



Botanical Beginnings

Let's Grow Together!

National QuickBooks Competition 2020-2021

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Botanical Beginnings Company Overview and Financial Highlights

Botanical Beginnings is located in New Hyde Park, New York. At Botanical Beginnings we create an opportunity for beginners to start planting by selling kits that are fully supplied with any necessary equipment and supplies. This includes seeds, pots, soil, lamps and any tools you may need. On our website, you can find a vast variety of flowers, succulents, and herbs as well as the care levels of each plant so that you can choose a plant that suits you. We are an S corporation because we want to minimize risks to shareholders and avoid double taxation on our income while dealing with the same legal aspect as a limited liability company.

In the past 3 months, we generated a total of \$365,791.01 in revenue. The majority of these sales were made through the Trade Shows (89.5%) while the remaining 20.5% were through our website. After considering our cost of goods sold, our gross profit is \$166,224.01. This helped us find our net income of \$56,282.90. Our gross profit margin is 45.44%. We calculated our current liquidity ratio to be 1.885 and our current solvent ratio to be .144. These numbers will help encourage business lenders to invest in Botanical Beginnings



Income Statement Analysis

Every month, the accounting department creates financial statements. Attached in this packet, there are the Profit and Loss Statements for the months of October, November, and December. We have monthly expenses that include payroll, payroll tax, accounting, advertising/ promotional, depreciation, property & liability insurance, rent, and utilities expenses. These accounts total for \$24,689 per month. Other expenses that we include that are not monthly are sales tax expense, trade show expense, and other miscellaneous expenses. We first started generating sales during the months of November and December. At the end of the first three months, we've generated \$365,791.01-- \$163,161.41 in November and \$202,629.60 in December. 20.5% of our sales are through the website and the rest were made through the Trade Show. Our cost of goods sold for October through December was \$199,567.00. Using our total sales revenue and cost of goods sold expenses, our gross profit is \$166,244.01 and our profit margin is 45.44%. However, after taking our expenses mentioned above into account, our net profit is \$56,862.90 and our net profit margin percent is 15.39%.

Balance Sheet Analysis

Another statement we have attached in the packet is the balance sheet. For the month of October we had \$70,164.01 in assets. Most of our assets came from initial inventory as we did not have much cash when starting our company. We had \$71,953.00 in liabilities and \$70,164.01 in stockholder equity. For the month of November as we started making more revenue we had more assets and cash. For November we had \$480,145.33 in assets. Our assets mostly consisted of cash and inventory. Our total liabilities were \$451,585.89. The reason they were this high was because we had bought inventory on account and we had received a loan of \$150,000 which we are paying off in monthly installments. Our total stockholders equity for November was \$28,559.44. December was our most successful month so far as we have \$602,735.59 in assets. For December we had \$516,354.60 in cash as we had accumulated a large amount of revenue in that month. Our liabilities for December were \$465,569.96 as we had bought more inventory on account and were still paying off the loan. Our total Stockholders equity for December was \$137,165.63.



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PROFIT AND LOSS

October 2020

	TOTAL
Income	
Total Income	
GROSS PROFIT	\$0.00
Expenses	
*Payroll Expense (Salaries & Wages)	19,700.12
Accounting Expense	200.00
Advertising/Promotional Expense	500.00
Depreciation Expense	108.87
Property & Liability Insurance	300.00
Rent Expense	980.00
Total Expenses	\$21,788.99
NET OPERATING INCOME	\$ -21,788.99
NET INCOME	\$ -21,788.99

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PROFIT AND LOSS

November 2020

	TOTAL
Income	
Trade Show Sales Revenue	140,022.66
Website Sales	23,138.75
Total Income	\$163,161.41
Cost of Goods Sold	
Cost of Goods Sold	95,782.00
Total Cost of Goods Sold	\$95,782.00
GROSS PROFIT	\$67,379.41
Expenses	
*Payroll Expense (Salaries & Wages)	22,590.82
Accounting Expense	200.00
Advertising/Promotional Expense	500.00
Depreciation Expense	108.87
Property & Liability Insurance	300.00
Rent Expense	980.00
Sales Tax Expense	11,351.29
Total Expenses	\$36,030.98
NET OPERATING INCOME	\$31,348.43
Other Expenses	
Trade Show Expense	1,000.00
Total Other Expenses	\$1,000.00
NET OTHER INCOME	\$ -1,000.00
NET INCOME	\$30,348.43



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PROFIT AND LOSS

December 2020

	TOTAL
Income	
Trade Show Sales Revenue	150,680.60
Website Sales	51,949.00
Total Income	\$202,629.60
Cost of Goods Sold	
Cost of Goods Sold	103,785.00
Total Cost of Goods Sold	\$103,785.00
GROSS PROFIT	\$98,844.60
Expenses	
*Payroll Expense (Salaries & Wages)	21,145.47
Accounting Expense	-200.00
Depreciation Expense	108.87
Sales Tax Expense	14,184.07
Total Expenses	\$35,238.41
NET OPERATING INCOME	\$63,606.19
Other Expenses	
Other Miscellaneous Expense	5,000.00
Total Other Expenses	\$5,000.00
NET OTHER INCOME	\$ -5,000.00
NET INCOME	\$58,606.19



