

Rock Castle Construction

# MONTHLY REPORT

**September 2023**



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## Monthly Report Purpose

# A visual understanding of data.

This monthly financial report provides business insights for Rock Castle Construction. Objective is to show the financial health and performance for September 2023 focusing on profitability, efficiency and liquidity.

It includes all the relevant information at your fingertips, offering the ability to visualize and analyze key financial data, uncover fresh insights, spot vital financial trends, identify strengths and weaknesses and improve communication throughout the organization.

The report also admits the fact that some analysis conducted has limitations because of the vast amounts of variables that may be related or unrelated to the business.

**P&L statement:** This indicates the revenue a business earned over a certain period of time and shows a business's profitability. It includes a net income equal to the revenues and gains minus the expenses and losses.

**Balance sheet:** This displays a business's financial status at the end of a certain time period. It offers an overview of a business's liabilities, assets, and shareholder equity.

**Cash flow statement:** Details a business's cash flows during certain time periods and indicates if a business made or lost cash during that period of time.

## Takeaways

September 2023: Net Profit was \$7.2k.

September 2023: Bank Accounts were \$40.9k.

September 2023: Net Cash Increase For Period was -\$14k.

September 2023: Net Assets were \$177.6k.

September 2023: Gross Profit Margin was 69%.

September 2023: Current Ratio was 1.67.

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# Profitability Trends

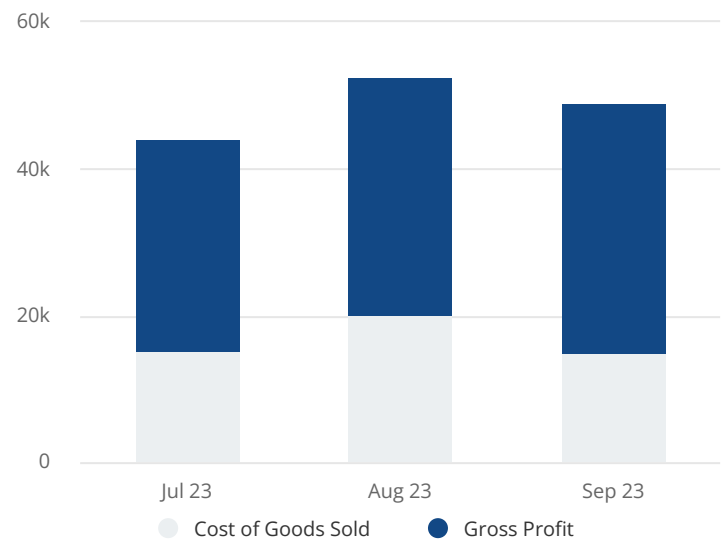
Gross Profit Margin shows the profit left after covering costs of providing core business operations. It is a share of Gross Profit in Total Income. A good Gross Profit Margin is high enough to cover overhead and leave a reasonable Net Profit.

Net Profit Margin shows the profit earned per dollar of income. A 10% Net Profit Margin is considered an excellent ratio. If your company has a low Net Profit Margin you are making very little profit after all costs. That implies the revenue is getting eaten up by expenses. It also increases the risk your firm will be unable to meet obligations. With a low margin, a sudden dip in sales over the next month or year could turn your company unprofitable. A high margin indicates your company has solid competitive advantages.

