

## **Pippy Sips LLC**

*Unaudited Financial Statements For The Years Ended December 31, 2018 and 2017*

October 17, 2019

## BALANCE SHEET

	Dec. 31, 2018	Dec. 31, 2017
<b>Assets</b>		
Assets, current:		
Cash and cash equivalents	\$6,079	\$3,406
Accounts Receivable	-	-
Inventory	-	-
Other Current Assets	-	-
Total Current Assets	6,079	3,406
Deposits	-	-
Other intangible assets	3,640	-
Total assets	<u>\$9,719</u>	<u>\$3,406</u>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities, current:		
Accounts Payable	\$3,347	\$ -
Accrued Expenses and other current liabilities	125	-
Unearned Income	9,945	-
Accrued compensation and benefits	-	-
Total current liabilities	13,417	-
Long-term debt	7,000	-
Total liabilities	<u>20,417</u>	<u>-</u>
Shareholders' equity:		
Owner's capital	10,762	10,017
Retained earnings (Deficit)	(21,460)	(6,611)
Total Shareholders' Equity	<u>(10,698)</u>	<u>3,406</u>
Total Liabilities and Shareholders' Equity	<u>\$9,719</u>	<u>\$3,406</u>

## STATEMENT OF INCOME

	<u>Fiscal Year Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Net Sales	\$ -	\$ -
Cost of sales	-	-
Gross profit	-	-
Selling, general and administrative expenses	14,849	6,611
Income from operations	(14,849)	(6,611)
Other income	-	# -
Other expenses	-	-
Income before income taxes	(14,849)	(6,611)
Income tax expense	-	-
Net income	<u>\$ (14,849)</u>	<u>\$ (6,611)</u>

## STATEMENT OF CASH FLOWS

	Fiscal Year Ended December 31,	
	2018	2017
Cash flows from operating activities:		
Net income	\$ (14,849)	\$ (6,611)
Changes in assets and liabilities		
Payable, accrued expenses and other liabilities	3,472	-
Net cash provided by operating activities	3,472	-
Cash flows from investing activities:		
Cash paid for patent	(3,640)	-
Net cash flows used in investing activities:	(3,640)	-
Cash flows from financing activities:		
Investments from Owners	745	10,017
Proceeds from long-term debt	7,000	-
Proceeds from crowdfunding	9,945	-
Net cash used in financing activities	17,690	10,017
Increase (decrease) in cash and cash equivalents	17,522	10,017
Cash and cash equivalents at beginning of period	\$ 3,406	\$ -
Cash and cash equivalents at end of period	\$ 6,079	\$ 3,406

**PIPPY SIPS LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**1. Nature of Business**

Pippy Sips LLC is a limited liability company formed under the laws of the State of Pennsylvania. The company's purpose is to design and sell a breastmilk storage device with built-in thermometer and cooling system.

The company intends to look for equity investments in 2019 in order to raise the necessary capital to fund the product's production.

**2. Cash and cash equivalents**

Cash equivalents represent current cash available to spend; all of which is held at a federally insured bank.

**3. Intangible Assets**

Intangible assets represent the current costs associated with filing of patents.

**4. Research and development expense**

Expenditures for research activities relating to product design, development and improvement are charged to expense as incurred and included in our statement of income in SG&A. We incurred total research and development expenses of \$6,500 and \$11,151 during fiscal 2017 and 2018, respectively.

**5. Unearned Income**

Current unearned income consists of \$1,040 worth of customer deposits on products as well as \$8,905 received in an initial round of crowdfunding. The crowdfunding has not been recognized as it is contingent upon the production of the product.

**6. Long-term Debt**

Long-term debt consists of three separate notes all with terms of 6% interest over 2 years. The first two notes were received in May of 2018 for \$3,000 & \$2,000, respectively, and the third note was received in August of 2018 for \$2,000.

**7. Owner's Capital**

The owner's capital includes the total funds invested by the company's sole owners, Amber L. Venti & Joseph A. Venti. They currently own 100% of Pippy Sips LLC.

**8. Subsequent Events**

Production of the company's product, Maia, is scheduled to take place in November of 2019.