

ENTITY NAME: ABC COMPANY												
ANALYSIS OF CONTRACT ACTIVITY COSTS/REVENUES [aka CONTRACT JOB GAIN OR FADE ANALYSIS]												
12/31/2023												
Job No.	Final at 12/31/23				Projected at 12/31/22				Change from 2022 to 2023			
	Contract Price	Total Est. Costs	Total Est. Profit	Profit %	Contract Price	Total Est. Costs	Total Est. Profit	Profit %	Contract Price	Total Est. Costs	Total Est. Profit	Profit %
20-07	4,500,000	3,950,000	550,000	12.2%	4,500,000	3,600,000	900,000	20.00%	-	350,000	(350,000)	-8%
20-08	1,525,000	1,400,000	125,000	8.2%	1,500,000	1,200,000	300,000	20.00%	25,000	200,000	(175,000)	-12%
20-09	650,000	670,000	(20,000)	-3.1%	650,000	520,000	130,000	20.00%	-	150,000	(150,000)	-23%
21-01	450,000	385,000	65,000	14.4%	450,000	360,000	90,000	20.00%	-	25,000	(25,000)	-6%
21-02	1,775,000	1,600,000	175,000	9.9%	1,750,000	1,400,000	350,000	20.00%	25,000	200,000	(175,000)	-10%
21-03	5,500,000	4,850,000	650,000	11.8%	5,500,000	4,400,000	1,100,000	20.00%	-	450,000	(450,000)	-8%
21-04	3,050,000	2,425,000	625,000	20.5%	3,000,000	2,400,000	600,000	20.00%	50,000	25,000	25,000	0%
21-05	2,500,000	2,125,000	375,000	15.0%	2,500,000	2,000,000	500,000	20.00%	-	125,000	(125,000)	-5%
21-06	900,000	780,000	120,000	13.3%	900,000	720,000	180,000	20.00%	-	60,000	(60,000)	-7%
21-07	735,000	635,000	100,000	13.6%	700,000	560,000	140,000	20.00%	35,000	75,000	(40,000)	-6%
21-08	1,900,000	1,670,000	230,000	12.1%	1,900,000	1,520,000	380,000	20.00%	-	150,000	(150,000)	-8%
21-09	500,000	402,000	98,000	19.6%	500,000	400,000	100,000	20.00%	-	2,000	(2,000)	0%
21-10	73,000	50,000	23,000	31.5%	45,000	36,000	9,000	20.00%	28,000	14,000	14,000	12%
21-14	15,000	4,500	10,500	70.0%	15,000	12,000	3,000	20.00%	-	(7,500)	7,500	50%
21-15	50,000	65,000	(15,000)	-30.0%	25,000	20,000	5,000	20.00%	25,000	45,000	(20,000)	-50%
21-19	300,000	220,000	80,000	26.7%	250,000	200,000	50,000	20.00%	50,000	20,000	30,000	7%
21-20	1,250,000	1,035,000	215,000	17.2%	1,200,000	960,000	240,000	20.00%	50,000	75,000	(25,000)	-3%
	25,673,000	22,266,500	3,406,500	13.3%	25,385,000	20,308,000	5,077,000	20.00%	288,000	1,958,500	-1,670,500	-6.73%
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Current Years and Previous Years % Job Gain/(Fade) History												
	12/31/2023	-6.73%										
	12/31/2022	-4.00%										
	12/31/2021	-7.00%										
	12/31/2020	-5.00%										
	12/31/2019	-4.00%										

