

# **PERFORMANCE TO PLAN KEEP ON TRACK™ REVIEW**

For

Johnson Mechanical Contractors  
2754 Grand Avenue  
Madison WI, 53714

Analysis as of:



PREPARED BY

Robert Smith CVA  
Business Valuation Services LLC  
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Middleton, WI 53562  
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Report Date:





Mr. Alexander Johnson, President  
Johnson Mechanical Contractors  
3569 Pipefitter Drive  
Middleton, WI 53562

Dear: Mr. Johnson:

The following is the information that you requested on Johnson Mechanical Contractors located at 3569 Pipefitter Drive. Enclosed you will find our complete performance to plan analysis for this business for the time line specified on the included documentation. This letter contains a general overview of the findings of our analysis. For more complete data, please review the enclosed information.

As part of the original business financial plan, the potential of the company's next year's financial performance was determined by creating a financial model. To begin this model, we started with a budget that uses the company's last year's financial performance as the base standard and adjusts the base using assumptions that either increase or decrease the sales and/or price and/or expense line-items. The final result of this analysis was totally dependent upon the assumptions made during its creation. Since the financial analysis was dependent upon the assumptions made, it must be understood that different financial variable assumptions would yield different results. Using the original assumptions that are shown on each of the expense line-items contained on the included proforma budget, and assuming the sales will change by 3% and assuming the price will change by 1.5%, next year's original budgeted profit was determined to be \$614,401.

Originally, as part of next year's short term financial plan, a job cost/pricing analysis was made that accurately determined both the job cost multipliers for labor and material, at cost, and the job cost multipliers, including profit, that would create the base selling price standard needed to achieve the company's budget profit goal. To achieve the results of the original budget profit goal, the multiplier that would be used for the labor calculation is 2.4417 and the multiplier that would be used for the materials calculation is 1.5948. To determine the cost without profit of any job or product, the multiplier that would be used for the labor calculation (if appropriate) would be 2.2984 and the multiplier that would be used for the materials (if appropriate) would be 1.5011. If your product(s) use both labor and materials, you would use the sum of the labor cost of your product times the labor multiplier and the material cost of your product times the materials multiplier. If your product contains either labor or materials, you would use the appropriate multiplier.

The purpose of this analysis is to compare the original budgeted profit and cash plan to the actual performance to date and recommend any changes that would be needed to keep the company on track with their original profit and cash goals. Based upon the company's actual performance to date, when combined with the remaining budgeted monthly performance goals, we see that the original revenues were budgeted to be \$9,635,585 and the expected revenues will be \$694,807 for a variance of -92.79%. The company's original profit goal was \$614,401 and the expected profit goal will be \$604,856 for a variance of -1.55%.

To return to the original budgeted profit and cash plan and Keep on Track™ to the original budget goals, the new multiplier that would be used for the labor calculation is 2.4441 and the new multiplier that would be used for the materials calculation is 1.5963. To determine the cost without profit of any job or product, the new multiplier that would be used for the labor calculation (if appropriate) would be 2.2984 and the new multiplier that would be used for the materials (if appropriate) would be 1.5011.

An additional analysis was performed to each of the expense categories. We compared the budgeted expense goals to the actual expenses incurred. We found that the largest expense variance of budget goals to actual performance is in the category entitled "Fixed Costs (\$7256)". The second largest variance is in the category entitled "Direct - Subcontractor (\$455)". The third largest variance is in the category entitled "Variable Costs (\$141)". It is recommended that any identified category be examined and the cause of the variance identified. Since policies, procedures and systems are what typically control the variable expenses, you will want to look for a breakdown in any of the line items contained within each category to help identify a root cause for any variance.

This is an accurate mathematical analysis that is dependent upon the assumptions made herein. Since the analysis is dependent upon the listed assumptions, remember that different financial variable assumptions would yield different results. I would be glad to work with you in creating any additional business models that are based upon different sales, price and expense assumptions that you would like to consider.

