

# Planning For Your Recovery

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## Session Description

We just survived the worst four years in our industry!

Many competitors have been lost and for those still in business, many of us struggle every day to build back what we lost ....

In this presentation we will present planning opportunities that you should consider or implement as your business becomes more profitable.

## Learning Outcomes

- Attendees will learn about business planning, operations, banking and general financial performance information that will make your business stronger!
- Attendees will learn about legal planning, wills, trusts, matters of corporate governance and indemnification to assist in protecting the personal and business assets that they have accumulated.
- Attendees will learn about retirement planning, savings, life insurance and disability insurance to make owners aware of new and innovative products and their use in today's business world.

## GENERAL

Most business people do not hire competent financial staff (see Appendix).

Most people do not hire competent advisors.

Most people do not have written financial goals for the Company or personally.

## GENERAL

Most people do not spend time on their personal financial plan.

Most people do not meet their advisors on a regular basis to review and update their plan.

Most people will outlive their assets.

## GENERAL

Prepare a personal financial statement as of today and as a specific future date:

- ✓ Prepare this annually
- ✓ 10 years from now or
- ✓ Your retirement age

Don't prepare this like you prepare a bank personal financial statement.

Use reasonable (conservative) annual investment rate of return

- ✓ No more than four percent (4%)

# Sample NAHB Member Personal Financial Statement

<b>Assets</b>	<b>Today</b>	<b>Additions</b>	<b>Age 65</b>
Cash and Investments	\$400,000	\$100,000	\$1,000,000
Residence	\$400,000		\$400,000
Commercial Real Estate	\$600,000		\$600,000
Business	\$600,000		\$600,000
Retirement Plan	\$700,000	\$500,000	\$2,000,000
Personal Possessions	\$10,000		\$10,000
<b>Total Assets</b>	<b><u>\$2,710,000</u></b>		<b><u>\$4,610,000</u></b>
<b>Liabilities</b>	<b>Today</b>	<b>Additions</b>	<b>Age 65</b>
Bills	\$10,000		\$10,000
Mortgage Residence	\$90,000	(\$90,000)	-0-
Mortgage Commercial	\$200,000	(\$200,000)	-0-
Deferred Tax	<u>\$400,000</u>		<u>\$800,000</u>
<b>Total Liabilities</b>	<b><u>\$700,000</u></b>		<b><u>\$810,000</u></b>
<b>Net Worth</b>	<b><u>\$2,010,000</u></b>		<b><u>\$3,800,000</u></b>
<b>Total Liabilities and Net Worth</b>	<b><u>\$2,710,000</u></b>		<b><u>\$4,610,000</u></b>

## NAHB Member Financial Statement

- ✓ Use the business net book value as the business fair market value.
- ✓ Compute investment return at 4% annually.
- ✓ Determine and make the maximum contribution to your retirement plan annually.
- ✓ Pay off all existing mortgage debt before age 65.
- ✓ Compute deferred tax at 30% of the estimated business value and retirement plan value



Does the conservative future value, net of taxes and inflation, support your lifestyle from retirement age 66 to estimated date of death (estimated at age 90).

### Planning Note

- ✓ You will need \$1,849,000 of net invested cash to receive \$10,000 a month, for 24 years at a 4% rate of return.

Don't forget the effect of inflation in your calculation.

Don't forget the tax effect in your calculation.

# BUSINESS FINANCIAL PLANNING

## BUSINESS FINANCIAL PLANNING

In order to have a successful business, every company needs to establish a road map for success.

The following items need to be implemented:

### *Organizational chart*

- ✓ Be sure to delegate responsibility, authority and accountability.
- ✓ You, the owner, are the biggest violator of the organizational chart!
- ✓ The organizational chart is a tool to help you stop micro-managing.

# BUSINESS FINANCIAL PLANNING

## *Business Plan*

An annual business plan must be prepared.

- ✓ Review the prior year plan.
- ✓ Make necessary changes.
- ✓ Get employee input.
- ✓ Use it as a business tool.
- ✓ Set a goal. If you achieve the goal, reward those who helped you obtain the goal!

# BUSINESS FINANCIAL PLANNING

## *Budget*

Prepare an annual budget for:

- ✓ Sales
- ✓ Cost of Sales
- ✓ Overhead

Assumptions

Revise as needed

Monthly review

- ✓ Budget versus actual

Year to Date

- ✓ Explain all significant variances

# BUSINESS FINANCIAL PLANNING

## *Strong Balance Sheet*

### Set goals

- ✓ Current ratio
- ✓ Debt to equity
- ✓ Liquidity
- ✓ Pay down of debt
- ✓ Systematic increase in retained earnings

Example: The company will increase retained earnings annually by 1.5% of sales, net of distributions.

# BUSINESS FINANCIAL PLANNING

## *Systems*

- ✓ Document your systems
- ✓ Minimal deviation
- ✓ Review with employees
- ✓ Systems sell companies

## *Branding*

- ✓ Who are you?
- ✓ What is your product?
- ✓ How are you different?
- ✓ Know what you are not good at!

## BUSINESS FINANCIAL PLANNING

### *Financial Independence Outside of Your Business*

Your business can not be the majority of your net worth.

Build a strong personal net worth outside of your business.

- ✓ Non-liquid
- ✓ Liquid
- ✓ Real estate, investments, retirement plans, other



## BUSINESS FINANCIAL PLANNING

Only about 1 in 3 closely held businesses pass successfully to the next generation.

