

Review Construction Company, Inc.
Balance Sheet
December 31, 20XX

Assets

Current assets:

| | |
|--|-----------------------------|
| Cash and cash equivalents | \$ 5,432,000 |
| Receivables: | |
| Contracts - current | \$ 13,036,000 |
| Contracts - retention | 5,333,000 |
| Other | <u>42,000</u> |
| Total receivables | 18,411,000 |
| Costs and estimated gross profit in excess of billings on contracts in progress | 106,000 |
| Prepaid expenses | <u>15,000</u> |
| Total current assets | 23,964,000 |
| <u>Property and equipment, net</u> | <u>43,000</u> |
| Total assets | <u><u>\$ 24,007,000</u></u> |

See accompanying notes and independent accountant's review report.

Review Construction Company, Inc.
Balance Sheet
December 31, 20XX

Liabilities and Stockholder's Equity

Current liabilities:

Trade accounts payable:

| | |
|--------------------------|--------------|
| Current | \$ 8,765,000 |
| Subcontractor retentions | 5,543,000 |

| | |
|------------------------------|------------|
| Total trade accounts payable | 14,308,000 |
|------------------------------|------------|

| | |
|------------------|---------|
| Accrued expenses | 981,000 |
|------------------|---------|

| | |
|--|-----------|
| Billings in excess of costs and estimated gross profit on contracts in progress | 2,432,000 |
|--|-----------|

| | |
|------------------------------------|-------|
| Current maturity of long-term debt | 9,000 |
|------------------------------------|-------|

| | |
|---------------------------|------------|
| Total current liabilities | 17,730,000 |
|---------------------------|------------|

| | |
|--|--------|
| <u>Long-term debt, net of current maturity</u> | 12,000 |
|--|--------|

| | |
|-------------------|------------|
| Total liabilities | 17,742,000 |
|-------------------|------------|

Stockholder's equity:

Common stock, no par value,
10,000 shares authorized,

| | |
|-------------------------------------|------------|
| 1,500 shares issued and outstanding | \$ 150,000 |
|-------------------------------------|------------|

| | |
|-------------------|-----------|
| Retained earnings | 6,115,000 |
|-------------------|-----------|

| | |
|----------------------------|-----------|
| Total stockholder's equity | 6,265,000 |
|----------------------------|-----------|

| | |
|--|---------------|
| Total liabilities and stockholder's equity | \$ 24,007,000 |
|--|---------------|

Review Construction Company, Inc.
Statement of Income and Retained Earnings
for the year ended December 31, 20XX

| | | |
|---|--------------|---------------|
| <u>Contract revenue</u> | | \$ 85,264,000 |
| <u>Contract costs:</u> | | |
| Labor and labor costs | \$ 2,450,000 | |
| Subcontractors | 73,504,000 | |
| Materials | 4,955,000 | |
| Equipment | 80,000 | |
| Other | 400,000 | |
| | | |
| Total contract costs | | 81,389,000 |
| Gross profit from contracting | | 3,875,000 |
| <u>General and administrative expenses</u> | | 2,080,000 |
| Income from operations | | 1,795,000 |
| <u>Other income (expense):</u> | | |
| Interest income | 146,000 | |
| Miscellaneous income | 45,000 | |
| Interest expense | (2,000) | |
| | | |
| Total other income, net | | 189,000 |
| Income before income taxes | | 1,984,000 |
| <u>Income tax expense</u> | | 31,000 |
| Net income | | 1,953,000 |
| <u>Retained earnings, January 1, 20XX</u> | | 5,062,000 |
| Stockholder distributions | | (900,000) |
| <u>Retained earnings, December 31, 20XX</u> | | \$ 6,115,000 |

See accompanying notes and independent accountant's review report.

Review Construction Company, Inc.
Earnings from Construction Contracts
for the year ended December 31, 20XX

| | Contract Revenue | Contract Costs | Gross Profit (Loss) |
|------------------------------------|---------------------|-------------------|------------------------|
| Construction contracts completed | \$ 16,061,000 | \$ 14,987,000 | \$ 1,074,000 |
| Construction contracts in progress | 69,203,000 | 66,202,000 | 3,001,000 |
| Underapplied indirect costs | - | 200,000 | (200,000) |
| | | | |
| Totals | \$ 85,264,000 | \$ 81,389,000 | \$ 3,875,000 |

See independent accountant's review report on supplementary information.