Ratio	Formula	What it tells you
Return on Equity	$\frac{\text{Net Income before taxes}}{\text{Total Net Worth}}$	Profit generated by net assets employed. Ratio reflects how much owners are seeing as return. A very high ratio may indicate being undercapitalized.
Return on Assets	$\frac{\text{Net Income before taxes}}{\text{Total Asset}}$	Indicates how profitable a company is compared to its total assets.
Times Interest Earned	$\frac{\text{Net Earnings} + \text{Inc Tax} + \text{Interest Expense}}{\text{Interest Expense}}$	Indicates the company's ability to pay interest expense from operations. A low ratio may indicate an over-leveraged situation and a need for more permanent equity.
Debt to Equity	$\frac{\text{Total Liabilities}}{\text{Total Net Worth}}$	Indicates the relationship between creditors and owners.
Revenue to Equity	$\frac{\text{Revenue}}{\text{Total Net Worth}}$	Indicates the level of revenue being supported by each \$1 of equity. Generally, a ratio of 15 or less is considered acceptable.
Asset Turnover	$\frac{\text{Revenue}}{\text{Total Assets}}$	Indicates the level of revenue being supported by each \$1 of assets. By reviewing the trend of this ratio, one can determine the effectiveness of asset expansion
Fixed Asset Ratio	$\frac{\text{Net Fixed Assets}}{\text{Total Net Worth}}$	Indicates the level of stockholders' equity invested in net fixed assets. A higher ratio may indicate a lack of funds for current operations. Usually, a low ratio indicates a more liquid position.
Backlog to Equity	$\frac{\text{Backlog}}{\text{Total Net Worth}}$	Indicates the relationship of signed or committed work to total stockholders' equity. Generally, a ratio of 20 or less is considered acceptable. A higher ratio may indicate the need for additional permanent equity.
Days in Accts Receivable (Excluding Retainage)	$\frac{(\text{Accounts Receivable (exclude retainage)} - \text{Allowance for Doubtful Accts}) * 360}{\text{Revenue}}$	Indicates the number of days to collect accounts receivable. A lower ratio indicates a faster collection of receivables, thus more liquidity. Higher days in accounts receivable ratio may indicate a drain on cash flow.
Days in Accts Payable	$\frac{(\text{Accounts Payable} - \text{Retainage}) * 360}{\text{Total Cost}}$	Indicates the average number of days it takes to liquidate trade payables. The ratio should be compared with credit terms of vendors.
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	Indicates the extent to which current assets are available to satisfy current liabilities. Generally, a minimum current ratio is 1.0, which indicates that current assets at least equal current liabilities.
Quick Ratio	$\frac{\text{Cash/Cash Equiv} + \text{Short Term Inv} + \text{Net Receivables}}{\text{Current Liabilities}}$	Indicates the extent to which the more liquid assets are available to satisfy current liabilities. A quick ratio of 1.0 is generally considered a liquid position.
Cash Ratio	$\frac{\text{Cash/Cash Equiv}}{\text{Current Liabilities}}$	Indicates the extent to which cash is available to satisfy current liabilities. A high cash ratio may indicate you are not properly utilizing your cash.
Working Capital Ratio	$\frac{\text{Revenue}}{\text{Current Assets} - \text{Current Liabilities}}$	Indicates the amount of revenue being supported by each \$1 of net working capital employed. A ratio exceeding 30 may indicate a need for increased working capital to support future revenue growth.
Gross Margin	$\frac{\text{Revenue} - \text{Contract Costs}}{\text{Revenue}}$	The gross profit margin tells you what your business made after paying for the direct cost of doing business, which can include labor, materials, and other direct costs.
Net Margin	$\frac{\text{Net Income}}{\text{Revenue}}$	Indicates the amount of sales revenue a company keeps after covering all costs including interest and taxes.

Construction Company ABC
Financial Performance Overview for Year
Year Ended December 31, 2023

Balance Sheet Related Items

Assets	\$ 8,525,000	Liabilities	\$ 5,218,000
Current Assets	\$ 7,600,000	Current Liabilities	\$ 5,014,000
Percent Current	89.15%	Percent Current	96.09%
Accounts Receivable	\$ 3,750,000	Accounts Payable	\$ 3,200,000
% 1 - 60 days	98.3%	% 1 - 60 days	79.7%
% Past 60 days	1.7%	% Past 60 days	4.69%
		Retention	15.63%
Current Ratio	1.52	Return on Equity	46.91%
Cash Ratio	0.60	Days in Accts Receivable 2023	43.20

Firm Fixed Price Contracts

Contract Value	\$ 50,000,000	Total Estimated Costs	\$ 43,425,000
Contract Value Backlog	\$ 15,962,500	Estimated Cost to Complete	\$ 13,996,875
Estimated Profit	\$ 6,575,000	Estimated Profit to be Earned	\$ 1,965,625
Estimated Profit Margin	13.15%	Remaining Profit Margin	12.31%

Cash Flow Statement Related Items

Cash Balance	\$ 3,000,000	Cash Flow from Operations	\$ 1,665,000
Change from 2022 to 2023	\$ 1,300,000	Cash Flow from Investing	\$ (360,000)
		Cash Flow from Financing	\$ (5,000)

Income Statement Related Items

	Current Year		Prior Year	Change
Revenue	\$ 25,000,000	\$	20,000,000	5,000,000
Contract Costs	\$ 21,500,000	\$	17,500,000	4,000,000
Gross Margin	\$ 3,500,000	\$	2,500,000	1,000,000
Gross Margin %	14.00%		12.50%	40.00%
Operating Expenses	2,000,000		1,750,000	250,000
Other Income (Expenses)	25,000		30,000	(5,000)
Net Income before taxes	1,525,000		780,000	745,000
Provision for Taxes	469,000		234,000	235,000
Net Income	\$ 1,056,000	\$	546,000	510,000
Net Margin	4.2%		2.7%	

