ABC LLC (the "Company") Registered in the State of Florida

Financial Statements (unaudited) and
Independent Accountant's Review Report

For the Year Ended December 31, 20XX

Executive Overview

The accompanying sample financial statements of ABC LLC are for educational purposes only. This sample is of a fictional nonpublic, closely-held construction company which provides its financial statements to its stockholders, bankers, insurance company, surety, and project owners for prequalification purposes.

The sample financial statements of ABC LLC are provided to you by Tafe LLC. We are registered Florida CPA Firm that provides nationwide service.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management
Address

We have reviewed the accompanied financial statements of ABC LLC, which comprise the balance sheet as of December 31, 20XX and the related statements of income and cash flows for the year then ended, and the related notes. A review includes primarily applying analytical procedures to management's financial data and making inquiries. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of ABC LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting (under Revenue and Cost Recognition). The financial statements are prepared in accordance with the accrual methods of accounting. Operating revenues are recognized by the percentage-of-completion method, measured by the percentage of total costs incurred to date to estimated total costs for each contract.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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Supplementary Information

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The other data accompanying the financial statements is presented only for supplementary analysis purposes. This information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements and, we are not aware of any material modifications that should be made to that information.

[Lead CPA's Signature]

CPA Firm Name
CPA Firm #
Lead's CPA Name
Miami, FL
Report Date

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ABC LLC
Balance Sheet
For the Year Ended December 31, 20XX

ASSETS	
Current Assets	
Checking/Savings	288,837.10
Accounts Receivable	207,944.50
Costs and estimated earnings in excess of billings on uncompleted contracts	279,972.57
Other Current Assets	17,500.00
Total Current Assets	794,254.17
Fixed Assets	
Furniture and Equipment	9,276.46
Leasehold Improvement	35,227.80
Vehicles	334,482.06
Less: Accumulated Depreciation	(102,439.38)
Total Fixed Assets	276,546.94
TOTAL ASSETS	**1,070,801.11**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	76,782.28
Billings in excess of costs and estimated earnings on uncompleted contracts	681,312.63
Payroll Liabilities	9,896.81
Vehicle Loans -Current	28,365.53
Credit Cards	62,701.91
Total Current Liabilities	859,059.16
Long Term Liabilities	
Vehicle Loans - Noncurrent	108,886.83
Total Liabilities	967,945.99
Equity	
Owner's Contribution	(475,335.19)
Retained Earnings	578,190.31
Total Equity	102,855.12
TOTAL LIABILITIES & EQUITY	**1,070,801.11**

See Accompany Notes

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ABC LLC
Statement of Income
For the Year Ended December 31, 20XX

OPERATING REVENUE		
	Contracted Revenue	4,121,582.91
	Other Construction Income	273,848.73
		4,395,431.64
COST OF GOODS SOLD		3,865,986.29
GROSS PROFIT		529,445.35
GENERAL AND ADMINISTRATIVE EXPENSES		
	Insurance Expense	73,296.61
	Payroll Expenses	238,086.53
	Professional Services	39,957.56
	Rent Expense	33,203.74
	Travel	16,772.94
	Utilities	12,920.41
	Other Operating Expenses	14,601.01
Operating Expenses		428,838.80
Other Operating Income		23,741.69
EARNING BEFORE DEPRECIATION & INTEREST		124,348.24
Less:	**Depreciation Expense**	66,103.56
	Interest Expense	13,207.21
NET PROFIT		**45,037.47**

See Accompany Notes

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ABC LLC
Statement of Cash Flow
For the Year Ended December 31, 20XX

OPERATING ACTIVITIES	
Net Income	45,037.47
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Depreciation	66,103.56
(Increase)/Decrease in:	
Accounts Receivable	93,689.68
Costs and estimated earnings in excess	
of billings on uncompleted contracts	(279,972.57)
Loan Receivable - Antonio	(17,500.00)
Increase/(Decrease)	
Billings in excess of costs and estimated	
earnings on uncompleted contracts	541,373.63
Credit Card	39,345.05
Payroll Liabilities	1,797.92
Vehicle Loans	6,674.75
Net cash provided by Operating Activities	496,549.49
INVESTING ACTIVITIES	
Vehicles	(69,583.47)
Leasehold Improvements	(35,227.80)
Net cash provided by Investing Activities	(104,811.27)
FINANCING ACTIVITIES	
Vehicle Loans	(10,521.54)
Owner's Distribution	(127,339.88)
Net cash provided by Financing Activities	(137,861.42)
Net cash increase for period	253,876.80
Cash at beginning of period	34,960.30
	288,837.10

See Accompany Notes

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ABC LLC
Notes of Financial Statements (Unaudited)
For the Year Ended December 31, 20XX

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

ABC, LLC was formed in the State of Florida on January 1, 2019. The Company operates as a commercial construction company.