This is a sample insert for the evaluator cover letter to show the location of the insert in this sample business analysis/valuation report.

Sincerely,

Robert Smith CVA  
President

Enclosures

## PROFORMA FIRST YEAR FINANCIAL BUDGET SUMMARY

**Budget Assumptions:**

Sales Increase = 3%

Price Increase = 1.5%

	Budget Year Ending % <u>12/31/05</u>	
<b>INCOME:</b>		
Sales	100	
Total Income	100	\$9,635,585
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<b>Cost of Goods Sold:</b>		
Direct Costs - Labor	22.86	\$2,202,748
Direct Costs - Materials	23.49	\$2,263,423
Direct Costs - Equipment	0.20	\$19,125
Direct Costs - Subcontractor	2.66	\$256,445
Direct Costs - Other	1.11	\$106,963
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Total Cost of Goods Sold	50.32	\$4,848,704
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<b>GROSS PROFIT</b>	49.68	\$4,786,881
(Total Income less COS)		
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<b>LESS: OPERATING COSTS</b>		
Total Variable Costs	18.52	\$1,784,498
(See detail schedule on next page)		
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Fixed Costs		
Total Fixed Costs	24.92	\$2,401,453
(See detail schedule on next page)		
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Total Operating Costs		
(Fixed Costs plus Variable Costs)		
Total Operating Costs	43.44	\$4,185,951
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Other Income (Expenses)		
Total Other Income (Expenses)	0.14	\$13,470
(See detail schedule on next page)		
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<b>BUDGET- NET OPERATING INCOME</b>	6.38	\$614,401
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## PROFORMA FIRST YEAR FINANCIAL BUDGET DETAIL

	%	Budget Year Ending 12/31/05
Variable Costs:		
Advertising & Promotion	0.76	\$73,537
Auto & Truck Gas, Oil, Repairs	2.02	\$194,866
Bad Debt	0.30	\$28,541
Bank Charges	0.10	\$9,908
Employee Benefits	2.23	\$214,934
Freight	0.21	\$20,125
Insurance - W. C. Direct Labor	0.90	\$86,593
Laundry, Cleaning	0.09	\$8,905
License & Permits	0.06	\$5,907
Miscellaneous	0.00	\$431
Office Supplies	0.63	\$60,229
Other	0.09	\$8,254
Payroll Taxes (Direct Labor)	2.12	\$204,739
Shop Supplies & Small tools	0.61	\$58,763
Travel & Lodging & Entertainme	0.02	\$2,167
U.P.S./FedEx	0.02	\$1,917
Union Benefits/Dues	7.60	\$731,827
Warranty Expense	0.76	\$72,854
<b>Total Variable Costs</b>	<b>18.52</b>	<b>\$1,784,498</b>
Fixed Costs:		
Contributions	0.03	\$2,434
Depreciation	1.27	\$121,985
Dues & Subscriptions	0.22	\$20,867
Insurance - Auto & Liability	4.16	\$400,543
Insurance - Group Health	0.16	\$15,248
Insurance - Officer	0.09	\$8,981
Payroll Taxes - Office	1.56	\$150,100
Penison Plan	0.84	\$81,028
Professional Fees	0.67	\$64,435
Property Taxes	0.22	\$21,151
Rent	0.72	\$69,665
Repairs & Maintenance	0.05	\$4,409
Salaries - Owner	1.50	\$145,000
Salaries - Office/Shop	13.20	\$1,271,647
Telephone	0.10	\$9,960
Utilities	0.15	\$14,000
<b>Total Fixed Costs</b>	<b>24.92</b>	<b>\$2,401,453</b>
<b>Total Operating Costs</b>	<b>43.44</b>	<b>\$4,185,951</b>
Other Income (Expenses):		
Other Income	0.60	\$57,630
Other Expense - Interest	0.46	\$44,159
<b>Total Other Income (Expenses)</b>	<b>0.14</b>	<b>\$13,470</b>

