

# HOBBY HOPPERS



## QuickBooks Competition Sept 2020 - Nov 2020

### Reports:

- Profit and Loss Report
- Balance Sheet
- Cash Flow Statement

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## Company Overview

Our business is Hobby Hoppers, a C-Corporation developed in September 2020 located in Plainview, New York, and composed of 13 employees. Hobby Hoppers is a service-based platform in which you can hire professionals to teach you several hobbies. Due to these unprecedented times, we offer both in-person as well as virtual classes, and plan to offer both indefinitely. Classes include art, cooking, photography, and even includes a seasonal class depending on the season of the year. Classes are offered with the flexibility to add other individuals in the class, as well as where and when the class takes place. A C-Corporation was chosen as it can have an unlimited number of owners who can split profit and loss with the business for a lower overall tax rate. A C-Corporation also enables the company to issue shares of stock to attract investors. Since the establishment of Hobby Hoppers, there have been multiple key changes to the firm that have been made. One of these was the creation of the "Hoppy Holidays" package which offers one class per season, and the "Don't Stop the Hop Package" which offers 20 classes of the customer's choice over a four-year span. This change allows consumers to have an increased number of choices when purchasing and offers classes at a discounted price when purchasing in bulk. Another beneficial change was the process in which we recorded sales. We originally recorded sales as a total, without any specification for items purchased. This was changed however, as we saw it beneficial for several reasons to itemize sales receipts, and therefore started inputting our sales in this way.

# Management Report

## Profit and Loss Report



### Hobby Hoppers

#### PROFIT AND LOSS

September - November, 2020

	SEP 2020	OCT 2020	NOV 2020	TOTAL
Income				
Sales			3,800.00	\$3,800.00
Sales of Product Income				\$0.00
Art Class (In-Person)			2,530.20	\$2,530.20
Art Class (Virtual)			40.00	\$40.00
Cooking Class (In-Person)			600.00	\$600.00
Cooking Class (Virtual)			275.00	\$275.00
Don't Stop the Hop Package			13,500.00	\$13,500.00
Hoppy Holidays Package			5,100.00	\$5,100.00
Photography Class (In-Person)			600.00	\$600.00
Photography Class (Virtual)			90.00	\$90.00
Seasonal Class (In-Person)			140.00	\$140.00
Seasonal Class (Virtual)			350.00	\$350.00
<b>Total Sales of Product Income</b>			<b>23,225.20</b>	<b>\$23,225.20</b>
<b>Total Income</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$27,025.20</b>	<b>\$27,025.20</b>
GROSS PROFIT	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$27,025.20</b>	<b>\$27,025.20</b>
Expenses				
Registration Fees			1,000.00	\$1,000.00
Rent Expense		1,125.00	1,125.00	\$2,250.00
Salaries and Wages Expense		5,980.10	11,377.80	\$17,357.90
Utilities				\$0.00
Electric Expense		295.00	295.00	\$590.00
Heating Expense		191.25	191.25	\$382.50
Telephone & Internet Package Expense		106.25	106.25	\$212.50
<b>Total Utilities</b>		<b>592.50</b>	<b>592.50</b>	<b>\$1,185.00</b>
<b>Total Expenses</b>	<b>\$0.00</b>	<b>\$7,697.80</b>	<b>\$14,095.30</b>	<b>\$21,792.90</b>
NET OPERATING INCOME	<b>\$0.00</b>	<b>\$ -7,697.80</b>	<b>\$12,929.90</b>	<b>\$5,232.30</b>
NET INCOME	<b>\$0.00</b>	<b>\$ -7,697.80</b>	<b>\$12,929.90</b>	<b>\$5,232.30</b>

## Balance Sheet



### Hobby Hoppers

BALANCE SHEET  
As of November 30, 2020

	SEP 2020	OCT 2020	NOV 2020
<b>ASSETS</b>			
Current Assets			
Bank Accounts			
Cash		12,302.40	179,954.20
<b>Total Bank Accounts</b>	<b>\$0.00</b>	<b>\$12,302.40</b>	<b>\$179,954.20</b>
<b>Total Current Assets</b>	<b>\$0.00</b>	<b>\$12,302.40</b>	<b>\$179,954.20</b>
<b>TOTAL ASSETS</b>	<b>\$0.00</b>	<b>\$12,302.40</b>	<b>\$179,954.20</b>
<b>LIABILITIES AND EQUITY</b>			
Liabilities			
Current Liabilities			
Other Current Liabilities			
New York Department of Taxation and Finance Payable			2,221.90
<b>Total Other Current Liabilities</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,221.90</b>
<b>Total Current Liabilities</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,221.90</b>
<b>Total Liabilities</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,221.90</b>
Equity			
Retained Earnings			
Stockholder's Equity		20,000.00	172,500.00
Net Income		-7,697.60	5,232.30
<b>Total Equity</b>	<b>\$0.00</b>	<b>\$12,302.40</b>	<b>\$177,732.30</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$0.00</b>	<b>\$12,302.40</b>	<b>\$179,954.20</b>