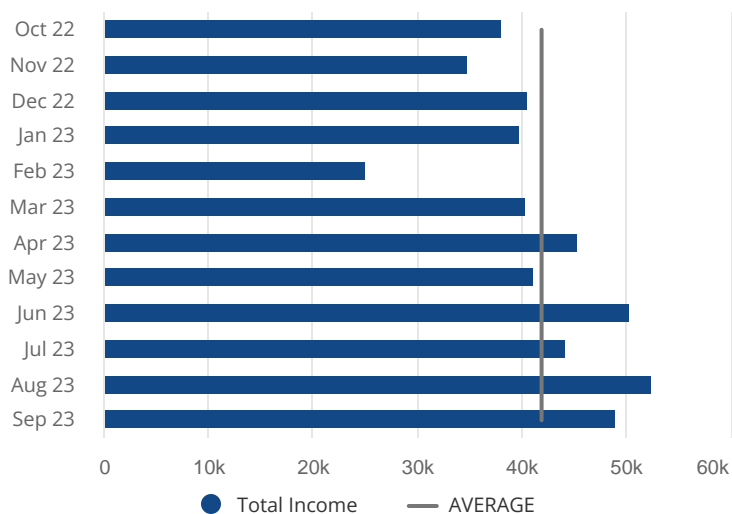
## Actuals vs. 12 Month Average

	Sep 23	12 MO AVE	+/- Ave mo	+/- Ave mo
Income	49,014	41,845	7,169	17% ▲
- Cost of Goods Sold	15,105	14,929	176	1% ▲
Gross Profit	33,909	26,916	6,992	26% ▲
- Total Expense	26,764	21,295	5,468	26% ▲
Net Operating Income	7,145	5,621	1,524	27% ▲
+ Total Other Income	74	26	49	190% ▲
- Total Other Expense				
Net Profit	7,219	5,647	1,573	28% ▲
Net Profit Margin	15%			

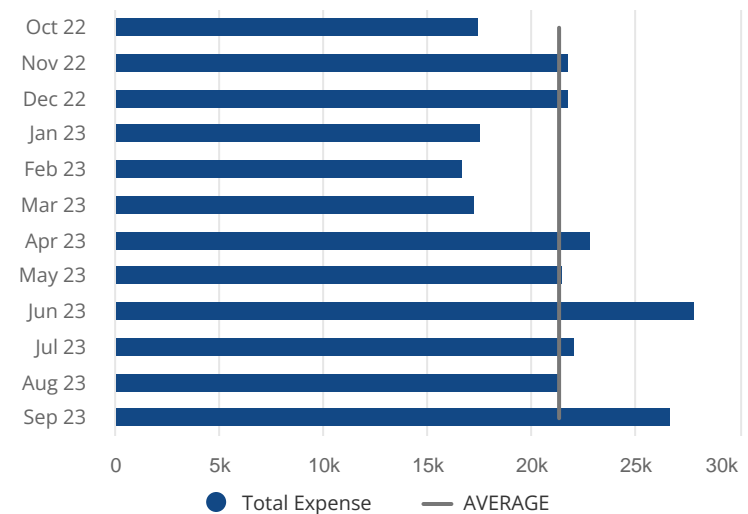
## Total Income Breakdown



## Total Income



## Total Expense



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# Profit & Loss

The profit and loss (P&L) summarizes the revenues, costs, and expenses incurred through January 2023 - September 2023. The P&L statement is synonymous with the income statement. These records provide information about Rock Castle Construction's ability or inability to generate profit by increasing revenue, reducing costs, or both.

## Net Profit \$7.2k

↓ September 2023: Net Profit was \$3.8k lower than August 2023.

## 69%

Gross Profit Margin

## 15%

Net Profit Margin

Total Income

## \$49k

↓ September 2023: Income was \$3.5k lower than August 2023.

Total Cost of Goods Sold

## \$15.1k

↓ September 2023: Cost of Goods Sold was \$5k lower than August 2023.

Gross Profit

## \$33.9k

↑ September 2023: Gross Profit was \$1.5k higher than August 2023.