## COMMENTS – BUDGET

## ADJUSTMENTS FOR YEAR: 2004

<u>Line Item Adjusted</u>	<u>Comments</u>
Insurance - Auto & Liability	Received insurance quotes to show actual amount to expect for the year.
Payroll Taxes - Office	Adjusted to compensate for increase in payroll.
Property Taxes	Notifications were received advising of property tax increases.
Salaries - Office/Shop	Salary increase due to the need to add an individual to compensate for increased sales volumes.

## JOB COSTING/PRICING

Year Displayed: 2004

<u>Job Costing/Pricing Details / Multipliers</u>	<u>Final Budget</u>
<b>Final Budget</b>	
Sales Revenues	\$9,635,585
Budgeted Net Operating Income (Loss) Before Taxes \$ (NPBT \$)	\$614,401
Budgeted Net Operating Income (Loss) Before Taxes % (NPBT %)	6.38
<b>Budget Profit Goal Multipliers:</b>	
Labor Profit Goal Multiplier (includes budgeted profit/loss)	2.4418
MESO Profit Goal Multiplier (includes budgeted profit/loss)	1.5948
<b>Burden Rate Multipliers:</b>	
(Doesn't include other income and expenses)	
Labor Burden Rate Multiplier (Calculates cost of labor)	2.2984
MESO Burden Rate Multiplier (Calculates cost of MESO)	1.5011
<b>Breakeven Analysis:</b>	
Breakeven Sales Volume Dollars (\$)	\$7,707,013
Breakeven Sales Volume Percentage (%)	79.98

