



## Example Construction Co., Inc.

	Audit	Audit	Audit	Audit
Income Statement	12/31/2008	12/31/2009	12/31/2010	12/31/2011
Sales (Income)	\$37,431,029	\$43,531,470	\$41,215,574	\$35,887,255
COGS/Depreciation	\$0	\$0	\$0	\$0
Cost of Sales (COGS)	\$32,239,801	\$39,024,158	\$36,381,898	\$32,421,203
<b>Gross Profit Margin</b>	13.87%	10.35%	11.73%	9.66%
<b>Gross Profit</b>	<b>\$5,191,228</b>	<b>\$4,507,312</b>	<b>\$4,833,676</b>	<b>\$3,466,052</b>
Depreciation	\$0	\$0	\$0	\$0
Amortization	\$0	\$0	\$0	\$0
Overhead or S,G,& A Expenses	\$4,622,720	\$4,551,763	\$4,581,193	\$2,992,759
Other Operating Income	\$226,447	\$251,960	\$0	\$0
Other Operating Expenses	\$0	\$0	\$94,576	\$138,792
<b>Total Operating Expenses</b>	<b>\$4,622,720</b>	<b>\$4,551,763</b>	<b>\$4,675,769</b>	<b>\$3,131,551</b>
<b>Operating Profit</b>	<b>\$794,955</b>	<b>\$207,509</b>	<b>\$157,907</b>	<b>\$334,501</b>
Interest Expense	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0	\$0
<b>EBITDA</b>	<b>\$794,955</b>	<b>\$207,509</b>	<b>\$157,907</b>	<b>\$334,501</b>
<b>Net Profit Before Taxes</b>	<b>\$794,955</b>	<b>\$207,509</b>	<b>\$157,907</b>	<b>\$334,501</b>
Adjusted Owner's Compensation	\$0	\$0	\$0	\$0
<b>Adjusted Net Profit Before Taxes</b>	<b>\$794,955</b>	<b>\$207,509</b>	<b>\$157,907</b>	<b>\$334,501</b>
Taxes Paid	\$52,588	\$12,264	\$11,831	\$27,116
Extraordinary Gain	\$0	\$0	\$0	\$0
Extraordinary Loss	\$0	\$0	\$0	\$0
<b>Net Income</b>	<b>\$742,367</b>	<b>\$195,245</b>	<b>\$146,076</b>	<b>\$307,385</b>