Revenue and Cost Recognition

The Company has elected to prepare financial statements on the accrual method of accounting. Revenues are recognized on the percentage-of-completion method, measured by the percentage of total costs incurred to date to estimated total costs for each contract. This method is used because management considers expended costs to be the best available measure of progress on these contracts.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. General and administrative expenses are expensed as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Accounts Receivable

ABC LLC estimates the allowance based on its historical experience of the relationship between actual bad debts and net credit sales and the specific review of significant account balances that remain outstanding beyond the normal credit terms. Management charges off receivables when they are contractually past due, and it is probable that they will not be collected.

Fixed Assets

Fixed Assets are carried at cost and include expenditures for improvements and betterments which substantially increase the useful lives of existing property and equipment. Maintenance, repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed of, the related cost

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

and accumulated depreciation are removed from the respective accounts and any profit or loss is credited or charged to income.

The Company provides rates designed to expense the cost of such fixed assets over their estimated useful lives. Depreciation is computed on the straight-line method.

	Estimated Useful Life in Years
Furniture and Fixtures	5
Vehicles	5
Leasehold Improvement	5

Income Taxes

The Company is a pass-through entity therefore any income tax expense or benefit is the responsibility of the company's owners. As such, no provision for income tax is recognized on the Statement of Operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Due to uncertainties in the process of estimating the progress toward completion on uncompleted jobs, it is at least reasonably possible that gross profit on those jobs will be revised in the near-term, and those revisions may be material.

NOTE B – RELATED PARTY TRANSACTIONS

The Company follows ASC 850, "Related Party Disclosures," for the identification of related parties and disclosure of related party transactions. No transactions require disclosure.

NOTE C – CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS

The Company is pending a litigation ruling against a client, EFG LLC, for non-payment of contractual service. The amount owed is $100,000, not including interest, attorney's fees, and costs. In addition, the Company is currently complying with all relevant laws and regulations.

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NOTE D – EQUITY

The Company is a multi-member LLC and operates on Membership Interest.

NOTE G – BACKLOG

The following schedule shows a reconciliation of backlog representing signed contracts in existence December 31, 20XX

Backlog balance at January 1, 20XX	$ 9,002,605
New contracts and contract adjustments during the year	8,358,020
	17,360,625
Contract revenue earned during the year	(4,189,517)
Balance, end of year	**13,171,108**

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SUPPLEMENTARY INFORMATION

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ABC LLC
EARNINGS FROM CONTRACTS
For the Year Ended December 31, 20XX

	Earned Revenue	Cost of Revenue	Gross Profit
Completed Contracts	703,478	698,381	5,097
Contracts in Progess	2,986,039	2,337,579	648,460
	$ 3,689,517	$ 3,035,960	$ 653,558

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ABC LLC
CONTRACTS COMPLETED
For the Year Ended December 31, 20XX

	Contract Total			Before December 31, 20XX			Year Ended December 31, 20XX		
	Revenue Earned	Cost of Revenues	Gross Profit	Revenue Earned	Cost of Revenues	Gross Profit	Revenue Earned	Cost of Revenues	Gross Profit
Project A	155,200	149,534	5,666	-	-	-	155,200	149,534	5,666
Project B	383,757	270,916	112,841	90,159	77,484	12,675	293,598	193,432	100,166
Project C	234,949	181,660	53,289	87,500	56,150	31,350	147,449	125,509	21,940
Project D	60,850	196,938	(136,088)	-	50,662	(50,662)	60,850	146,275	(85,425)
Project E	108,661	162,274	(53,613)	62,280	78,644	(16,364)	46,381	83,631	(37,250)
	943,417	961,321	(17,904)	239,939	262,940	(23,001)	703,478	698,381	5,097

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ABC LLC
CONTRACTS IN PROGRESS
For the Year Ended December 31, 20XX

	Total Contracts		From Inception to Contract				At December 31, 20XX		Period Ended	Ended December 31, 20XX	
	Revenue	Estimated Gross Profit	Revenues Earned	Gross Profit Recognized to Date	Billed to Date	Estimated Costs to Complete	Costs and Estimated Earnings in Excess of Billings	Billings in Excess of Costs and Estimated Earnings	Revenues Earned	Cost of Revenues	Gross Profit Recognized
Project F	7,549,040	1,574,555	2,986,039	641,718	3,077,759	3,630,164	100,425	192,144	2,486,039	2,337,579	648,460
	7,549,040	1,574,555	2,986,039	641,718	3,077,759	3,630,164	100,425	192,144	2,486,039	2,337,579	648,460

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