## CASH FLOW—BUDGET

	FINAL	Budget Fiscal Year											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Percent Of Annual Sales	100.00	7.59	9.39	6.65	8.11	8.30	10.31	8.27	8.95	6.11	9.81	7.41	9.10
Fiscal Year	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005
INCOME	\$9,635,585	\$731,341	\$904,781	\$640,766	\$781,446	\$799,754	\$993,429	\$796,863	\$862,385	\$588,734	\$945,251	\$713,997	\$876,838
COSTS OF SALES													
Direct Labor	\$2,202,748	\$167,189	\$206,838	\$146,483	\$178,643	\$182,828	\$227,103	\$182,167	\$197,146	\$134,588	\$216,090	\$163,224	\$200,450
Direct Materials	\$2,263,423	\$171,794	\$212,535	\$150,518	\$183,564	\$187,864	\$233,359	\$187,185	\$202,576	\$138,295	\$222,042	\$167,720	\$205,971
Direct Equipment	\$19,125	\$1,452	\$1,796	\$1,272	\$1,551	\$1,587	\$1,972	\$1,582	\$1,712	\$1,169	\$1,876	\$1,417	\$1,740
Direct Subcontractor	\$256,445	\$19,464	\$24,080	\$17,054	\$20,798	\$21,285	\$26,439	\$21,208	\$22,952	\$15,669	\$25,157	\$19,003	\$23,336
Direct Other	\$106,963	\$8,118	\$10,044	\$7,113	\$8,675	\$8,878	\$11,028	\$8,846	\$9,573	\$6,535	\$10,493	\$7,926	\$9,734
TOTAL COST OF SALES	\$4,848,704	\$368,017	\$455,293	\$322,440	\$393,231	\$402,442	\$499,901	\$400,988	\$433,959	\$296,256	\$475,658	\$359,290	\$441,231
GROSS PROFIT	\$4,786,881	\$363,324	\$449,488	\$318,326	\$388,215	\$397,312	\$493,528	\$395,875	\$428,426	\$292,478	\$469,593	\$354,707	\$435,607
OPERATING EXPENSES													
Total Variable Overhead Expense	\$1,784,498	\$135,443	\$167,564	\$118,669	\$144,723	\$148,113	\$183,982	\$147,578	\$159,713	\$109,033	\$175,059	\$132,231	\$162,389
Total Fixed Expenses	\$2,401,453	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121
TOTAL OPERATING EXPENSES	\$4,185,951	\$335,564	\$367,685	\$318,790	\$344,844	\$348,234	\$384,103	\$347,699	\$359,834	\$309,154	\$375,180	\$332,352	\$362,510
OPERATING INCOME (LOSS)	\$600,930	\$27,760	\$81,803	\$(464)	\$43,371	\$49,078	\$109,425	\$48,176	\$68,592	\$(16,676)	\$94,413	\$22,355	\$73,097
Other Income and Expenses	\$13,470	\$1,022	\$1,265	\$896	\$1,092	\$1,118	\$1,389	\$1,114	\$1,206	\$823	\$1,321	\$998	\$1,226
NPBT (LOSS)	\$614,400	\$28,782	\$83,068	\$432	\$44,463	\$50,196	\$110,814	\$49,290	\$69,798	\$(15,853)	\$95,734	\$23,353	\$74,323
CASH FLOW PROJECTION													
Beginning Cash Balance		\$244,083	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,846	\$21,550
Plus													
Cash Reserves Carried Forward			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Collections (A/R)	77	\$797,269	\$740,209	\$781,359	\$795,450	\$779,547	\$692,115	\$778,566	\$871,575	\$895,809	\$813,951	\$733,614	\$733,044
AVAILABLE CASH		\$1,041,352	\$740,209	\$781,359	\$795,450	\$779,547	\$692,115	\$778,566	\$871,575	\$895,809	\$813,951	\$747,460	\$754,594
Less Disbursements													
Direct Labor (Payroll)		\$167,189	\$206,838	\$146,483	\$178,643	\$182,828	\$227,103	\$182,167	\$197,146	\$134,588	\$216,090	\$163,224	\$200,450
Direct Material (A/P)	30	\$199,906	\$171,794	\$212,535	\$150,518	\$183,564	\$187,864	\$233,359	\$187,185	\$202,576	\$138,295	\$222,042	\$167,720
Direct Equipment (A/P)	56	\$1,388	\$1,625	\$1,477	\$1,702	\$1,291	\$1,534	\$1,616	\$1,894	\$1,577	\$1,617	\$1,246	\$1,790
Direct Subcontractors (A/P)	56	\$18,741	\$21,917	\$19,804	\$22,826	\$17,313	\$20,577	\$21,671	\$25,389	\$21,147	\$21,680	\$16,702	\$24,003
Direct Other (A/P)	56	\$7,844	\$9,169	\$8,260	\$9,521	\$7,221	\$8,583	\$9,039	\$10,590	\$8,820	\$9,042	\$6,966	\$10,012
Variable Overhead (A/P)	56	\$130,494	\$152,602	\$137,812	\$158,839	\$120,470	\$143,186	\$150,801	\$176,674	\$147,152	\$150,860	\$116,222	\$167,029
Fixed Overhead (A/P)		\$193,669	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121
Installment Payments - Bank		\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257
Installment Payments - Other		\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236
Miscellaneous Payments													
Fixed Asset Additions		\$12,000	\$15,700	\$24,000	\$6,820	\$12,000	\$1,200	\$9,500	\$6,000	\$8,500	\$4,600	\$2,500	\$18,600
Other Asset Additions				\$2,400			\$1,200			\$3,600			
Bonuses/Profit Sharing		\$250,000											
Other/Owner Distributions													
Interest on Credit Line	7.5	\$1,375	\$991	\$1,232	\$1,264	\$846	\$495	\$1,508	\$1,682	\$1,222	\$368	\$0	\$0
Federal Income Taxes	28			\$31,439			\$57,532			\$28,906			\$54,155
State/Province Income Taxes	3.5			\$3,930			\$7,192			\$3,613			\$6,769
TOTAL DISBURSEMENTS		\$994,099	\$792,250	\$800,986	\$741,747	\$737,147	\$868,080	\$821,275	\$818,174	\$773,315	\$754,166	\$740,516	\$862,142