<b>Balance Sheet</b>	<b>12/31/2008</b>	<b>12/31/2009</b>	<b>12/31/2010</b>	<b>12/31/2011</b>
Cash (Bank Funds)	\$7,509,242	\$8,183,538	\$6,724,345	\$6,972,651
Accounts Receivable	\$9,525,744	\$8,655,088	\$7,038,536	\$7,843,568
Inventory	\$0	\$0	\$0	\$0
Other Current Assets	\$17,184	\$357,101	\$492,150	\$20,461
Costs and Earnings in Excess of Billings	\$17,184	\$322,930	\$482,988	\$20,461
Other	\$0	\$34,171	\$9,162	\$0
<b>Total Current Assets</b>	<b>\$17,052,170</b>	<b>\$17,195,727</b>	<b>\$14,255,031</b>	<b>\$14,836,680</b>
Gross Fixed Assets	\$11,267,132	\$11,997,061	\$12,117,903	\$12,093,186
Accumulated Depreciation	\$9,671,385	\$10,026,483	\$10,761,646	\$11,189,451
<b>Net Fixed Assets</b>	<b>\$1,595,747</b>	<b>\$1,970,578</b>	<b>\$1,356,257</b>	<b>\$903,735</b>
Gross Intangible Assets	\$0	\$0	\$0	\$0
Accumulated Amortization	\$0	\$0	\$0	\$0
<b>Net Intangible Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Other Assets	\$165,613	\$242,867	\$173,812	\$243,353
<b>Total Assets</b>	<b>\$18,813,530</b>	<b>\$19,409,172</b>	<b>\$15,785,100</b>	<b>\$15,983,768</b>
Accounts Payable	\$6,791,345	\$6,754,411	\$5,654,209	\$4,959,127
Short Term Debt	\$0	\$134,393	\$135,503	\$125,113
Current Portion of Long Term Debt	\$0	\$0	\$0	\$0
Other Current Liabilities	\$5,306,443	\$5,266,694	\$2,665,076	\$2,786,422
Billings in Excess of Costs	\$5,278,002	\$5,242,061	\$2,644,516	\$2,760,534
Other	\$28,441	\$24,633	\$20,560	\$25,888
<b>Total Current Liabilities</b>	<b>\$12,097,788</b>	<b>\$12,155,498</b>	<b>\$8,454,788</b>	<b>\$7,870,662</b>
Notes Payable / Senior Debt	\$1,804,005	\$2,148,429	\$2,078,945	\$2,554,566
Notes Payable / Subordinated Debt	\$0	\$0	\$0	\$0
Other Long Term Liabilities	\$3,179	\$1,442	\$1,488	\$1,276
<b>Total Long Term Liabilities</b>	<b>\$1,807,184</b>	<b>\$2,149,871</b>	<b>\$2,080,433</b>	<b>\$2,555,842</b>
<b>Total Liabilities</b>	<b>\$13,904,972</b>	<b>\$14,305,369</b>	<b>\$10,535,221</b>	<b>\$10,426,504</b>
Preferred Stock	\$0	\$0	\$0	\$0
Common Stock	\$0	\$0	\$0	\$0
Additional Paid-in Capital	\$0	\$0	\$0	\$0
Other Stock / Equity	\$0	\$0	\$0	\$0
Ending Retained Earnings	\$4,908,558	\$5,103,803	\$5,249,879	\$5,557,264
<b>Total Equity</b>	<b>\$4,908,558</b>	<b>\$5,103,803</b>	<b>\$5,249,879</b>	<b>\$5,557,264</b>
<b>Total Liabilities + Equity</b>	<b>\$18,813,530</b>	<b>\$19,409,172</b>	<b>\$15,785,100</b>	<b>\$15,983,768</b>
<b>Total Assets - (Total Liabilities + Equity)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>Statement of Equity</b>	<b>12/31/2008</b>	<b>12/31/2009</b>	<b>12/31/2010</b>	<b>12/31/2011</b>
Preferred Stock	\$0	\$0	\$0	\$0
Common Stock	\$0	\$0	\$0	\$0
Additional Paid-in Capital	\$0	\$0	\$0	\$0
Other Stock / Equity	\$0	\$0	\$0	\$0
<b>Total Stock</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Beginning Retained Earnings</b>	<b>\$0</b>	<b>\$4,908,558</b>	<b>\$5,103,803</b>	<b>\$5,249,879</b>
<b>Net Income</b>	<b>\$742,367</b>	<b>\$195,245</b>	<b>\$146,076</b>	<b>\$307,385</b>
Dividends Paid / Withdrawals	\$0	\$0	\$0	\$0
Other Changes to Retained Earnings	\$0	\$0	\$0	\$0
<b>Unexplained Changes to RE</b>	<b>\$4,166,191</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Retained Earnings</b>	<b>\$4,908,558</b>	<b>\$5,103,803</b>	<b>\$5,249,879</b>	<b>\$5,557,264</b>
Ending Equity as Calculated Above	\$742,367	\$5,103,803	\$5,249,879	\$5,557,264
Actual Equity from Balance Sheet	\$4,908,558	\$5,103,803	\$5,249,879	\$5,557,264
Difference (Unexplained Change in Equity)	\$4,166,191	\$0	\$0	\$0

<b>UCA Cash Flow Statement</b>	<b>12/31/2008</b>	<b>12/31/2009</b>	<b>12/31/2010</b>	<b>12/31/2011</b>
Sales (Income)		\$43,531,470	\$41,215,574	\$35,887,255
Decrease (Increase) in Accounts Receivable		\$870,656	\$1,616,552	(\$805,032)
<b>Cash Collected from Sales</b>		<b>\$44,402,126</b>	<b>\$42,832,126</b>	<b>\$35,082,223</b>
Cost of Sales (COGS)		(\$39,024,158)	(\$36,381,898)	(\$32,421,203)
Depreciation (COGS-related)		\$0	\$0	\$0
Decrease (Increase) in Inventory		\$0	\$0	\$0
Increase (Decrease) in Accounts Payable		(\$36,934)	(\$1,100,202)	(\$695,082)
<b>Cash Paid to Suppliers</b>		<b>(\$39,061,092)</b>	<b>(\$37,482,100)</b>	<b>(\$33,116,285)</b>
<b>Cash from Trading Activities</b>		<b>\$5,341,034</b>	<b>\$5,350,026</b>	<b>\$1,965,938</b>
Overhead or S,G,&A Expenses		(\$4,551,763)	(\$4,581,193)	(\$2,992,759)
Other Operating Expenses		\$0	(\$94,576)	(\$138,792)
Other Operating Income		\$251,960	\$0	\$0
Decrease (Increase) in Other Current Assets		(\$339,917)	(\$135,049)	\$471,689
Increase (Decrease) in Other Current Liabilities		(\$39,749)	(\$2,601,618)	\$121,346
<b>Cash Paid for Operating Costs</b>		<b>(\$4,679,469)</b>	<b>(\$7,412,436)</b>	<b>(\$2,538,516)</b>