	ASSETS	
	<u>2023</u>	<u>2022</u>
Current Assets		
Cash and cash equivalents	\$ 3,000,000	\$ 1,700,000
Contract receivables	3,000,000	1,800,000
Contract assets	1,500,000	675,000
Prepaid expenses	<u>100,000</u>	<u>50,000</u>
Total Current Assets	<u>7,600,000</u>	<u>4,225,000</u>
Property and Equipment		
Software	35,000	35,000
Vehicles	1,075,000	1,000,000
Machinery and equipment	<u>1,500,000</u>	<u>1,200,000</u>
	2,610,000	2,235,000
Less accumulated depreciation	<u>1,700,000</u>	<u>1,500,000</u>
Total Property and Equipment, net	<u>910,000</u>	<u>735,000</u>
Other Assets		
Deposits	<u>15,000</u>	<u>15,000</u>
Total Other Assets	<u>15,000</u>	<u>15,000</u>
Total Assets	<u>\$ 8,525,000</u>	<u>\$ 4,975,000</u>
	LIABILITIES AND STOCKHOLDERS' EQUITY	
	<u>2023</u>	<u>2022</u>
Current Liabilities		
Accounts payable	\$ 3,200,000	\$ 1,500,000
Contract liabilities	1,500,000	900,000
Accrued payroll and expenses	150,000	80,000
Payroll taxes payable	7,000	3,000
Income taxes payable	150,000	25,000
Current portion of notes payable	<u>7,000</u>	<u>-</u>
Total Current Liabilities	<u>5,014,000</u>	<u>2,508,000</u>
Long-Term Liabilities		
Notes payable, net of current portion	<u>204,000</u>	<u>216,000</u>
Total Long-Term Liabilities	<u>204,000</u>	<u>216,000</u>
Total Liabilities	<u>5,218,000</u>	<u>2,724,000</u>
Stockholders' Equity		
Common stock, \$1 par value, 1,000 shares authorized, issued, and outstanding	1,000	1,000
Retained earnings	<u>3,306,000</u>	<u>2,250,000</u>
Total Stockholders' Equity	<u>3,307,000</u>	<u>2,251,000</u>
Total Liabilities and Stockholders' Equity	<u>\$ 8,525,000</u>	<u>\$ 4,975,000</u>

Contract Revenue	<u>\$ 25,000,000</u>
Cost of Contracts	
Material	3,500,000
Direct labor and burden	2,000,000
Subcontracts	15,000,000
Other direct costs	<u>1,000,000</u>
Total Cost of Contracts	<u>21,500,000</u>
Gross Profit	3,500,000
Operating Expenses	<u>2,000,000</u>
Operating Income (Loss)	<u>1,500,000</u>
Other Income (Expenses)	
Gain (loss) on sale of property and equipment, net	15,000
Dividend and interest income (expense), net	<u>10,000</u>
Total Other Income (Expenses)	<u>25,000</u>
Income Before Income Taxes	1,525,000
Income Tax Provision (Benefit)	<u>469,000</u>
Net Income	<u><u>\$ 1,056,000</u></u>

ABC Company
SCHEDULE OF CONTRACTS IN PROGRESS
December 31, 2023

Job #	Total Contract			From Inception to December 31, 2023					At December 31, 2023			
	Contract Amount	Profit %	Estimated Gross Profit (Loss)	Revenues Earned	Cost of Revenues	Gross Profit (Loss)	Billed to Date	Management's Estimated Cost To Complete	Cost And Estimated Earnings In Excess Of Billings	Billings In Excess Of Cost And Est. Earnings	Reserve For Loss	Percent Complete
22-1	4,500,000	15.00%	675,000	3,825,000	3,251,250	573,750	3,750,000	573,750	75,000	-	-	85.00
22-2	2,500,000	10.00%	250,000	1,875,000	1,687,500	187,500	2,000,000	562,500	-	125,000	-	75.00
22-3	6,500,000	15.00%	975,000	5,525,000	4,696,250	828,750	5,250,000	828,750	275,000	-	-	85.00
22-4	5,500,000	10.00%	550,000	3,850,000	3,465,000	385,000	4,000,000	1,485,000	-	150,000	-	70.00
22-5	7,500,000	15.00%	1,125,000	6,375,000	5,418,750	956,250	6,500,000	956,250	-	125,000	-	85.00
22-6	5,000,000	15.00%	750,000	3,500,000	2,975,000	525,000	3,900,000	1,275,000	-	400,000	-	70.00
22-7	1,750,000	25.00%	437,500	700,000	525,000	175,000	450,000	787,500	250,000	-	-	40.00
22-8	3,750,000	15.00%	562,500	3,187,500	2,709,375	478,125	3,137,500	478,125	50,000	-	-	85.00
22-9	10,000,000	5.00%	500,000	4,000,000	3,800,000	200,000	4,200,000	5,700,000	-	200,000	-	40.00
22-10	3,000,000	25.00%	750,000	1,200,000	900,000	300,000	1,100,000	1,350,000	100,000	-	-	40.00
	50,000,000		6,575,000	34,037,500	29,428,125	4,609,375	34,287,500	13,996,875	750,000	1,000,000	-	