Total Expense

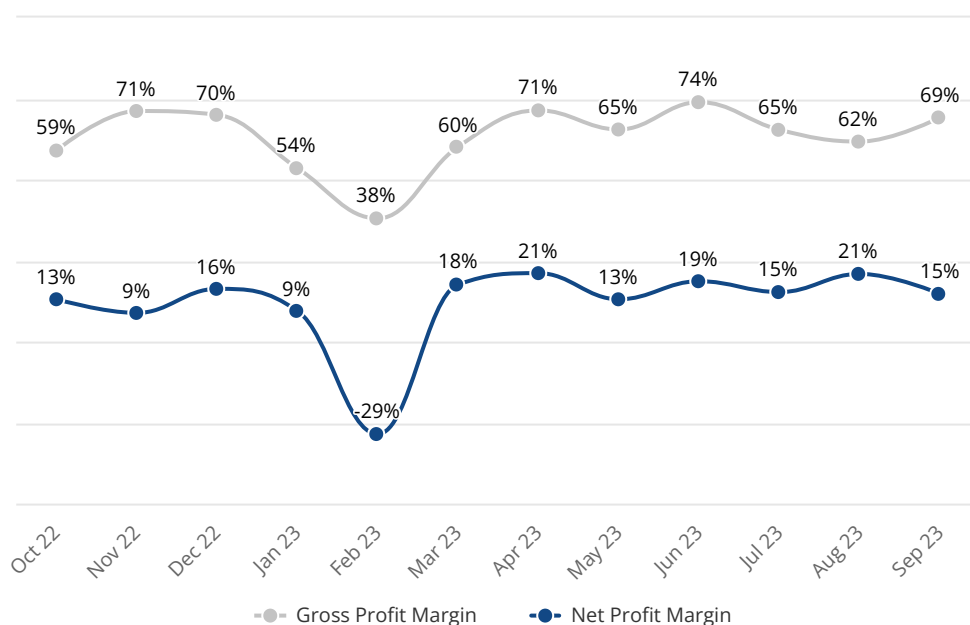
## \$26.8k

↑ September 2023: Total Expense was \$5.3k higher than August 2023.

### Profit & Loss - Overview

	Sep 23	Aug 23	CHANGE
Income	49,014	52,517	▼ -3,503
Cost of Goods Sold	15,105	20,098	▼ -4,992
Gross Profit	33,909	32,420	▲ 1,489
Total Expense	26,764	21,443	▲ 5,321
Net Operating Income	7,145	10,977	▼ -3,832
Total Other Income	74	0	▲ 74
Total Other Expense	0	0	0
<b>Net Profit</b>	<b>7,219</b>	<b>10,977</b>	<b>▼ -3,757</b>

### Profit Margins



# Assets & Liabilities

Rock Castle Construction should be aware of assets and liabilities. This knowledge is imperative for accounting records as well as developing business plans, especially when applying for a business loan or line of credit. Knowing your assets and liabilities is valuable knowledge.

## Assets

### \$775.8k



September 2023: Assets were \$8.4k lower than August 2023.

## Liabilities

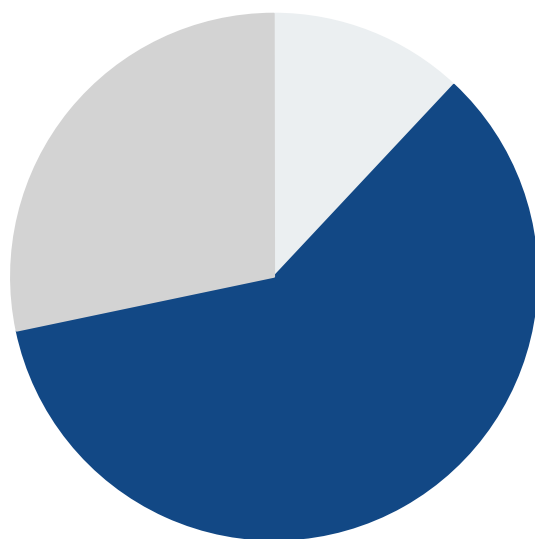
### \$598.2k



September 2023: Liabilities were \$15.6k lower than August 2023.