This is caused by a lack of proper planning.

Minimum plan requirements:

- ✓ Transfer control according to wishes
- ✓ Carry out in an orderly fashion
- ✓ Minimum tax liability
- ✓ Provide economic well being for loved ones

## BUSINESS FINANCIAL PLANNING

Options:

- ✓ Gift stock to family members
- ✓ Employ a buy-sell agreement
- ✓ Sale to competitor

Does the owner intend to retire?

What is the company's fair market value?

# BUDGETS

# BUDGETING

**Budgeting is a tool that assists YOU with the following:**

- ✓ **Monitoring expenses**
- ✓ **Performance measures**
- ✓ **Decision making**

## BUDGETING

**You should prepare an operating budget annually.**

**Budget revenues and expenses by month, not just yearly totals, in order to monitor effectively (see example).**

**Do not just take an annual total and divide by 12 to determine your monthly budget amounts.**

- ✓ **If you pay your liability insurance in quarterly installments in March, June, September and December – you should budget this line item in those months.**

## BUDGETING

### Prepare a realistic budget

- ✓ You want to motivate your employees to perform but not discourage them by setting goals that can't be met.
- ✓ Therefore, you need to find the balance between a budget that is *too optimistic* and one that is *too conservative*.

**Determine fixed and variable costs.**

## BUDGETING

**Key assumptions should be documented (expected changes and why).**

**For example:**

- ✓ **Revenues - expected to increase by 20%; expansion into new markets.**
- ✓ **Cost of revenues - expected to increase in direct proportion to the increase in revenue; materials/subcontractor costs anticipated to be relatively stable next year.**

# BUDGETING

## **Sales and Marketing expenses –**

**Advertising - expected to increase by 15%;  
expansion into new markets.**



# BUDGETING

General and administrative costs – expected to increase by 3%; rate of inflation except for the following:

- ✓ Rent – expected to remain flat; five year fixed rate lease.
- ✓ Health Insurance – expected to increase by 24%; rate increases.
- ✓ Computer expense – expected to increase by 6%; need to replace 2 computers and purchase software upgrades throughout the office.
- ✓ Legal fees – expected to decrease by 15%; lawsuit resolved in prior year.

## BUDGETING

Review budget to actual on a monthly basis (see example).

Investigate significant differences on a timely basis (both positive and negative variances).

Revise your budget throughout the year as circumstances change.

Other budgeting techniques:

- ✓ Projected cash flows – overall and by project

# FINANCIAL INDEPENDENCE

## FINANCIAL INDEPENDENCE

What is financial independence?

- ✓ It's different with each of us
- ✓ There is no wrong answer unless the amount you have available is not sufficient to maintain your lifestyle.

How do you get to financial independence?

In order to get there you need:

- ✓ To estimate your current and future financial needs
- ✓ Create a plan
- ✓ Monitor the plan
- ✓ Change the plan as necessary

# GETTING STARTED

## GETTING STARTED

Prepare a monthly/annual budget.

List any debts you want paid off as you become financially independent.

Adjust your monthly/annual budget to accomplish goals.

Select competent financial advisors.

Meet regularly with financial advisors.

## GETTING STARTED

List all sources of income:

- ✓ Wages
- ✓ Consulting
- ✓ Interest
- ✓ Dividends
- ✓ Real Estate Investments
- ✓ Other

Do not include inheritance.

Will these continue when you become financially independent?

## GETTING STARTED

Set up a collective meeting with your:

- ✓ CPA
- ✓ Investment Advisor
- ✓ Estate Attorney
- ✓ Insurance Agent

If you don't have all the above, set up a meeting with the above advisors you are currently using.



## GETTING STARTED

Set up continuous meetings with your advisors until the following is complete:

- ✓ A financial plan
- ✓ An estate plan
- ✓ An insurance plan

If you don't prepare the preceding items, the odds are you will never be financially independent!

It is your choice!

You might not be able to work *forever* ....

## GETTING STARTED

Once you have done the above, you have just started, not ended the process!

You must set up the following:

- ✓ Quarterly meetings with your financial advisors
- ✓ Annual meeting with your:
  - Estate Attorney
  - Insurance Agent

# PLANNING CONSIDERATIONS

## PLANNING CONSIDERATIONS

- ✓ Retirement Planning
- ✓ Insurance Planning
- ✓ Estate Planning
- ✓ Benefit Planning
- ✓ Exit Strategies
- ✓ Succession Planning
- ✓ Family Business Planning

# RETIREMENT PLANNING

## RETIREMENT PLANNING

Retirement planning allows you to accumulate assets over time that are tax deferred, however, you must:

- ✓ Plan
- ✓ Be disciplined
- ✓ Review your investment strategy on a regular basis

## RETIREMENT PLANNING

Common retirement plans:

IRA's

- ✓ Deductible

- ✓ Non-deductible

401K plan

Roth IRA

Profit Sharing Plan

SEP

Defined Benefit Plan

Union Plan

# RETIREMENT PLANNING

## Benefits of qualified retirement plans

- ✓ Assets grow tax deferred
- ✓ Typically not subject to claims of creditors



# LIFE INSURANCE

# LIFE INSURANCE

## Life Insurance Coverage

- ✓ How much is enough?
- ✓ Does your death benefit allow your family to live in the style that they are currently accustomed?