<b>Cash after Operations</b>	<b>\$661,565</b>	<b>(\$2,062,410)</b>	<b>(\$572,578)</b>
Other Income	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0
Taxes Paid	(\$12,264)	(\$11,831)	(\$27,116)
<b>Other Income (Expense) and Taxes Paid</b>	<b>(\$12,264)</b>	<b>(\$11,831)</b>	<b>(\$27,116)</b>
<b>Net Cash after Operations</b>	<b>\$649,301</b>	<b>(\$2,074,241)</b>	<b>(\$599,694)</b>
Dividends Paid / Withdrawals	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0
<b>Cash Paid for Dividends and Interest</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Cash Income</b>	<b>\$649,301</b>	<b>(\$2,074,241)</b>	<b>(\$599,694)</b>
Current Portion Long Term Debt	\$0	\$0	\$0
<b>Cash after Debt Amortization</b>	<b>\$649,301</b>	<b>(\$2,074,241)</b>	<b>(\$599,694)</b>
Decrease (Increase) in Gross Fixed Assets	(\$729,929)	(\$120,842)	\$24,717
Increase (Decrease) in Accumulated Depreciation	\$355,098	\$735,163	\$427,805
Total Depreciation Expense	\$0	\$0	\$0
<b>Change in Net Fixed Assets</b>	<b>(\$374,831)</b>	<b>\$614,321</b>	<b>\$452,522</b>
Decrease (Increase) in Intangible Assets	\$0	\$0	\$0
Decrease (Increase) in Other Assets	(\$77,254)	\$69,055	(\$69,541)
<b>Change in Investments</b>	<b>(\$77,254)</b>	<b>\$69,055</b>	<b>(\$69,541)</b>
<b>Cash Paid for Plant and Investments</b>	<b>(\$452,085)</b>	<b>\$683,376</b>	<b>\$382,981</b>
Extraordinary Gain	\$0	\$0	\$0
Extraordinary Loss	\$0	\$0	\$0
<b>Extraordinary and Non-Cash Items</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Financing Surplus (Requirements)</b>	<b>\$197,216</b>	<b>(\$1,390,865)</b>	<b>(\$216,713)</b>
Increase (Decrease) in Short Term Debt	\$134,393	\$1,110	(\$10,390)
Increase (Decrease) in Long Term Liabilities	\$342,687	(\$69,438)	\$475,409
Increase (Decrease) in Preferred Stock	\$0	\$0	\$0
Increase (Decrease) in Common Stock	\$0	\$0	\$0
Increase (Decrease) in Additional Paid-in Capital	\$0	\$0	\$0
Increase (Decrease) in Other Stock	\$0	\$0	\$0
Other Changes to Retained Earnings	\$0	\$0	\$0
Unexplained Changes to Retained Earnings	\$0	\$0	\$0
<b>Total External Financing</b>	<b>\$477,080</b>	<b>(\$68,328)</b>	<b>\$465,019</b>
<b>Cash after Financing</b>	<b>\$674,296</b>	<b>(\$1,459,193)</b>	<b>\$248,306</b>

<b>Total Change in Cash &amp; Equivalents</b>	\$674,296	(\$1,459,193)	\$248,306
<b>Beginning Cash &amp; Equivalents</b>	\$7,509,242	\$8,183,538	\$6,724,345
<b>Ending Cash &amp; Equivalents</b>	\$8,183,538	\$6,724,345	\$6,972,651
<b>Unexplained Change in Cash on Balance Sheet</b>	\$0	\$0	\$0