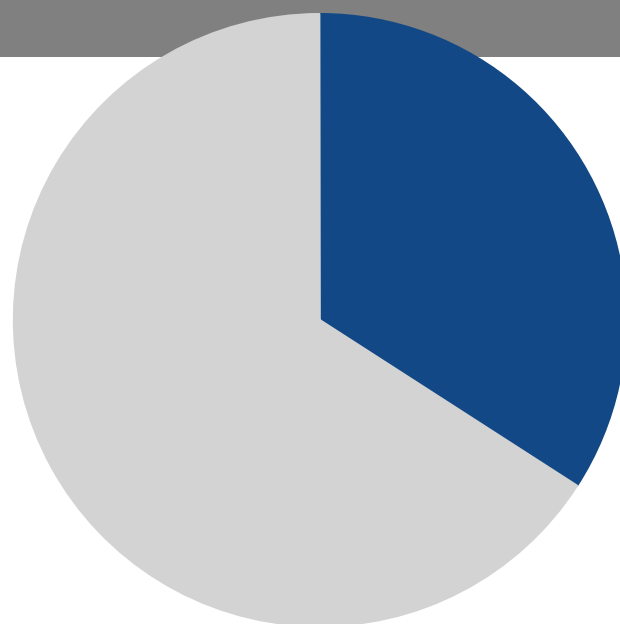
## Balance Sheet Overview

	Jan 23 - Sep 23
<b>Assets</b>	<b>775,784</b>
Current Assets	340,846
Fixed Assets	433,218
Other Assets	1,720
<b>Liabilities and Equity</b>	<b>775,784</b>
Liabilities	598,184
Equity	177,600



### Current Assets

- Bank Accounts 40.9k (12.0%)
- Accounts Receivable 203.5k (59.7%)
- Other Current Assets 96.4k (28.3%)



### Liabilities

- Current Liabilities 204k (34.1%)
- Long-Term Liabilities 394.2k (65.9%)

There are two types of assets: current and fixed assets. Current assets can be quickly converted into cash. They include cash, accounts receivable, and inventory. The more current assets a small business has, the better, as this means they can survive longer without borrowing money. Fixed assets are physical items that last over a year and have financial value to a company, such as computers, equipment, and tools.


Liabilities represent financial obligations of the company. They show indebtedness and are grouped based on their liquidity. Current Liabilities are those due in the current year and they represent money owed for operating expenses. Long-Term Liabilities represent debt that will not be due for at least a year.

# Cash Management

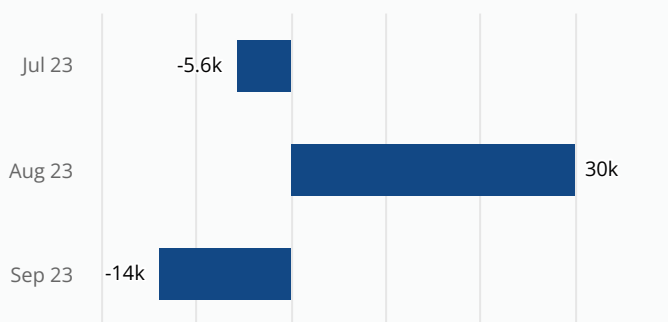
The cash management report provides you with a quick overview of Rock Castle Construction's liquidity and current cash flow situation which is critical to keep finances flowing across the organization.

## \$40.9k

### Bank Accounts

 SEPTEMBER 2023: Bank Accounts (\$40.9k) were 25% lower (-\$14k) than August 2023 (\$54.8k).