## Who is the beneficiary?

- ✓ Spouse
- ✓ Trust
- ✓ Company
- ✓ Children (ILIT)
- ✓ Bank, By Assignment Pledge or Guarantee

## LIFE INSURANCE

Life insurance considerations:

- ✓ How much, owner, beneficiary, type
- ✓ How often do you meet with your insurance advisor?
- ✓ Like any other advisor, you should meet with your insurance advisor annually
- ✓ Life insurance needs can change rapidly
- ✓ New products may emerge
- ✓ Costs may be decreasing or increasing

Does the policy build cash value?

Have you borrowed against the cash value?

Has your agent reviewed with you an inforce ledger?

## LIFE INSURANCE

### Irrevocable Life Insurance Trust (“ILIT”)

- ✓ Use of an ILIT may be appropriate to avoid life insurance being included in your estate when determining if estate taxes are due.
- ✓ An ILIT removes incident of ownership by moving ownership from the individual to the trust.
- ✓ Beneficiaries must be advised annually of their withdrawal rights.
- ✓ Contact your insurance advisor to see if an ILIT is right for your situation.
- ✓ Annual reporting

# DISABILITY INSURANCE

## DISABILITY INSURANCE

Studies have shown that one in three employees will become disabled for 90 days or more before age 65.

One in seven employees will be disabled for five years or more before retirement.

# DISABILITY INSURANCE

## Definition

- ✓ Disability insurance is a policy that replaces a stated percentage of an individual's income in the event of disability
- ✓ Elimination period or waiting period is typically between 60 and 90 days
- ✓ Policies typically pay out between 60-70% of the income, if disabled
- ✓ Be careful as to how the policy defines disability
- ✓ Taxable vs. non-taxable benefit

## DISABILITY INSURANCE

### Key Considerations on Disability Insurance:

- ✓ Benefit amount – is it reasonable?
- ✓ Benefit conditions
- ✓ Benefit term
- ✓ Premiums deducted or not deducted for tax purposes
- ✓ Benefits taxable or not taxable



# LONG TERM CARE INSURANCE

## LONG TERM CARE INSURANCE

- ✓ Provides for the payment of assisted living, caregiver and nursing home costs.
- ✓ 10 pay
- ✓ Use of alternative life insurance products.
- ✓ Deductibility (C Corp/S Corp)

# UMBRELLA INSURANCE

## UMBRELLA INSURANCE

A general policy to provide insurance coverage beyond normal policy limits.

Also consider formal corporate indemnification.

# ESTATE PLANNING

## ESTATE PLANNING

### General

- ✓ Taxes can absorb much of the estate without a proper plan.
- ✓ State estate taxes also need to be considered.

### Gifting to family members

- ✓ Unlimited gifts to spouse (unless spouse is a nonresident alien)
- ✓ Can gift \$14,000 in 2013
- ✓ Can gift \$28,000 in 2013, per year of present interests if spouse gifts also or agrees to gift splitting.

## ESTATE PLANNING

### Gifting Benefits

- ✓ Appreciation on the gift escapes estate tax.
- ✓ No gift tax is ever paid on the gift as long as it does not exceed the exclusion (\$14,000/\$28,000) in 2013.
- ✓ This gift reduces your taxable estate.
- ✓ Gifts are usually transferred to taxpayers in a lower tax bracket.

## ESTATE PLANNING

### Business/Succession Planning

- ✓ Estate tax installment option.
- ✓ Allows your estate to pay over a period of up to 14 years on the portion of your estate tax attributable to your closely held business.
- ✓ Low interest rates apply during this period.
- ✓ Other special rules apply also.



## ESTATE PLANNING

### GIFT AND ESTATE TAX EXEMPTIONS

#### Unified Credit

- ✓ Allows \$5,250,000 in tax free transfers during lifetime
- ✓ Reduces amount that can be transferred tax free at death

## ESTATE PLANNING

<u>Year</u>	<u>Estate Tax</u>	<u>Gift Tax</u>
2012	\$5,120,000	\$5,120,000
2013	\$5,250,000	\$5,250,000

**Exclusion is \$5,000,000, indexed for inflation is \$5,120,000 in 2012 and \$5,250,000 in 2013**

## ESTATE PLANNING

The following represents a very brief overview of the most commonly used documents to prepare a complete estate plan:

### A Will

Purpose: States how you want your assets distributed.

### Health Care Directive

Purpose: States who will have control over health care decisions should you become incapacitated.

## ESTATE PLANNING

### Power of Attorney

Purpose: States who will have control over finances should you become incapacitated.

### A Living Will

Purpose: States specific instructions on your wishes for life prolonging procedures.

### A Living Trust

Purpose: Explains exactly how you want your assets managed and distributed.

## ESTATE PLANNING

### Irrevocable Trust

Purpose: Holds lifetime gifts to the benefit of a person or persons on death. Amounts are not included in the decedent's estate.

### Credit Shelter or Bypass Trust

Purpose: Created at death to hold and manage assets for your heirs in an amount equal to the estate tax exemption.

## ESTATE PLANNING

### Insurance Trust

**Purpose:** The trust owns life insurance policies on your life and can be used to manage and distribute policy proceeds in accordance with your wishes.

### Qualified Terminable Interest Property (“QTIP”) Trust

**Purpose:** Created at death for the benefit of your spouse and children. Pays all trust income to your spouse for life. Remainder then passes to your children.

