|--------------------------------|--|----------|

Cash Flows from Financing Activities

|                  |  |        |
|------------------|--|--------|
| Sharholder Loans |  | 10,443 |
|------------------|--|--------|

|                          |  |       |
|--------------------------|--|-------|
| Common Stock Investments |  | 5,000 |
|--------------------------|--|-------|

|                      |  |   |
|----------------------|--|---|
| Rounding Adjustments |  | - |
|----------------------|--|---|

|   |  |        |
|---|--|--------|
| Net Cash Provided by Financing Activities |  | 15,443 |
|---|--|--------|

|                                 |    |       |
|---------------------------------|----|-------|
| Net Increase/(Decrease) in Cash | \$ | 2,062 |
|---------------------------------|----|-------|

|                          |    |   |
|--------------------------|----|---|
| Cash - Beginning of Year | \$ | - |
|--------------------------|----|---|

|                     |    |              |
|---------------------|----|--------------|
| Cash - May 31, 2020 | \$ | <u>2,062</u> |
|---------------------|----|--------------|

**PROFESSIONAL IDIOTS, INC**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD  
APRIL 13, 2020 (INCEPTION) TO MAY 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES COMPANY ACTIVITIES

The company is a privately held Corporation engaged primarily in Consulting business in the area of bringing ideas thru proof of concept and eventually thru production. The Company was founded April 13, 2020.

REVENUES AND COST RECOGNITION

Revenues are recognized when a project is completed and is booked upon invoicing on an accrual basis. No provision is made for partially completed projects not yet billed.

DEPRECIATION

The cost of property and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight line method for financial statements purposes.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that directly affect the results of reported assets, liabilities, revenues, and expenses. Accordingly, actual results could differ from those activities.

NOTE 2: ACCOUNTS RECEIVABLE

All accounts receivable have been deemed by management as being collectable in future periods. Consequently, no allowance for doubtful accounts is required. All accounts deemed to be uncollectible are expensed utilizing the direct write-off method whenever management determines the account is uncollectible.

Generally accepted accounting principles require the use of an allowance account. The effect of such an allowance account in the financial statements would be minimal.



**PROFESSIONAL IDIOTS, INC**  
NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE PERIOD  
APRIL 13, 2020 (INCEPTION) TO MAY 31, 2020

NOTE 4: CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The company maintains its cash balances in a financial institution located in Colorado. The balances are insured by the Federal Deposit Insurance Corporation. At May 31, 2020 the Company's uninsured cash balance was zero. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

NOTE 5: INCOME TAXES

Since the company is a start up, no provision has been made for income taxes.

NOTE 6: SUBSEQUENT EVENTS

Management is unaware of any subsequent events that would have impacted on the results as reported as of the date of these financial statements

NOTE 7: FUNDING SCHEDULE

Attached Schedule III outlines the various funding levels the company is seeking, offering price and dilution, it is a represents preliminary calculations and will be revised as funding occurs.

**PROFESSIONAL IDIOTS, INC**  
**SCHEDULE I & II**  
**FOR THE PERIOD**  
**APRIL 13, 2020 (INCEPTION) TO MAY 31, 2020**

**SCHEDULE I - GENERAL & ADMINISTRATIVE**

|                             |    |              |
|-----------------------------|----|--------------|
| Advertising & Promotions    | \$ | 53           |
| Bank & Merchant Charges     |    | 557          |
| Depreciation & Amortization |    | 456          |
| Meals & Entertainment       |    | 75           |
| Office                      |    | 459          |
| Professional Fees           |    | 25           |
| Supplies                    |    | 538          |
| Telephone & Internet        |    | 55           |
| Vehicle                     |    | 67           |
|                             |    |              |
|                             | \$ | <u>2,285</u> |

**SCHEDULE II - COMPUTERS & SOFTWARE**

|                       |    |              |
|-----------------------|----|--------------|
| Server Fees           | \$ | 856          |
| Software              |    | 34           |
| Software - Cloudflare |    | 49           |
| Software - Google     |    | 25           |
| Software - Twillio    |    | 100          |
| Softeare- Zendesk     |    | 9            |
| Website Hosting       |    | 102          |
| Website Developmment  |    | <u>1,002</u> |
|                       |    |              |
|                       | \$ | <u>2,177</u> |