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## CASH FLOW—BUDGET (Continued)

	FINAL	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Plus													
Depreciation Adjustments	\$121,985	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165
Sale of Assets									\$6,200				
Inventory Reduction													
Other Cash Infusion (Not Loans)													
Direct Materials Discounts Earned	2.00	\$3,998	\$3,436	\$4,251	\$3,010	\$3,671	\$3,757	\$4,667	\$3,744	\$4,052	\$2,766	\$4,441	\$3,354
INDICATED BALANCE		\$61,416	(\$38,440)	(\$5,211)	\$66,878	\$56,236	(\$162,043)	(\$27,877)	\$73,510	\$136,711	\$72,716	\$21,550	(\$94,029)
Loans/Notes Adjustments													
Loans/Notes to be Obtained													
Loans/Notes to be Repaid													
Cash Reserves													
ENDING CASH BALANCE W/O DRAWS/REPAYS		\$61,416	(\$38,440)	(\$5,211)	\$66,878	\$56,236	(\$162,043)	(\$27,877)	\$73,510	\$136,711	\$72,716	\$21,550	(\$94,029)
Revolving Credit Line Adjustments													
Credit Line Draws - Anticipated		\$0	\$38,440	\$5,211	\$0	\$0	\$162,043	\$27,877	\$0	\$0	\$0	\$0	\$94,029
Credit Line Repayments - Anticipated		\$61,416	\$0	\$0	\$66,878	\$56,236	\$0	\$0	\$73,510	\$136,711	\$58,870	\$0	\$0
Current Credit Line Balance	\$220,050	\$158,634	\$197,074	\$202,285	\$135,407	\$79,171	\$241,214	\$269,091	\$195,581	\$58,870	\$0	\$0	\$94,029
MONTHLY ENDING CASH		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,846	\$21,550	\$0
<b>CREDIT LINE / CASH NEEDED TO ACHIEVE BUDGET</b>			<b>\$269,091</b>										
<b>ANNUAL INTEREST DOLLARS PAID ON CREDIT LINE:</b>			<b>\$10,983</b>										
<b>ANNUAL PROFIT INCREASED FROM DISCOUNTING:</b>			<b>\$45,147</b>										
<b>ANNUAL NET PROFIT BEFORE TAXES \$:</b>			<b>\$648,564</b>										
<b>ANNUAL NET PROFIT BEFORE TAXES %:</b>			<b>6.73</b>										
<b>ANNUAL NET PROFIT AFTER TAXES \$:</b>			<b>\$455,028</b>										
<b>ANNUAL NET PROFIT AFTER TAXES %:</b>			<b>4.72</b>										