## ESTATE PLANNING

Another very important consideration is the selection of the Executor or Trustee:

- ✓ Family
- ✓ Bank
- ✓ Lawyer

Your estate is a very important and significant asset. It is the final phase of your financial plan (accumulation, preservation, and distribution).

Make sure you meet with a competent attorney and your financial advisor to implement a plan in accordance with your wishes.

## ESTATE PLANNING

Prepare a summary of all documents. Give a copy to a trusted advisor and place one in a safe deposit box.

Review your plan annually with your estate attorney.



# BENEFIT PLANNING

## BENEFIT PLANNING

- ✓ What are the benefits that you currently receive from your company?
- ✓ Are you taking advantage of all benefits available ?
- ✓ Will you receive these benefits when you retire and what will be costs to you to maintain these benefits in retirement?
  - Medical Insurance
  - Life Insurance
  - Disability Insurance
  - Long Term Care Insurance
  - Retirement Plan

# BENEFIT PLANNING

## Auto

- ✓ Maintenance and repairs
- ✓ Lease
- ✓ Fuel
- ✓ Insurance

## BENEFIT PLANNING

- ✓ Deferred compensation
- ✓ Related party real estate
- ✓ Family at work
- ✓ Travel
- ✓ Entertainment
- ✓ Legal
- ✓ Accounting
- ✓ Other - You know what they are?

# TAX MATTERS

## **“Major” Tax Changes for 2013:**

**Higher personal income tax rates for certain taxpayers.**

**Higher tax rates on dividend income - only those in top tax bracket.**

**Higher tax rates on capital gains - only those in top tax bracket.**

**The end of the 2% reduction in payroll taxes for everyone.**

## “Major” Tax Changes for 2013:

**New Medicare Surtax - 3.8% tax on “Net Investment Income” for high-income taxpayers.**

**New Medicare Hospital Insurance (HI) Surtax- 0.9% tax rate increase on “Earned Income” for high-income taxpayers.**

# Tax Rates

2012 Rate	2013 Rate
10% and 15%	10% and 15%
25%	25%
28%	28%
33%	33%
35%	35%
-	39.6%



## 2012 Tax Brackets

Tax rate	Single Filers	Married filing jointly or qualifying widow/widower	Married filing separately	Head of household
10%	Up to \$8,700	Up to \$17,400	Up to \$8,700	Up to \$12,400
15%	\$8,701-\$35,350	\$17,401-\$70,700	\$8,701-\$35,350	\$12,401-\$47,350
25%	\$35,351-\$85,650	\$70,701-\$142,700	\$35,351-\$71,350	\$47,351-\$122,300
28%	\$85,651-\$178,650	\$142,701-\$217,450	\$71,351-\$108,725	\$122,301-\$198,050
33%	\$178,651-\$388,350	\$217,451-\$388,350	\$108,726-\$194,175	\$198,051-\$388,350
35%	\$388,351 or more	\$388,351 or more	\$194,176 or more	\$388,351 or more

# 2013 Tax Bracket

Tax rate	Single Filers	Married filing jointly or qualifying widow/widower	Married filing separately	Head of household
10%	Up to \$8,925	Up to \$17,850	Up to \$8,925	Up to \$12,750
15%	\$8,925-\$36,250	\$17,850-\$72,500	\$8,925-\$36,250	\$12,750-\$48,600
25%	\$36,250-\$87,850	\$72,500-\$146,400	\$36,250-\$73,200	\$48,600-\$125,450
28%	\$87,850-\$183,250	\$146,400-\$223,050	\$73,200-\$111,525	\$125,450-\$203,150
33%	\$183,250-\$398,350	\$223,050-\$398,350	\$111,525-\$199,175	\$203,150-\$398,350
35%	\$398,350-\$400,000	\$398,350-\$450,000	\$199,175-\$225,000	\$398,350-\$425,000
39.6%	\$400,000 or more	\$450,000 or more	\$225,000 or more	\$425,000 or more

## Overview of 3.8% Medicare Tax

New tax resulting from the 2010 “Patient Protection and Affordable Care Act”

Effective Beginning in 2013

Tax on “Net Investment Income” (NII) for certain taxpayers with excess MAGI over base:

Married Taxpayer filing jointly MAGI > \$250,000  
(base)

Married Taxpayer filing separately MAGI > \$125,000

All other individual Taxpayer MAGI > \$200,000 (base)

## Overview of 3.8% Medicare Tax

MAGI is Adjusted Gross Income plus net foreign earned income exclusion plus/minus certain items of foreign income

Taxable amount limited to the lesser of Actual NII or MAGI in excess of base.

## Overview of 3.8% Medicare Tax

- Taxable Interest
- Dividends
- Capital Gains (Investment or Personal Assets Only)
- Annuities (non tax sheltered)
- Passive Rents
- Passive Royalties
- Passive Activity Income (partnership and S corporation)

## Overview of 3.8% Medicare Tax

- Wages
- Tax-exempt Interest
- Capital Gains from sale of active trade or business
- IRA Distributions ( includes RMD's)
- 401(k) Distributions
- Pensions
- Tax Sheltered Annuities Ex. School 403(b) plans
- Active Royalties
- Active Trade or Business Income
- Social Security Taxable Income

## Additional 0.9% Medicare Tax

Wages and earned income received in excess of \$200,000 (\$250,000 for married filing joint) will be subject to a 2.35% Medicare tax rate instead of 1.45% currently.

Includes income of active LLC members.

Does not include S-corporation earnings.