<b>Cash Flow Statement</b>	<b>12/31/2008</b>	<b>12/31/2009</b>	<b>12/31/2010</b>	<b>12/31/2011</b>
<b>Cash Flow from Operations</b>				
Sales (Income)	\$43,531,470	\$41,215,574	\$35,887,255	
Cost of Sales (COGS)	\$39,024,158	\$36,381,898	\$32,421,203	
<b>Gross Profit</b>	<b>\$4,507,312</b>	<b>\$4,833,676</b>	<b>\$3,466,052</b>	
Depreciation	\$0	\$0	\$0	
Amortization	\$0	\$0	\$0	
Overhead or S,G,&A Expenses	\$4,551,763	\$4,581,193	\$2,992,759	
Other Operating Income	\$251,960	\$0	\$0	
Other Operating Expenses	\$0	\$94,576	\$138,792	
<b>Operating Profit</b>	<b>\$207,509</b>	<b>\$157,907</b>	<b>\$334,501</b>	
Interest Expense	\$0	\$0	\$0	
Other Income	\$0	\$0	\$0	
Other Expenses	\$0	\$0	\$0	
<b>Net Profit Before Taxes</b>	<b>\$207,509</b>	<b>\$157,907</b>	<b>\$334,501</b>	
Taxes Paid	\$12,264	\$11,831	\$27,116	
Extraordinary Gain	\$0	\$0	\$0	
Extraordinary Loss	\$0	\$0	\$0	
<b>Net Income</b>	<b>\$195,245</b>	<b>\$146,076</b>	<b>\$307,385</b>	
Add Back Depreciation	\$0	\$0	\$0	
Add Back Amortization	\$0	\$0	\$0	
Decrease (Increase) in Accounts Receivable	\$870,656	\$1,616,552	(\$805,032)	
Decrease (Increase) in Inventory	\$0	\$0	\$0	
Decrease (Increase) in Other Current Assets	(\$339,917)	(\$135,049)	\$471,689	
Increase (Decrease) in Accounts Payable	(\$36,934)	(\$1,100,202)	(\$695,082)	
Increase (Decrease) in Other Current Liabilities	(\$39,749)	(\$2,601,618)	\$121,346	
<b>Cash Flow from Operations</b>	<b>\$649,301</b>	<b>(\$2,074,241)</b>	<b>(\$599,694)</b>	
<b>Cash Flow from Investments</b>				
Capital Expenditures	(\$374,831)	\$614,321	\$452,522	
Decrease (Increase) in Intangible Assets	\$0	\$0	\$0	
Decrease (Increase) in Other Assets	(\$77,254)	\$69,055	(\$69,541)	

<b>Cash Flow from Investments</b>	<b>(\$452,085)</b>	<b>\$683,376</b>	<b>\$382,981</b>
<b>Cash Flow from Financing Activities</b>			
Increase (Decrease) in Short Term Debt	\$134,393	\$1,110	(\$10,390)
Increase (Decrease) in Current Long Term Debt	\$0	\$0	\$0
Increase (Decrease) in Senior Debt	\$344,424	(\$69,484)	\$475,621
Increase (Decrease) in Subordinated Debt	\$0	\$0	\$0
Increase (Decrease) in Other Long Term Liabilities	(\$1,737)	\$46	(\$212)
Increase (Decrease) in Preferred Stock	\$0	\$0	\$0
Increase (Decrease) in Common Stock	\$0	\$0	\$0
Increase (Decrease) in Additional Paid-in Capital	\$0	\$0	\$0
Increase (Decrease) in Other Stock	\$0	\$0	\$0
Dividends Paid / Withdrawals	\$0	\$0	\$0
Other Changes to Retained Earnings	\$0	\$0	\$0
Unexplained Changes to Retained Earnings	\$0	\$0	\$0
<b>Cash Flow from Financing Activities</b>	<b>\$477,080</b>	<b>(\$68,328)</b>	<b>\$465,019</b>
<b>Net Free Cash Flow</b>	<b>\$674,296</b>	<b>(\$1,459,193)</b>	<b>\$248,306</b>
<b>Beginning Total Cash</b>	<b>\$7,509,242</b>	<b>\$8,183,538</b>	<b>\$6,724,345</b>
<b>Ending Total Cash</b>	<b>\$8,183,538</b>	<b>\$6,724,345</b>	<b>\$6,972,651</b>
<b>Unexplained Change in Cash on Balance Sheet</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>