## CASH FLOW—ACTUAL

	FINAL	Budget Fiscal Year											
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Budget/Actual:		Actual	Budget	Budget	Budget	Budget							
Percent Of Annual Sales	100.00	7.24	9.43	6.68	8.14	8.33	10.35	8.30	8.98	6.13	9.85	7.44	9.13
Fiscal Year	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005
INCOME	\$9,599,051	\$694,807	\$904,781	\$640,766	\$781,446	\$799,754	\$993,429	\$796,863	\$862,385	\$588,734	\$945,251	\$713,997	\$876,838
COSTS OF SALES													
Direct Labor	\$2,194,390	\$158,830	\$206,838	\$146,483	\$178,643	\$182,828	\$227,103	\$182,167	\$197,146	\$134,588	\$216,090	\$163,224	\$200,450
Direct Materials	\$2,254,833	\$163,204	\$212,535	\$150,518	\$183,564	\$187,864	\$233,359	\$187,185	\$202,576	\$138,295	\$222,042	\$167,720	\$205,971
Direct Equipment	\$19,054	\$1,380	\$1,796	\$1,272	\$1,551	\$1,587	\$1,972	\$1,582	\$1,712	\$1,169	\$1,876	\$1,417	\$1,740
Direct Subcontractor	\$255,471	\$18,490	\$24,080	\$17,054	\$20,798	\$21,285	\$26,439	\$21,208	\$22,952	\$15,669	\$25,157	\$19,003	\$23,336
Direct Other	\$106,557	\$7,712	\$10,044	\$7,113	\$8,675	\$8,878	\$11,028	\$8,846	\$9,573	\$6,535	\$10,493	\$7,926	\$9,734
TOTAL COST OF SALES	\$4,830,305	\$349,616	\$455,293	\$322,440	\$393,231	\$402,442	\$499,901	\$400,988	\$433,959	\$296,256	\$475,658	\$359,290	\$441,231
GROSS PROFIT	\$4,768,746	\$345,191	\$449,488	\$318,326	\$388,215	\$397,312	\$493,528	\$395,875	\$428,426	\$292,478	\$469,593	\$354,707	\$435,607
OPERATING EXPENSES													
Total Variable Overhead Expense	\$1,778,486	\$129,432	\$167,564	\$118,669	\$144,723	\$148,113	\$183,982	\$147,578	\$159,713	\$109,033	\$175,059	\$132,231	\$162,389
Total Fixed Expenses	\$2,399,887	\$198,556	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121
TOTAL OPERATING EXPENSES	\$4,178,373	\$327,988	\$367,685	\$318,790	\$344,844	\$348,234	\$384,103	\$347,699	\$359,834	\$309,154	\$375,180	\$332,352	\$362,510
OPERATING INCOME (LOSS)	\$590,373	\$17,203	\$81,803	(\$464)	\$43,371	\$49,078	\$109,425	\$48,176	\$68,592	(\$16,676)	\$94,413	\$22,355	\$73,097
Other Income and Expenses	\$14,483	\$2,035	\$1,265	\$896	\$1,092	\$1,118	\$1,389	\$1,114	\$1,206	\$823	\$1,321	\$998	\$1,226
NPBT (LOSS)	\$604,856	\$19,238	\$83,068	\$432	\$44,463	\$50,196	\$110,814	\$49,290	\$69,798	(\$15,853)	\$95,734	\$23,353	\$74,323
Original NPBT Goal	\$614,400	\$28,782	\$83,068	\$432	\$44,463	\$50,196	\$110,814	\$49,290	\$69,798	(\$15,853)	\$95,734	\$23,353	\$74,323
Budget to Actual NPBT \$ Variance	(\$9,544)	(\$9,544)											
Budget to Actual NPBT % Variance	-1.55	-33.16											
CASH FLOW PROJECTION													
Beginning Cash Balance		\$244,083	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus													
Cash Reserves Carried Forward			\$0										
Collections (A/R)	77	\$783,324	\$740,209	\$781,359	\$795,450	\$779,547	\$692,115	\$778,566	\$871,575	\$895,809	\$813,951	\$733,614	\$733,044
AVAILABLE CASH		\$1,027,407	\$740,209	\$781,359	\$795,450	\$779,547	\$692,115	\$778,566	\$871,575	\$895,809	\$813,951	\$733,614	\$733,044
Less Disbursements													
Direct Labor (Payroll)		\$158,830	\$206,838	\$146,483	\$178,643	\$182,828	\$227,103	\$182,167	\$197,146	\$134,588	\$216,090	\$163,224	\$200,450
Direct Material (A/P)	30	\$183,683	\$171,794	\$212,535	\$150,518	\$183,564	\$187,864	\$233,359	\$187,185	\$202,576	\$138,295	\$222,042	\$167,720
Direct Equipment (A/P)	56	\$3,404	\$1,625	\$1,477	\$1,702	\$1,291	\$1,534	\$1,616	\$1,894	\$1,577	\$1,617	\$1,246	\$1,790
Direct Subcontractors (A/P)	56	\$2,978	\$21,917	\$19,804	\$22,826	\$17,313	\$20,577	\$21,671	\$25,389	\$21,147	\$21,680	\$16,702	\$24,003
Direct Other (A/P)	56	\$4,828	\$9,169	\$8,260	\$9,521	\$7,221	\$8,583	\$9,039	\$10,590	\$8,820	\$9,042	\$6,966	\$10,012
Variable Overhead (A/P)	56	\$186,647	\$152,602	\$137,812	\$158,839	\$120,470	\$143,186	\$150,801	\$176,674	\$147,152	\$150,860	\$116,222	\$167,029
Fixed Overhead (A/P)		\$191,256	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121	\$200,121
Installment Payments - Bank		\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257
Installment Payments - Other		\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236
Miscellaneous Payments													
Fixed Asset Additions		\$14,587	\$15,700	\$24,000	\$6,820	\$12,000	\$1,200	\$9,500	\$6,000	\$8,500	\$4,600	\$2,500	\$18,600
Other Asset Additions			\$2,400				\$1,200			\$3,600			
Bonuses/Profit Sharing		\$250,000											
Other/Owner Distributions													
Interest on Credit Line	7.5	\$1,375	\$1,171	\$1,412	\$1,446	\$1,029	\$679	\$1,693	\$1,868	\$1,410	\$556	\$103	\$56
Federal Income Taxes	28			\$31,439			\$57,532			\$28,906			\$54,155
State/Province Income Taxes	3.5			\$3,930			\$7,192			\$3,613			\$6,769
TOTAL DISBURSEMENTS		\$1,009,081	\$792,430	\$801,166	\$741,929	\$737,330	\$868,264	\$821,460	\$818,360	\$773,503	\$754,354	\$740,619	\$862,198