## Itemized Deduction and Personal Exemption

<b>Itemized Deduction and Personal Exemption Phaseout</b>	<b>2012</b>	<b>2013</b>
Single	None	\$250,000
Head of Household	None	\$275,000
Married Filing Joint	None	\$300,000



## Capital Gains and Dividends

<u>Tax Bracket</u>	<u>2013 Tax Rate</u>
Top Tax Bracket	20%
Middle Tax Bracket	15%
Lower Tax Bracket (10 and 15%)	0%

## Permanent Tax Extensions

Marriage penalty relief.

Child and dependent care credit - \$3,000 for one child and \$6,000 for multiples.

Student Loan Interest Deduct

## Alternative Minimum Tax

### Permanent AMT Exemption Extension indexed for inflation

<b>AMT Exemption Amounts</b>	<b>2012</b>	<b>2013</b>
Single Filers/ Head of Household	\$50,600	\$51,900
Married Filing Jointly	\$78,750	\$80,800

## Energy Tax Extension

Energy tax extension included the following:

1. Credit for energy efficient existing homes
2. Credit for energy efficient new homes

## Credit for Energy Efficient Existing Homes

Lifetime credit limit of \$500

Limit on credit for windows of \$200

Must be for individual's principal residence

Credit is for individuals:

1. Limit to 10% of amount paid for:
  - A. Qualified energy efficient improvements
    - 1) Improvement designed to reduce heat loss or heat gain.
  - B. Qualified property expenditures
    - 1) Energy efficient property.

## Credit for Energy Efficient Existing Homes

### Energy Credits (cont.)

- ✓ Qualifying improvements include installing insulation materials, exterior windows (including skylights), exterior doors, central air conditioners, natural gas propane or oil water heaters or furnaces, hot water boilers, electric heat pump, water heaters, certain metal roofs and stoves and advanced main air circulating fans.
- ✓ These improvements qualify only if made to existing homes. The improvements must meet certain efficiency guidelines published by the IRS and the vendor will typically be able to determine if an item qualifies.

## Credit for Energy Efficient New Homes

Credit is available for contractors:

1. \$2,000 credit
2. Constructs a new home or substantially reconstructs or rehabilitates
3. Annual heating and cooling energy consumption 50% below a comparable unit

## Bonus Depreciation & Qualified Leasehold Improvements

**For 2013, the 50% bonus depreciation still applies.**

**For 2013, 15 year depreciation life for qualified leasehold improvements, qualified retail improvement and qualified restaurant property.**



## Code Section 179 Expensing

Year	Amount	Ceiling
2012	\$500,000	\$2,000,000
2013	\$500,000	\$2,000,000

**Vehicles with a 6,000 gross vehicle weight or higher are eligible for Section 179 deduction up to \$25,000**

## Estate Taxes:

Estate Exemption is permanently set at \$5,000,000 per person indexed for inflation. This amount is projected to be \$5,250,000 for gifts made and decedents dying in 2013.

Estate and gift taxes have been increased from 35% in 2012 to 40% in 2013.

Portability of unused exemption between spouses has been made permanent, allowing the election to transfer the unused exclusion of the first deceased spouse to the surviving spouse.

# APPENDIX

## APPENDIX

### **Duties and Responsibilities of Controller:**

- Maintain all software programs.
- Maintenance of all cash receipts, cash disbursements, payroll and general journals.
- Monthly reconciliation of the general ledger with supporting schedules.
- Assistance with preparation of annual business plan.
- Preparation of monthly internal financial statements to be completed no later than the 15<sup>th</sup> of the following month.
- Monthly reconciliation of the work in process.
- Monthly preparation of percentage of completion report by job.

## APPENDIX

- Bi-monthly review of work in process and percentage of completion calculation with the owner and project manager.
- Prepare change orders.
- Preparation of annual forecasts, projections, and/or budgets within one month of the end of the corporation's calendar year.
- Monthly comparison of forecasts, projections, and budgets to the actual results of the corporation, including the analysis and resolution of all significant variances.
- Payment of all bills within standards and guidelines established by the president/owner.
- Review and analysis of all financial information with management.
- Preparation of all cash reconciliations, monthly.

## APPENDIX

- Maintain budget actual cost analysis by job. Report areas of cost overruns to the owner and project manager.
- Preparation of all sales and use tax returns and/or payroll tax returns and reviewing the payroll returns prepared by a payroll service for completeness and accuracy.
- Ensuring that all required federal, state and local tax deposits and filings are made within the appropriate deadlines.
- Responsible for all cash management, collection, disbursement techniques, float, bank transfers, borrowings and refinancing opportunities.
- Monitoring of bank compensating balance requirements and bank loan covenants.
- Analyze current operations and seek ways to reduce operating costs.

## APPENDIX

- Training, motivating, directing and evaluating all accounting department staff.
- Management of all inventories to obtain maximum turnover and maintain minimum inventory balances with just in time or similar type systems.
- Capital expenditures analysis, lease vs. purchase, payback period calculations, competitive bidding, capital budgeting of property and equipment.
- Analysis of product line/divisional profitability, product costing and pricing.
- Responsible for all human resource management.
- Preparation of information in a timely fashion to all outside parties, i.e. tax authorities, banks, certified public accountants, insurance companies, etc.
- Responsible for cash management, line of credit, finance charges and discounts.

## APPENDIX

- Responsible for preparation of Executive Summary Financial Statement Analysis.
- Responsible for daily/weekly preparation of DOC sheet.

