

Financial Statements

Balance Sheet: Indicates Financial Condition. What you owe, what you own, equity.

Income Statement: Financial results and ability to generate income. Revenue - Direct Costs, Gross Profit - SG&A, Operating Income - Other income & expenses - taxes = Net Income

Important Equations

$Assets = Liabilities + Equity$

$Working\ Capital = Current\ Assets - Current\ Liabilities$

$Current\ Ratio = Current\ Assets / Current\ Liabilities$

$Cost\ in\ Excess\ to\ Equity = Underbillings / Equity$

$Backlog\ to\ Working\ Capital = Backlog / Working\ Capital$

$Equity\ to\ Backlog = Equity / Backlog$

$Forecast\ Fade = Revised\ Forecast\ Profit - Original\ Estimate\ Profit$

$Percent\ Complete = Cost\ to\ Date / Forecast\ Cost$

$Earned\ Revenue = \% \ Complete \times Revised\ Forecast\ Revenue$

$Over/Underbilling = Actual\ Billed - Earned\ Revenue$ (Positive number indicates overbilling, negative indicates underbilling)

$Backlog: \ Balance\ to\ Bill = Revised\ Forecast\ Revenue - Billed\ to\ Date$

$Backlog: \ Cost\ to\ Complete = Revised\ Forecast\ Cost - Cost\ Incurred\ to\ Date$

$Backlog: \ Unearned\ Revenue = Revised\ Forecast\ Revenue - Revenue\ Earned\ to\ Date$

$Backlog: \ Unearned\ Profit = Revised\ Forecast\ Profit - Profit\ Earned\ to\ Date$

Financial Statement Elements

1. Assets	6. Revenue
2. Liabilities	7. Expenses
3. Capital/Equity	8. Gains
4. Investments by Owner	9. Losses
5. Distributions to Owner	10. Comprehensive Income