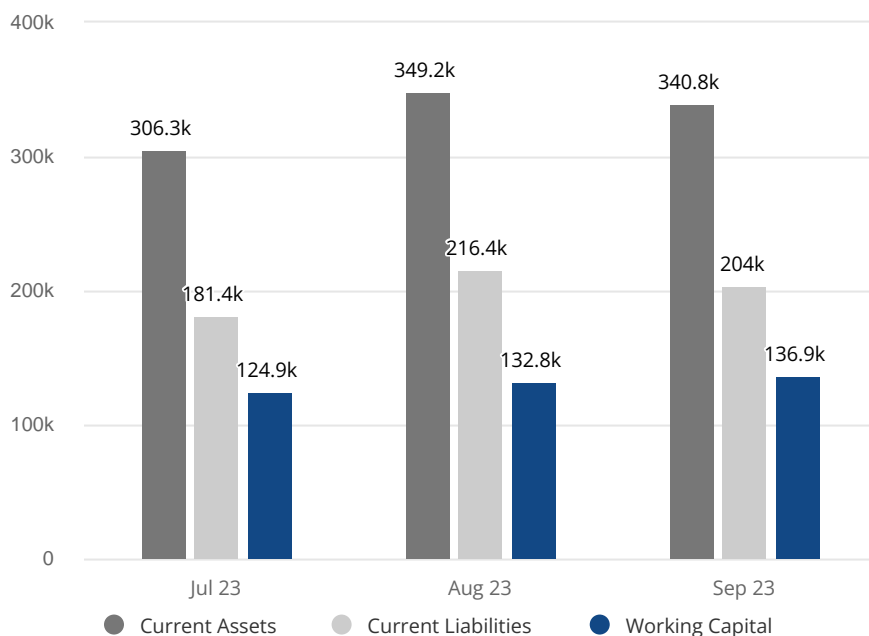
#### Net Cash Increase For Period



#### Current Ratio

	Sep 23
Current Assets	\$340,846
Current Liabilities	\$203,964
Current Ratio	▲ 1.67


A strong current ratio, depending on the industry, is between 1.2 and 2. Anything below 1 is problematic as this means that the company does not have enough current/liquid assets to cover all of their current liabilities.



#### Working Capital

Working capital is the money used to cover all of a company's short-term expenses, including inventory, payments on short-term debt, and day-to-day expenses—called operating expenses. Working capital is critical since it is used to keep a business operating smoothly and meet all its financial obligations within the coming year.

## \$136.9k

 September 2023: Working Capital was \$4.1k higher than August 2023.

# Financial Performance

An overview of how efficiently Rock Castle Construction is spending capital while providing a snapshot of the main metrics on Rock Castle Construction's balance sheet.

## Accounts Receivable

# \$203.5k



September 2023: Accounts Receivable were \$7.2k higher than August 2023.

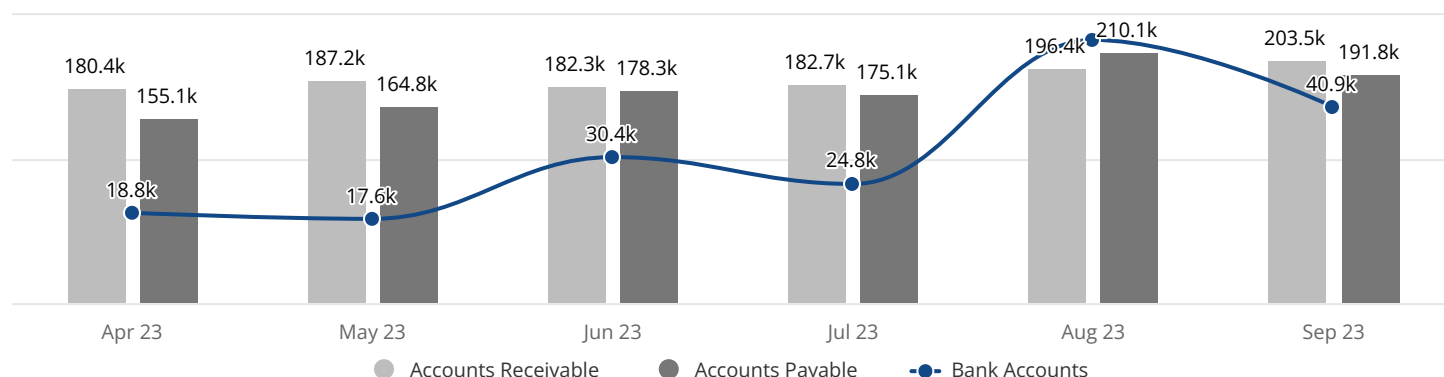
## Accounts Payable

# \$191.8k



September 2023: Accounts Payable were \$18.2k lower than August 2023.