This list may not be all-inclusive. It should, however serve as a general outline subject to revision by business management and the company's certified public accountant.

WHEN YOU LET EMPLOYEES KNOW WHAT IS EXPECTED OF THEM, THEY GENERALLY PERFORM!



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ABC Custom Homes  
Profit & Loss Budget Overview  
January through December 2013

	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	TOTAL Jan - Dec 13
<b>Ordinary Income/Expense</b>													
Income													
3100 Sales, single-family speculative	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3120 Sales, single-family custom designed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3125 Sales, single-family custom, no land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3130 Sales, residential remodeling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Cost of Goods Sold													
3600 Cost of sales, single-family speculative	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3620 Cost of sales, single-family custom designed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3625 Cost of sales, single-family custom, no land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3630 Cost of sales, remodeling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total COGS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Gross Profit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Expense													
4000 Indirect Costs													
4010 Superintendents	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4030 Production manager	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4040 Architects, drafters, estimators, and purchasers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4110 Payroll taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4120 Workers' compensation insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4130 Health and accident insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4140 Retirement, pension, and profit sharing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4210 Rent, field office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4230 Repairs and maintenance, field office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4250 Utilities, field office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4260 Telephone, field office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4265 Mobile phones, pagers, and radios	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4290 Other field office expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4410 Lease payments, construction vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4420 Mileage reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4430 Repairs and maintenance, construction vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4440 Operating expenses, construction vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4450 Taxes, licenses, and insurance, construction vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4510 Rent, construction equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4530 Repairs and maintenance, construction equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4560 Small tools and supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4610 Temporary utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4620 Trash maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4640 Lawn care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4650 Utilities, completed units	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4660 Repairs and maintenance, completed units	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4710 Salaries and wages, warranty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4720 Material, warranty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4730 Subcontractor, warranty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4790 Other, warranty expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4840 Depreciation, construction vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4850 Depreciation, construction equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4920 Builders risk insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total 4000 - Indirect Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

	TOTAL												
	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan - Dec 13
<b>5000 Finance Expense</b>													
5010 Interest on line of credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5020 Interest on notes payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5030 Interest expense on developed lots	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5040 Interest incurred on construction loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5050 Interest on completed inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5090 Interest expense, other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total 5000 Finance Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>6000 - Sales and Marketing Expense</b>													
6010 Sales manager's compensation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6040 Sales commissions, in-house	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6050 Sales commissions, outside	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6110 Payroll taxes, sales and marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6120 Workers' compensation insurance, sales and marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6130 Health and accident insurance, sales and marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6140 Retirement, pension, and profit-sharing plans, sales and marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6190 Other benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6310 Print advertising	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6330 Internet fees, web page design and maintenance costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6340 Brochures and catalogues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6350 Signs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6620 Model home rent or lease payments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6625 Model home decorating fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6630 Repairs and maintenance, model homes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6650 Utilities, model homes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6670 Lawn and landscaping care model homes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6680 Cleanup, model homes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6690 Interest on model homes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6870 Depreciation, model home furnishings, and decorations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6999 Other sales and marketing expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total 6000 - Sales and Marketing Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>8000 - General and Administrative Expense</b>													
8010 Salaries, owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8020 Salaries, officers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8030 Salaries, management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8050 Salaries and wages, office and clerical	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8090 Other general and administrative salaries and wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8110 Payroll taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8120 Workers' compensation insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8130 Health and accident insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8140 Retirement, pension, and profit-sharing plans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8190 Other employee benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8210 Rent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8220 Office equipment rental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8230 Repairs and maintenance, administrative office space	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8240 Repairs and maintenance, administrative office equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8250 Utilities, administrative office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8260 Telephone, administrative office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8270 Office supplies, administrative office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8280 Postage and deliveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8290 Miscellaneous expenses, administrative office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8310 Computer supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8350 Repairs and maintenance, computer equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	TOTAL												
	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan - Dec 13
8410 Lease, administrative vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8430 Repairs and maintenance, administration vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8440 Operating expense, administration vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8450 Taxes, licenses, and insurance, administration vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8460 Travel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8470 Customer business expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8480 Meeting expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8520 Real estate taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8530 Personal property taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8540 License fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8590 Other taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8610 Hazard insurance/property insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8630 General liability insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8710 Accounting services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8720 Legal services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8730 Consulting services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8830 Depreciation, vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8870 Depreciation computer equipment and software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8900 Bad debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8910 Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8920 Dues and subscriptions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8950 Bank charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8960 Penalties	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8990 Training and education expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total 8000 - Admin dept	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Ordinary Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Income/Expense													
Other Income													
## Gain or loss on sale of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
## Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Expense													
959 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**ABC Custom Homes**  
**Profit & Loss Budget vs Actual**  
**September 2013**