## Cash Flow Statement



### Hobby Hoppers

#### Statement of Cash Flows September - November, 2020

	SEP 2020	OCT 2020	NOV 2020	TOTAL
▼ OPERATING ACTIVITIES				
Net Income		-7,697.60	12,929.90	\$5,232.30
▼ Adjustments to reconcile Net ...				\$0.00
New York Department of Ta...			2,221.90	\$2,221.90
<b>Total Adjustments to reconc...</b>			<b>2,221.90</b>	<b>\$2,221.90</b>
<b>Net cash provided by operatin...</b>	<b>\$0.00</b>	<b>\$ -7,697.60</b>	<b>\$15,151.80</b>	<b>\$7,454.20</b>
▼ FINANCING ACTIVITIES				
Stockholder's Equity		20,000.00	152,500.00	\$172,500.00
<b>Net cash provided by financin...</b>	<b>\$0.00</b>	<b>\$20,000.00</b>	<b>\$152,500.00</b>	<b>\$172,500.00</b>
<b>NET CASH INCREASE FOR PER...</b>	<b>\$0.00</b>	<b>\$12,302.40</b>	<b>\$167,651.80</b>	<b>\$179,954.20</b>

## Bank Account Setup

### Hobby Hoppers

#### Chart of Accounts

Name	Type	Detail Type	Balance	Bank Balance
Cash	Bank	Checking	408,676.25	
Federal Income Tax Payable	Other Current Liabilities	Federal Income Tax Payable	0.00	
Federal Withheld Taxes Payable	Other Current Liabilities	Other Current Liabilities	0.00	
Medicare Payable	Other Current Liabilities	Other Current Liabilities	0.00	
Social Security Payable	Other Current Liabilities	Other Current Liabilities	0.00	
State Withheld Taxes Payable	Other Current Liabilities	State/Local Income Tax Payable	0.00	
Stockholder's Equity	Equity	Common Stock	172,500.00	
Art Class (In-Person)	Income	Sales of Product Income		
Art Class (Virtual)	Income	Sales of Product Income		
Cooking Class (In-Person)	Income	Sales of Product Income		
Cooking Class (Virtual)	Income	Sales of Product Income		
Don't Stop the Hop Package	Income	Sales of Product Income		
Hoppy Holidays Package	Income	Sales of Product Income		
Photography Class (In-Person)	Income	Sales of Product Income		
Photography Class (Virtual)	Income	Sales of Product Income		
Seasonal Class (In-Person)	Income	Sales of Product Income		
Seasonal Class (Virtual)	Income	Sales of Product Income		
Service Revenue	Income	Sales of Product Income		
Registration Fees	Expenses	Other Business Expenses		
Rent Expense	Expenses	Rent or Lease of Buildings		
Salaries and Wages Expense	Expenses	Payroll Expenses		
Federal Withheld Taxes	Expenses	Taxes Paid		
Medicare Expense	Expenses	Taxes Paid		
Social Security Expense	Expenses	Taxes Paid		
State Withheld Tax Expense	Expenses	Taxes Paid		
Taxable Federal Income	Expenses	Taxes Paid		
Electric Expense	Expenses	Utilities		
Heating Expense	Expenses	Utilities		
Telephone & Internet Package Expense	Expenses	Utilities		

## Key Financial Results

As it is the first fiscal quarter for Hobby Hoppers, the most recent fiscal quarter has shown that there are a significant number of factors to deal with when starting a business. One such factor is generating enough income for it to be greater than the initial investments—being angel investors, and seed money from VE. In starting a new company, we had no business contracts made, no employee sale contracts, and had only first started making proper sales at the local Long Island trade show in November, which also helped in giving us contact with other companies to make those contracts in the future. Being displayed in our statement of cash flows as well as our balance sheet, one key financial result has been that most of the origin of our cash has derived from those investments in our Stockholder's Equity, rather than sales. While we did start generating a net income to date in November instead of a net loss with the Long Island trade show, this net income has been minimal compared to our investments. This is an important financial result to report on, as it does not show the full extent of the achievements of our company. Although our net income has been minimal, we have been creating numerous connections to other VE businesses and out of network businesses, that have all shown interest in creating contracts, amounting to an income multiple times greater than the net income shown on these reports. The connections we have made, while not concrete, have been much more valuable for the company's future growth than the current net income. As a new company, our goal has been focused largely on expanding our business, and creating new connections, rather than focusing on our income, which can be shown in our financial reports, with the lack of a substantial net income relative to our company's finances.

Whereas Hobby Hoppers has largely been focusing on expanding our business and creating new connections, we have also been determining the best sources of revenue for our company, as well as improving our current sources of revenue. As shown in the itemized Sales of Product Income in our Profit and Loss Statement, it has been shown that selling packages has been the largest source of revenue for our company. Although there is the outlier of In-Person Art Classes, the two largest sources of revenue for our business have been the sale of our "Hoppy Holiday's Package," and our "Don't Stop the Hop Package." While these packages are also the most expensive items we sell, they remain at the top of the other items in terms of quantity of sales, excluding the In-Person Art Classes. These results are important, as we can use this information for marketing and sales in the future. Knowing that packages—as well as the art classes—are the most sold products, our marketing team can promote these products to a larger extent than the other products. Further, seeing that the other products are not doing as well, the marketing team may determine to change or alter how those classes are promoted, in order to generate more sales for those products. By keeping track of itemized sales receipts, and observing them in our income statement, we can increase our revenue through analyzing what is, and is not working for our business.