## Accounts Receivable/ Accounts Payable and Bank Accounts



## Return on Assets (ROA)

The Return on Assets (ROA) percentage indicates how well your business manages its balance sheet to generate profits. Looking at your ROA and comparing it to others can help you improve future business performance (e.g., increasing profits)

	Sep 23	Jan 23 - Sep 23
Assets	775,784	775,784
Net Profit	7,219	53,070
<b>ROA</b>	<b>1%</b>	<b>7%</b>

## Return on Equity (ROE)

Because shareholders' equity is equal to a company's assets minus its debt, ROE is considered the return on net assets. ROE percentage indicates how efficient Rock Castle Construction is at generating growth from its Equity.

	Sep 23	Jan 23 - Sep 23
Equity	177,600	177,600
Net Profit	7,219	53,070
<b>ROE</b>	<b>4%</b>	<b>30%</b>

## Debt to Equity

Debt to Equity Ratio measures the share of total liabilities in the shareholder equity and is used to evaluate a company's financial leverage. A ratio of 2 means a company relies twice as much on debt to drive growth than it does on equity, and that creditors, therefore, own two-thirds of the company's assets.

	Sep 23	Aug 23
Equity	177,600	170,381
Liabilities	598,184	613,774
<b>Debt to Equity</b>	<b>3.37</b>	<b>3.60</b>

# Profit and Loss

## Rock Castle Construction

	Sep 23	% Income	+/-	% +/-	Aug 23	% Income
Income						
Construction Income						
Design Income	3,303	7%	-597	-15%	3,900	7%
<b>Total Design Income</b>	<b>3,303</b>	<b>7%</b>	<b>-597</b>	<b>-15%</b>	<b>3,900</b>	<b>7%</b>
Labor Income	21,844	45%	-5,283	-19%	27,127	52%
Less Discounts given			48	100%	-48	0%
Materials Income	4,427	9%	-8,893	-67%	13,319	25%
Subcontracted Labor Income	19,440	40%	11,810	155%	7,630	15%
<b>Total Construction Income</b>	<b>49,014</b>	<b>100%</b>	<b>-2,914</b>	<b>-6%</b>	<b>51,928</b>	<b>99%</b>
Reimbursement Income						
Permit Reimbursement Income			-487	-100%	487	1%
Reimbursed Freight & Delivery			-102	-100%	102	0%
<b>Total Reimbursement Income</b>			<b>-589</b>	<b>-100%</b>	<b>589</b>	<b>1%</b>
<b>Total Income</b>	<b>49,014</b>	<b>100%</b>	<b>-3,503</b>	<b>-7%</b>	<b>52,517</b>	<b>100%</b>
Cost of Goods Sold						
Cost of Goods Sold	1,181	2%	1,181			
Job Expenses						
Freight & Delivery	150	0%	118	362%	33	0%
Job Materials	9,052	18%	-4,119	-31%	13,171	25%
Less Discounts Taken			86	100%	-86	0%
Subcontractors	4,722	10%	-2,258	-32%	6,980	13%
<b>Total Job Expenses</b>	<b>13,924</b>	<b>28%</b>	<b>-6,173</b>	<b>-31%</b>	<b>20,098</b>	<b>38%</b>
<b>Total Cost of Goods Sold</b>	<b>15,105</b>	<b>31%</b>	<b>-4,992</b>	<b>-25%</b>	<b>20,098</b>	<b>38%</b>
Gross Profit	33,909	69%	1,489	5%	32,420	62%
Expense						
Automobile						
Fuel	172	0%	10	6%	162	0%
Repairs and Maintenance	201	0%	-4	-2%	205	0%
<b>Total Automobile</b>	<b>373</b>	<b>1%</b>	<b>6</b>	<b>2%</b>	<b>367</b>	<b>1%</b>
Bank Service Charges	13	0%			13	0%
Insurance						
Disability Insurance	50	0%			50	0%
Liability Insurance	648	1%	149	30%	499	1%
Work Comp	1,076	2%	-5	0%	1,081	2%
<b>Total Insurance</b>	<b>1,773</b>	<b>4%</b>	<b>144</b>	<b>9%</b>	<b>1,630</b>	<b>3%</b>
Interest Expense						
Loan Interest	114	0%	-20	-15%	134	0%
<b>Total Interest Expense</b>	<b>114</b>	<b>0%</b>	<b>-20</b>	<b>-15%</b>	<b>134</b>	<b>0%</b>
Payroll Expenses						
Gross Wages	8,312	17%	-144	-2%	8,456	16%
Payroll Taxes	636	1%	-11	-2%	647	1%
<b>Total Payroll Expenses</b>	<b>8,948</b>	<b>18%</b>	<b>-155</b>	<b>-2%</b>	<b>9,103</b>	<b>17%</b>
Rent	15,000	31%	5,000	50%	10,000	19%
Repairs						
Equipment Repairs	450	1%	450			
<b>Total Repairs</b>	<b>450</b>	<b>1%</b>	<b>450</b>			