	Sep 13	Budget	\$ Over Budget	Jan - Sep 13	YTD Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
3100 Sales, single-family speculative	0.00	0.00	0.00	0.00	0.00	0.00
3120 Sales, single-family custom designed	0.00	0.00	0.00	0.00	0.00	0.00
3125 Sales, single-family custom, no land	0.00	0.00	0.00	0.00	0.00	0.00
3130 Sales, residential remodeling	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Cost of Goods Sold</b>						
3600 Cost of sales, single-family speculative	0.00	0.00	0.00	0.00	0.00	0.00
3620 Cost of sales, single-family custom designed	0.00	0.00	0.00	0.00	0.00	0.00
3625 Cost of sales, single-family custom, no land	0.00	0.00	0.00	0.00	0.00	0.00
3630 Cost of sales, remodeling	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total COGS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Gross Profit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Expense</b>						
<b>4000 Indirect Costs</b>						
4010 Superintendents	0.00	0.00	0.00	0.00	0.00	0.00
4030 Production manager	0.00	0.00	0.00	0.00	0.00	0.00
4040 Architects, drafters, estimators, and purchasers	0.00	0.00	0.00	0.00	0.00	0.00
4110 Payroll taxes	0.00	0.00	0.00	0.00	0.00	0.00
4120 Workers' compensation insurance	0.00	0.00	0.00	0.00	0.00	0.00
4130 Health and accident insurance	0.00	0.00	0.00	0.00	0.00	0.00
4140 Retirement, pension, and profit sharing	0.00	0.00	0.00	0.00	0.00	0.00
4210 Rent, field office	0.00	0.00	0.00	0.00	0.00	0.00
4230 Repairs and maintenance, field office	0.00	0.00	0.00	0.00	0.00	0.00
4250 Utilities, field office	0.00	0.00	0.00	0.00	0.00	0.00
4260 Telephone, field office	0.00	0.00	0.00	0.00	0.00	0.00
4265 Mobile phones, pagers, and radios	0.00	0.00	0.00	0.00	0.00	0.00
4290 Other field office expenses	0.00	0.00	0.00	0.00	0.00	0.00
4410 Lease payments, construction vehicles	0.00	0.00	0.00	0.00	0.00	0.00
4420 Mileage reimbursement	0.00	0.00	0.00	0.00	0.00	0.00
4430 Repairs and maintenance, construction vehicles	0.00	0.00	0.00	0.00	0.00	0.00
4440 Operating expenses, construction vehicles	0.00	0.00	0.00	0.00	0.00	0.00

	Sep 13	Budget	\$ Over Budget	Jan - Sep 13	YTD Budget	\$ Over Budget
4450 Taxes, licenses, and insurance, construction vehicles	0.00	0.00	0.00	0.00	0.00	0.00
4510 Rent, construction equipment	0.00	0.00	0.00	0.00	0.00	0.00
4530 Repairs and maintenance, construction equipment	0.00	0.00	0.00	0.00	0.00	0.00
4560 Small tools and supplies	0.00	0.00	0.00	0.00	0.00	0.00
4610 Temporary utilities	0.00	0.00	0.00	0.00	0.00	0.00
4620 Trash maintenance	0.00	0.00	0.00	0.00	0.00	0.00
4640 Lawn care	0.00	0.00	0.00	0.00	0.00	0.00
4650 Utilities, completed units	0.00	0.00	0.00	0.00	0.00	0.00
4660 Repairs and maintenance, completed units	0.00	0.00	0.00	0.00	0.00	0.00
4710 Salaries and wages, warranty	0.00	0.00	0.00	0.00	0.00	0.00
4720 Material, warranty	0.00	0.00	0.00	0.00	0.00	0.00
4730 Subcontractor, warranty	0.00	0.00	0.00	0.00	0.00	0.00
4790 Other, warranty expenses	0.00	0.00	0.00	0.00	0.00	0.00
4840 Depreciation, construction vehicles	0.00	0.00	0.00	0.00	0.00	0.00
4850 Depreciation, construction equipment	0.00	0.00	0.00	0.00	0.00	0.00
4920 Builders risk insurance	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total 4000 - Indirect Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>5000 Finance Expense</b>						
5010 Interest on line of credit	0.00	0.00	0.00	0.00	0.00	0.00
5020 Interest on notes payable	0.00	0.00	0.00	0.00	0.00	0.00
5030 Interest expense on developed lots	0.00	0.00	0.00	0.00	0.00	0.00
5040 Interest incurred on construction loans	0.00	0.00	0.00	0.00	0.00	0.00
5050 Interest on completed inventory	0.00	0.00	0.00	0.00	0.00	0.00
5090 Interest expense, other	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total 5000 Finance Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>6000 - Sales and Marketing Expense</b>						
6010 Sales manager's compensation	0.00	0.00	0.00	0.00	0.00	0.00
6040 Sales commissions, in-house	0.00	0.00	0.00	0.00	0.00	0.00
6050 Sales commissions, outside	0.00	0.00	0.00	0.00	0.00	0.00
6110 Payroll taxes, sales and marketing	0.00	0.00	0.00	0.00	0.00	0.00
6120 Workers' compensation insurance, sales and marketing	0.00	0.00	0.00	0.00	0.00	0.00
6130 Health and accident insurance, sales and marketing	0.00	0.00	0.00	0.00	0.00	0.00
6140 Retirement, pension, and profit-sharing plans, sales and marketing	0.00	0.00	0.00	0.00	0.00	0.00
6190 Other benefits	0.00	0.00	0.00	0.00	0.00	0.00
6310 Print advertising	0.00	0.00	0.00	0.00	0.00	0.00
6330 Internet fees, web page design and maintenance costs	0.00	0.00	0.00	0.00	0.00	0.00