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## CASH FLOW—ACTUAL (Continued)

Plus	FINAL	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Depreciation Adjustments	\$121,985	\$10,768	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165	\$10,165
Sale of Assets									\$6,200				
Inventory Reduction													
Other Cash Infusion (Not Loans)													
Direct Materials Discounts Earned	Report Field	\$3,625	\$3,436	\$4,251	\$3,010	\$3,671	\$3,757	\$4,667	\$3,744	\$4,052	\$2,766	\$4,441	\$3,354
INDICATED BALANCE		\$32,719	(\$38,620)	(\$5,391)	\$66,696	\$56,053	(\$162,227)	(\$28,062)	\$73,324	\$136,523	\$72,528	\$7,601	(\$115,635)
Loans/Notes Adjustments													
Loans/Notes to be Obtained													
Loans/Notes to be Repaid													
Cash Reserves													
ENDING CASH BALANCE W/O DRAWS/REPAYS		\$32,719	(\$38,620)	(\$5,391)	\$66,696	\$56,053	(\$162,227)	(\$28,062)	\$73,324	\$136,523	\$72,528	\$7,601	(\$115,635)
Revolving Credit Line Adjustments													
Credit Line Draws - Anticipated		\$0	\$38,620	\$5,391	\$0	\$0	\$162,227	\$28,062	\$0	\$0	\$0	\$0	\$115,635
Credit Line Repayments - Anticipated		\$32,719	\$0	\$0	\$66,696	\$56,053	\$0	\$0	\$73,324	\$136,523	\$72,528	\$7,601	\$0
Current Credit Line Balance	\$220,050	\$187,331	\$225,951	\$231,342	\$164,646	\$108,593	\$270,820	\$298,882	\$225,558	\$89,035	\$16,507	\$8,906	\$124,541
MONTHLY ENDING CASH		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>CREDIT LINE / CASH NEEDED TO ACHIEVE BUDGET</b>			<b>\$298,882</b>										
<b>ANNUAL INTEREST DOLLARS PAID ON CREDIT LINE:</b>			<b>\$12,798</b>										
<b>ANNUAL PROFIT INCREASED FROM DISCOUNTING:</b>			<b>\$44,774</b>										
<b>ANNUAL NET PROFIT BEFORE TAXES \$:</b>			<b>\$636,832</b>										
<b>ANNUAL NET PROFIT BEFORE TAXES %:</b>			<b>6.63</b>										
<b>ANNUAL NET PROFIT AFTER TAXES \$:</b>			<b>\$443,296</b>										
<b>ANNUAL NET PROFIT AFTER TAXES %:</b>			<b>4.62</b>										