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# Profit and Loss

## Rock Castle Construction

	Sep 23	% Income	+/-	% +/-	Aug 23	% Income
Utilities						
Gas and Electric			-123	-100%	123	0%
Telephone	68	0%	19	38%	49	0%
Water	24	0%			24	0%
<b>Total Utilities</b>	<b>92</b>	<b>0%</b>	<b>-104</b>	<b>-53%</b>	<b>196</b>	<b>0%</b>
<b>Total Expense</b>	<b>26,764</b>	<b>55%</b>	<b>5,321</b>	<b>25%</b>	<b>21,443</b>	<b>41%</b>
Net Operating Income	7,145	15%	-3,832	-35%	10,977	21%
Other Income						
Interest Income	69	0%	69			
Other Income	5	0%	5			
<b>Total Other Income</b>	<b>74</b>	<b>0%</b>	<b>74</b>			
Other Expense						
<b>Total Other Expense</b>						
Net Profit	7,219	15%	-3,757	-34%	10,977	21%

# Balance Sheet

## Rock Castle Construction

	Sep 23	+/-	% +/-	Aug 23
Assets				
Current Assets				
Bank Accounts				
Checking	24,251	-14,044	-37%	38,295
Petty Cash	500			500
Savings	16,110	69	0%	16,041
<b>Total Bank Accounts</b>	<b>40,861</b>	<b>-13,975</b>	<b>-25%</b>	<b>54,836</b>
Accounts Receivable				
Accounts Receivable	203,539	7,167	4%	196,372
<b>Total Accounts Receivable</b>	<b>203,539</b>	<b>7,167</b>	<b>4%</b>	<b>196,372</b>
Other Current Assets				
Employee Advances	770			770
Inventory Asset	23,259	-590	-2%	23,850
<b>Total Inventory Asset</b>	<b>23,259</b>	<b>-590</b>	<b>-2%</b>	<b>23,850</b>
Pre- paid Insurance	1,430	-973	-40%	2,402
Retainage Receivable	1,797			1,797
Undeposited Funds	69,190			69,190
<b>Total Other Current Assets</b>	<b>96,445</b>	<b>-1,563</b>	<b>-2%</b>	<b>98,008</b>
<b>Total Current Assets</b>	<b>340,846</b>	<b>-8,371</b>	<b>-2%</b>	<b>349,216</b>
Fixed Assets				
Accumulated Depreciation	-110,345			-110,345
Buildings and Improvements	325,000			325,000
Construction Equipment	15,300			15,300
Furniture and Equipment	34,326			34,326
Land	90,000			90,000
Vehicles	78,937			78,937
<b>Total Vehicles</b>	<b>78,937</b>			<b>78,937</b>
<b>Total Fixed Assets</b>	<b>433,218</b>			<b>433,218</b>
Other Assets				
Security Deposits	1,720			1,720
<b>Total Other Assets</b>	<b>1,720</b>			<b>1,720</b>
<b>Total Assets</b>	<b>775,784</b>	<b>-8,371</b>	<b>-1%</b>	<b>784,155</b>
Liabilities and Equity				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	191,849	-18,238	-9%	210,087
<b>Total Accounts Payable</b>	<b>191,849</b>	<b>-18,238</b>	<b>-9%</b>	<b>210,087</b>
Credit Card				
CalOil Credit Card	6,534	6,534		
<b>Total Credit Card</b>	<b>6,534</b>	<b>6,534</b>		
Other Current Liabilities				
Payroll Liabilities				
Emp. Health Ins Payable	125			125
FICA Payable	1,272	-22	-2%	1,294
Federal Withholding	820	-29	-3%	849