	Sep 13	Budget	\$ Over Budget	Jan - Sep 13	YTD Budget	\$ Over Budget
6340 Brochures and catalogues	0.00	0.00	0.00	0.00	0.00	0.00
6350 Signs	0.00	0.00	0.00	0.00	0.00	0.00
6620 Model home rent or lease payments	0.00	0.00	0.00	0.00	0.00	0.00
6625 Model home decorating fees	0.00	0.00	0.00	0.00	0.00	0.00
6630 Repairs and maintenance, model homes	0.00	0.00	0.00	0.00	0.00	0.00
6650 Utilities, model homes	0.00	0.00	0.00	0.00	0.00	0.00
6670 Lawn and landscaping care model homes	0.00	0.00	0.00	0.00	0.00	0.00
6680 Cleanup, model homes	0.00	0.00	0.00	0.00	0.00	0.00
6690 Interest on model homes	0.00	0.00	0.00	0.00	0.00	0.00
6870 Depreciation, model home furnishings, and decorations	0.00	0.00	0.00	0.00	0.00	0.00
6999 Other sales and marketing expenses	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total 6000 - Sales and Marketing Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>8000 - General and Administrative Expense</b>						
8010 Salaries, owners	0.00	0.00	0.00	0.00	0.00	0.00
8020 Salaries, officers	0.00	0.00	0.00	0.00	0.00	0.00
8030 Salaries, management	0.00	0.00	0.00	0.00	0.00	0.00
8050 Salaries and wages, office and clerical	0.00	0.00	0.00	0.00	0.00	0.00
8090 Other general and administrative salaries and wages	0.00	0.00	0.00	0.00	0.00	0.00
8110 Payroll taxes	0.00	0.00	0.00	0.00	0.00	0.00
8120 Workers' compensation insurance	0.00	0.00	0.00	0.00	0.00	0.00
8130 Health and accident insurance	0.00	0.00	0.00	0.00	0.00	0.00
8140 Retirement, pension, and profit-sharing plans	0.00	0.00	0.00	0.00	0.00	0.00
8190 Other employee benefits	0.00	0.00	0.00	0.00	0.00	0.00
8210 Rent	0.00	0.00	0.00	0.00	0.00	0.00
8220 Office equipment rental	0.00	0.00	0.00	0.00	0.00	0.00
8230 Repairs and maintenance, administrative office space	0.00	0.00	0.00	0.00	0.00	0.00
8240 Repairs and maintenance, administrative office equipment	0.00	0.00	0.00	0.00	0.00	0.00
8250 Utilities, administrative office	0.00	0.00	0.00	0.00	0.00	0.00
8260 Telephone, administrative office	0.00	0.00	0.00	0.00	0.00	0.00
8270 Office supplies, administrative office	0.00	0.00	0.00	0.00	0.00	0.00
8280 Postage and deliveries	0.00	0.00	0.00	0.00	0.00	0.00
8290 Miscellaneous expenses, administrative office	0.00	0.00	0.00	0.00	0.00	0.00
8310 Computer supplies	0.00	0.00	0.00	0.00	0.00	0.00
8350 Repairs and maintenance, computer equipment	0.00	0.00	0.00	0.00	0.00	0.00
8410 Lease, administrative vehicles	0.00	0.00	0.00	0.00	0.00	0.00
8430 Repairs and maintenance, administration vehicles	0.00	0.00	0.00	0.00	0.00	0.00

	Sep 13	Budget	\$ Over Budget	Jan - Sep 13	YTD Budget	\$ Over Budget
8440 Operating expense, administration vehicles	0.00	0.00	0.00	0.00	0.00	0.00
8450 Taxes, licenses, and insurance, administration vehicles	0.00	0.00	0.00	0.00	0.00	0.00
8460 Travel	0.00	0.00	0.00	0.00	0.00	0.00
8470 Customer business expense	0.00	0.00	0.00	0.00	0.00	0.00
8480 Meeting expenses	0.00	0.00	0.00	0.00	0.00	0.00
8520 Real estate taxes	0.00	0.00	0.00	0.00	0.00	0.00
8530 Personal property taxes	0.00	0.00	0.00	0.00	0.00	0.00
8540 License fees	0.00	0.00	0.00	0.00	0.00	0.00
8590 Other taxes	0.00	0.00	0.00	0.00	0.00	0.00
8610 Hazard insurance/property insurance	0.00	0.00	0.00	0.00	0.00	0.00
8630 General liability insurance	0.00	0.00	0.00	0.00	0.00	0.00
8710 Accounting services	0.00	0.00	0.00	0.00	0.00	0.00
8720 Legal services	0.00	0.00	0.00	0.00	0.00	0.00
8730 Consulting services	0.00	0.00	0.00	0.00	0.00	0.00
8830 Depreciation, vehicles	0.00	0.00	0.00	0.00	0.00	0.00
8870 Depreciation computer equipment and software	0.00	0.00	0.00	0.00	0.00	0.00
8900 Bad debts	0.00	0.00	0.00	0.00	0.00	0.00
8910 Contributions	0.00	0.00	0.00	0.00	0.00	0.00
8920 Dues and subscriptions	0.00	0.00	0.00	0.00	0.00	0.00
8950 Bank charges	0.00	0.00	0.00	0.00	0.00	0.00
8960 Penalties	0.00	0.00	0.00	0.00	0.00	0.00
8990 Training and education expenses	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total 8000 - Admin dept</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Ordinary Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Other Income/Expense</b>						
<b>Other Income</b>						
9150 Gain or loss on sale of assets	0.00	0.00	0.00	0.00	0.00	0.00
9190 Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Other Expense</b>						
9590 Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Other Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>