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BALANCE SHEET

As of October 31, 2020

	TOTAL
ASSETS	
Current Assets	
Current Assets	
Cash	299.88
Initial Inventory	62,025.00
Total Current Assets	\$62,324.88
Total Current Assets	\$62,324.88
Fixed Assets	
Computers/ Equipment	6,060.00
Computers/ Equipment Accumulated Depreciation	-101.00
Furniture & Fixtures	1,888.00
Furniture & Fixtures Accumulated Depreciation	-7.87
Total Fixed Assets	\$7,839.13
TOTAL ASSETS	\$70,164.01
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	71,953.00
Total Accounts Payable	\$71,953.00
Total Current Liabilities	\$71,953.00
Total Liabilities	\$71,953.00
Equity	
Common Stock	20,000.00
Retained Earnings	
Net Income	-21,788.99
Total Equity	\$ -1,788.99
TOTAL LIABILITIES AND EQUITY	\$70,164.01



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BALANCE SHEET

As of November 30, 2020

	TOTAL
ASSETS	
Current Assets	
Current Assets	
Cash	289,870.47
Initial Inventory	0.00
Total Current Assets	\$289,870.47
Other Current Assets	
Inventory	182,544.60
Total Other Current Assets	\$182,544.60
Total Current Assets	\$472,415.07
Fixed Assets	
Computers/ Equipment	6,060.00
Computers/ Equipment Accumulated Depreciation	-202.00
Furniture & Fixtures	1,888.00
Furniture & Fixtures Accumulated Depreciation	-15.74
Total Fixed Assets	\$7,730.26
TOTAL ASSETS	\$480,145.33
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	290,234.60
Total Accounts Payable	\$290,234.60
Other Current Liabilities	
Sales Tax Payable	11,351.29
Total Other Current Liabilities	\$11,351.29
Total Current Liabilities	\$301,585.89
Long-Term Liabilities	
Loan Payable	150,000.00
Total Long-Term Liabilities	\$150,000.00
Total Liabilities	\$451,585.89
Equity	
Common Stock	20,000.00
Retained Earnings	
Net Income	8,559.44
Total Equity	\$28,559.44
TOTAL LIABILITIES AND EQUITY	\$480,145.33



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BALANCE SHEET

As of December 31, 2020

	TOTAL
ASSETS	
Current Assets	
Current Assets	
Cash	516,354.60
Initial Inventory	0.00
Total Current Assets	\$516,354.60
Other Current Assets	
Inventory	78,759.60
Total Other Current Assets	\$78,759.60
Total Current Assets	\$595,114.20
Fixed Assets	
Computers/ Equipment	6,060.00
Computers/ Equipment Accumulated Depreciation	-303.00
Furniture & Fixtures	1,888.00
Furniture & Fixtures Accumulated Depreciation	-23.61
Total Fixed Assets	\$7,621.39
TOTAL ASSETS	\$602,735.59
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounting Expense payable	-200.00
Accounts Payable (A/P)	290,234.60
Total Accounts Payable	\$290,034.60
Other Current Liabilities	
Sales Tax Payable	25,535.36
Total Other Current Liabilities	\$25,535.36
Total Current Liabilities	\$315,569.96
Long-Term Liabilities	
Loan Payable	150,000.00
Total Long-Term Liabilities	\$150,000.00
Total Liabilities	\$465,569.96
Equity	
Common Stock	70,000.00
Retained Earnings	
Net Income	67,165.63
Total Equity	\$137,165.63
TOTAL LIABILITIES AND EQUITY	\$602,735.59



Bank Reconciliation Preparation and Review

The purpose of Bank Reconciliation is to ensure that all the transactions between quickbooks and the firm bank account are accurate. Bank reconciliation is necessary in finding any errors in the cash balance and it can also eliminate the likelihood of a fraud. Some common reconciling items would be Sales Receipts, Service fees and payables. Some normal reconciliation items that we would encounter would be trade show revenue, sales and accounts receivable. But occasionally some abnormalities would occur. Some unusual accounts we would see would be accounting expenses and Owner's pay and personal expenses. This would be due to an error when transactions occur from the VE firm bank account and quickbooks.

Internal Controls

The CFO and both accountants have access to the QBO account. We decided to allow these people to access our QBO account because they are the ones handling all of the financials. We have a checks and balances system in which we all workers monitor each other ensuring everything goes well. Each member who has access to the quick book account has devolved skills on how to use the system by watching videos on the VE international website, asking our class advisor for help and reading articles. In terms of workload, we all work together and split it up based on each situation allowing us to learn from each other. Lastly, our firm ensures transactions reported match the transactions in the bank account by having two students double check our records/ financial statements.



Date	Name/Description/Acct#	Ref#	Amount	Balance
Dec. 30, 2020	Anmolvir Singh.31976.31976 (US012076), NEW HYDE PARK, NY payroll Acct #630869243	5338173	-\$1,445.35	\$516,354.60