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# Balance Sheet

## Rock Castle Construction

	Sep 23	+/-	% +/-	Aug 23
State Disability Payable	98	-2	-2%	100
State Withholding	185	-10	-5%	195
Worker's Compensation	801	-5	-1%	806
<b>Total Payroll Liabilities</b>	<b>3,301</b>	<b>-68</b>	<b>-2%</b>	<b>3,369</b>
Sales Tax Payable	2,281	-689	-23%	2,970
<b>Total Other Current Liabilities</b>	<b>5,581</b>	<b>-757</b>	<b>-12%</b>	<b>6,338</b>
<b>Total Current Liabilities</b>	<b>203,964</b>	<b>-12,461</b>	<b>-6%</b>	<b>216,425</b>
Long- Term Liabilities				
Loan - Construction Equipment	14,343			14,343
Loan - Furniture/Office Equip	21,000			21,000
Loan - Vehicles (Pickup Truck)	22,641			22,641
Loan - Vehicles (Utility Truck)	19,937			19,937
Loan - Vehicles (Van)	11,988	-489	-4%	12,477
Mortgage - Office Building	296,283			296,283
Note Payable - Bank of Anycity	8,027	-2,641	-25%	10,668
<b>Total Long- Term Liabilities</b>	<b>394,219</b>	<b>-3,130</b>	<b>-1%</b>	<b>397,349</b>
<b>Total Liabilities</b>	<b>598,184</b>	<b>-15,590</b>	<b>-3%</b>	<b>613,774</b>
Equity				
Capital Stock	500			500
Net Income	53,070	7,219	16%	45,850
Opening Bal Equity	38,774			38,774
Retained Earnings	85,257			85,257
<b>Total Equity</b>	<b>177,600</b>	<b>7,219</b>	<b>4%</b>	<b>170,381</b>
<b>Total Liabilities and Equity</b>	<b>775,784</b>	<b>-8,371</b>	<b>-1%</b>	<b>784,155</b>

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# Cash Flow Statement

## Rock Castle Construction

	Sep 23	+/-	%+/-	Aug 23
Operating Activities				
Net Income	7,219	-3,757	-34%	10,977
Adjustments to Net Income				
Accounts Payable	-18,238	-53,190	-152%	34,953
Accounts Receivable	-7,167	6,554	48%	-13,721
CalOil Credit Card	6,534	6,534		
Inventory Asset	590	590		
Payroll Liabilities:FICA Payable	-22	-30	-397%	7
Payroll Liabilities:Federal Withholding	-29	-38	-422%	9
Payroll Liabilities:State Disability Payable	-2	-2	-391%	1
Payroll Liabilities:State Withholding	-10	-14	-400%	3
Payroll Liabilities:Worker's Compensation	-5	-7	-401%	2
Pre- paid Insurance	973	149	18%	824
Sales Tax Payable	-689	-748	-1279%	58
<b>Total Adjustments to Net Income</b>	<b>-18,064</b>	<b>-40,201</b>	<b>-182%</b>	<b>22,136</b>
<b>Total Operating Activities</b>	<b>-10,845</b>	<b>-43,958</b>	<b>-133%</b>	<b>33,113</b>
Investing Activities				
<b>Total Investing Activities</b>				
Financing Activities				
Loan - Vehicles (Van)	-489	-3	-1%	-486
Note Payable - Bank of Anycity	-2,641	-17	-1%	-2,623
<b>Total Financing Activities</b>	<b>-3,130</b>	<b>-20</b>	<b>-1%</b>	<b>-3,110</b>
Net Cash Increase For Period	-13,975	-43,978	-147%	30,003

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