Review Construction Company, Inc.
Construction Contracts Completed
for the year ended December 31, 20XX

| Con- tract No. | Contract Description | Total | | | Before January 1, 20XX | | | For the Year Ended December 31, 20XX | | |
|----------------------|--|-------------------------------|----------------------|---------------------|-------------------------------|----------------------|---------------------|--------------------------------------|----------------------|---------------------------|
| | | Earned Contract Revenue | Contract Costs | Gross Profit | Earned Contract Revenue | Contract Costs | Gross Profit | Earned Contract Revenue | Contract Costs | Gross Profit (Loss) |
| 206 | Development Center | \$ 13,849,000 | \$ 13,345,000 | \$ 504,000 | \$ 8,351,000 | \$ 8,350,000 | \$ 1,000 | \$ 5,498,000 | \$ 4,995,000 | \$ 503,000 |
| 207 | River City Plaza | 5,281,000 | 5,008,000 | 273,000 | 4,276,000 | 4,131,000 | 145,000 | 1,005,000 | 877,000 | 128,000 |
| 208 | Sunrise Office Center | 5,718,000 | 5,485,000 | 233,000 | 3,923,000 | 3,740,000 | 183,000 | 1,795,000 | 1,745,000 | 50,000 |
| 209 | Commercial Building | 7,145,000 | 6,775,000 | 370,000 | 6,552,000 | 6,221,000 | 331,000 | 593,000 | 554,000 | 39,000 |
| 210 | Easy Street Plaza | 10,111,000 | 9,759,000 | 352,000 | 8,355,000 | 7,982,000 | 373,000 | 1,756,000 | 1,777,000 | (21,000) |
| 211 | Grocery Store | 8,543,000 | 8,171,000 | 372,000 | 5,449,000 | 5,218,000 | 231,000 | 3,094,000 | 2,953,000 | 141,000 |
| | Miscellaneous contracts completed under \$5,000,000 | 10,195,000 | 9,588,000 | 607,000 | 7,875,000 | 7,502,000 | 373,000 | 2,320,000 | 2,086,000 | 234,000 |
| | | <u>\$ 60,842,000</u> | <u>\$ 58,131,000</u> | <u>\$ 2,711,000</u> | <u>\$ 44,781,000</u> | <u>\$ 43,144,000</u> | <u>\$ 1,637,000</u> | <u>\$ 16,061,000</u> | <u>\$ 14,987,000</u> | <u>\$ 1,074,000</u> |

See independent accountant's review report on supplementary information.

Review Construction Company, Inc.
Construction Contracts in Progress
for the year ended December 31, 20XX

| Contract No. | Contract Description | Total Contract | | | From Inception to December 31, 20XX | | | At December 31, 20XX | | | For the Year Ended December 31, 20XX | | | |
|--------------|--|-----------------------|-----------------------|------------------------|-------------------------------------|----------------------|---------------------|----------------------|-----------------------------|-------------------|--------------------------------------|-------------------------|----------------------|---------------------|
| | | Estimated Revenue | Estimated Costs | Estimated Gross Profit | Earned Contract Revenue | Contract Costs | Gross Profit | Contract Billings | Estimated Costs to Complete | Per-cent Complete | Under (Over) Billings | Earned Contract Revenue | Contract Costs | Gross Profit |
| 201 | Highland Center | \$ 10,585,000 | \$ 9,965,000 | \$ 620,000 | \$ 10,388,000 | \$ 9,780,000 | \$ 608,000 | \$ 10,663,000 | \$ 185,000 | 98% | \$ (275,000) | \$ 7,618,000 | \$ 7,155,000 | \$ 463,000 |
| 202 | WT Plaza | 18,986,000 | 18,136,000 | 850,000 | 18,230,000 | 17,414,000 | 816,000 | 18,656,000 | 722,000 | 96% | (426,000) | 14,610,000 | 13,938,000 | 672,000 |
| 203 | Plaza Center | 13,872,000 | 13,392,000 | 480,000 | 10,492,000 | 10,127,000 | 365,000 | 10,498,000 | 3,265,000 | 76% | (6,000) | 10,492,000 | 10,127,000 | 365,000 |
| 204 | Commerce Center | 10,986,000 | 10,556,000 | 430,000 | 619,000 | 619,000 | - | 513,000 | 9,937,000 | 6% | 106,000 | 619,000 | 619,000 | - |
| 205 | Silver Lake Center | 14,020,000 | 13,443,000 | 577,000 | - | - | - | - | 13,443,000 | 0% | - | - | - | - |
| | Miscellaneous contracts in progress under \$10,000,000 | 49,809,000 | 47,683,000 | 2,126,000 | 35,877,000 | 34,376,000 | 1,501,000 | 37,602,000 | 13,307,000 | | (1,725,000) | 35,864,000 | 34,363,000 | 1,501,000 |
| | | <u>\$ 118,258,000</u> | <u>\$ 113,175,000</u> | <u>\$ 5,083,000</u> | <u>\$ 75,606,000</u> | <u>\$ 72,316,000</u> | <u>\$ 3,290,000</u> | <u>\$ 77,932,000</u> | <u>\$ 40,859,000</u> | | <u>\$ (2,326,000)</u> | <u>\$ 69,203,000</u> | <u>\$ 66,202,000</u> | <u>\$ 3,001,000</u> |

Costs and estimated gross profit in excess of billings on contracts in progress

\$ 106,000

Billings in excess of costs and estimated gross profit on contracts in progress

(2,432,000)

\$ (2,326,000)