PERFORMANCE TO PLAN REVIEW

KEEP ON TRACK™ with THE PROFIT TRACKER™  
 AUTOMATED PROFIT, EXPENSE, AND CASH CONTROL SOLUTIONS

Budget/Actual Fiscal Year	FINAL	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>KEEP ON TRACK™ - PROFIT PERFORMANCE TO PLAN RECAP</b>													
Budgeted Income \$	\$9,635,585	\$9,635,585	\$9,635,585	\$9,635,585	\$9,635,585	\$9,635,585	\$9,635,585	\$9,635,585	\$9,635,585	\$9,635,585	\$9,635,585	\$9,635,585	\$9,635,585
Budgeted NPBT \$	\$614,401	\$614,401	\$614,401	\$614,401	\$614,401	\$614,401	\$614,401	\$614,401	\$614,401	\$614,401	\$614,401	\$614,401	\$614,401
Budgeted NPBT \$ with Monthly Actuals to Date	\$614,401	\$604,856	\$604,856	\$604,856	\$604,856	\$604,856	\$604,856	\$604,856	\$604,856	\$604,856	\$604,856	\$604,856	\$604,856
Variance: Budgeted NPBT \$ to Actual NPBT \$	\$0	(\$9,545)	(\$9,545)	(\$9,545)	(\$9,545)	(\$9,545)	(\$9,545)	(\$9,545)	(\$9,545)	(\$9,545)	(\$9,545)	(\$9,545)	(\$9,545)
Variance: Budgeted NPBT % to Actual NPBT %	0.00	-1.55	-1.55	-1.55	-1.55	-1.55	-1.55	-1.55	-1.55	-1.55	-1.55	-1.55	-1.55
<b>KEEP ON TRACK™ - AUTOMATED PROFIT AND CASH SOLUTIONS</b>													
Initiate "Keep on Track" Profit & Cash Solution?		Yes	No										
Budget Profit Goal Labor Multiplier – Original (Column #1) and New to Correct NPBT Variance	2.4417	2.4441											
Budget MESO Multiplier – Original (Column #1) and New to Correct NPBT Variance	1.5948	1.5963											
Budget Labor Cost Multiplier – Original (Column #1) and New to Correct NPBT	2.2984	2.2984											
Burden MESO Multiplier – Original (Column #1) and New to Correct NPBT	1.5011	1.5011											
<b>KEEP ON TRACK™ - REVENUE VARIANCE IDENTIFIER</b>													
Monthly Budgeted Income		\$731,341											
Monthly Actual Income		\$694,807											
Monthly % Variance of Actual Performance to Budget		-5.00											
<b>KEEP ON TRACK™ - AUTOMATED EXPENSE SOLUTIONS</b>													
Top Three Identified Expense Category Variances*													
#1 Monthly Variance of Actual Performance to Budget						Fixed Cost							
#2 Monthly Variance of Actual Performance to Budget						Direct - S							
#3 Monthly Variance of Actual Performance to Budget						Variable C							
* included in expense analysis													
Direct Cost – Labor													
Direct Cost – Materials													
Direct Cost – Equipment													
Direct Cost – Subcontractor													
Direct Cost – Other													
Total Variable Costs													
Total Fixed Costs													