

Figure 5-1
Residential Construction
Profit and Loss Statement

	<u>Annual Budget</u>	<u>%</u>
	1,000,000	100.0%
1. SALES REVENUE		
2. COST OF SALES (Direct costs)		
Materials (with tax)	300,000	30.0%
Labor (field)	200,000	20.0%
Labor burden (field)	50,000	5.0%
Subcontractors	5,000	0.5%
Equipment	100,000	10.0%
Equipment rentals	2,000	0.2%
Miscellaneous direct job costs	1,000	0.1%
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TOTAL COST OF SALES (Total direct costs)	658,000	65.8%
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3. GROSS PROFIT MARGIN (GPM)	342,000	34.2%
4. GENERAL and ADMINISTRATIVE (G&A) OVERHEAD (Indirect) COSTS		
Advertising	10,000	1.0%
Bad debts	5,000	0.5%
Computers, software, digitizers, plotters, etc.	2,500	0.3%
Donations	500	0.1%
Downtime	5,000	0.5%
Downtime labor burden	1,250	0.1%
Dues and subscriptions	1,500	0.2%
Insurance (office staff and office)	12,000	1.2%
Interest and bank charges	3,500	0.4%
Licenses and related bonds	500	0.1%
Office equipment	1,200	0.1%
Office supplies	2,500	0.3%
Professional fees	5,500	0.6%
Cell phones	6,000	0.6%
Rent	18,000	1.8%
Salaries, office	60,000	6.0%
Salaries, officer(s)	60,000	6.0%
Salaries labor burden	14,400	1.4%
Small tools/supplies	2,500	0.3%
Taxes, business	0	0.0%
Telephone	2,400	0.2%
Training and education	3,000	0.3%
Travel and entertainment	2,500	0.3%
Uniforms and safety equipment	1,500	0.2%
Utilities	2,760	0.3%
Vehicles, overhead	18,720	1.9%
Yard expense and lease-hold improvements	1,000	0.1%
Miscellaneous	270	0.0%
Dumpster	6,000	0.6%
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TOTAL G&A OVERHEAD	250,000	25.0%
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5. NET PROFIT MARGIN	92,000	9.2%
6. OVER / UNDER BILLINGS	(10,000)	-1.0%
7. REVISED NET PROFIT MARGIN	82,000	8.2%