Family First Advisors

Finance Health Check

Demo Construction Co. — a diagnostic of the books, job costing, cash, and finance systems of a construction company, with a prioritized 90-day plan.

SAMPLE REPORT · FICTIONAL COMPANY · ILLUSTRATIVE NUMBERS

Prepared for

Demo Construction Co. (fictional)

Same company and numbers as the live Command Center demo

Data as of

October month-end

4 jobs · $14.65M total contract value

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EXECUTIVE SUMMARY

A profitable month and a fast close — with cash that is thinner than it looks.

October came in ahead of budget and the books now close in 6 days. The pressure is underneath: the jobs are billed $186K ahead of the work, one large job has faded, and cash dips below the $500K floor in weeks 6–7.

$1.18M	+6.3%	14.6%	$1.42M	48 days
October revenue	vs. budget	Gross margin	Cash	DSO



ROOM TO IMPROVE

What the 58 means

The score rolls up our checks across four areas: books & close, job costing & WIP, cash & AR/AP, and systems & staff. It matches the live Command Center demo.

The close is a strength. Points are lost mainly on job-level billing, margin fade, and a cash forecast that depends on retainage timing.

Top 5 findings

1 **Net over-billed $186K across the jobs.** — High

Net, the jobs have been billed $186K ahead of work performed. Cash collected on those bills is owed back in labor and materials, so it should be treated as spoken for.

2 **Carmel School Renovation has faded from 15.0% to 13.0%.** — High

On a $2.8M contract at 80% complete, estimated profit is now $364K — about $56K less than bid. The job is also under-billed $135K: work done, not yet invoiced.

3 **Cash falls below the $500K floor in weeks 6–7.** — High

The 13-week forecast bottoms at $462K in week 6 and recovers in week 8 only when two retainage releases land.

4 **$1.84M is tied up in receivables.** — Medium

AR is $1.84M against $640K of AP, with DSO at 48 days. Collection timing, more than profit, shapes the cash forecast.

5 **$34,440/yr of savings identified; $35K–$50K/yr estimated.** — Medium

Four specific items found so far. The full estimate is a range built on written assumptions (Section 5) — not a promise.

SECTION 1

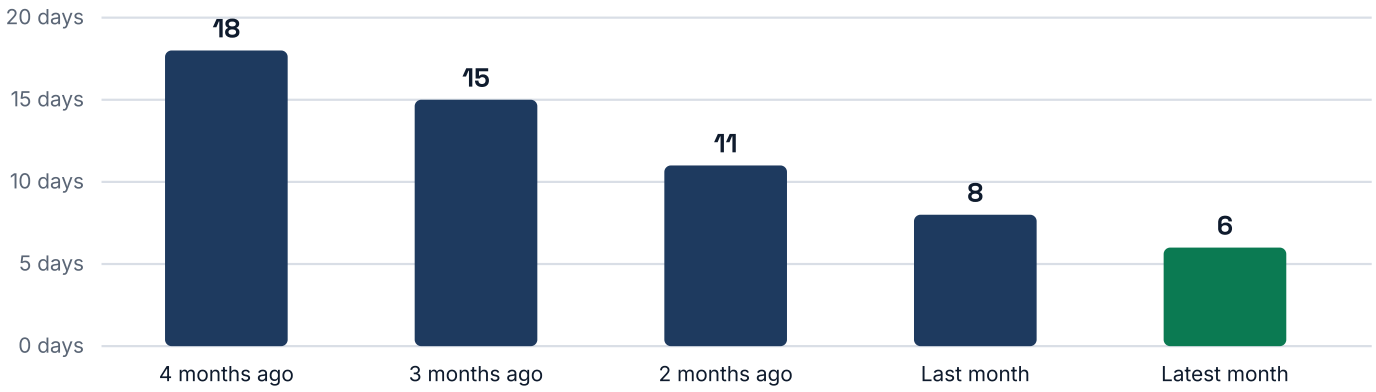
Books & close

6 days
LATEST CLOSE

A close is "done" when the owner can trust the P&L by job. Over the last five months, days to close fell from 18 to 6. That is the strongest area in this report.

18 → 6	−12 days	4 of 4	14.6%
Days to close, 5 months ago vs. latest	Faster numbers each month	Month-over-month changes were improvements	October gross margin

Days to close — last 5 months



Days after month-end until the P&L, balance sheet, and job report are final. "4 of 4" compares each month with the one before it.

What we check to keep it there

Check	What good looks like	Why it matters
Uncategorized transactions	Zero items in Uncategorized Income / Expense at close; bank rules handle recurring vendors.	Uncoded costs hide job overruns.
Bank & card reconciliations	Every account reconciled through the latest month-end before the close is called done.	Stale recs let errors and duplicates sit.
Close checklist & calendar	Written steps, owners, and due dates; the same order every month.	A 6-day close only lasts if it doesn't depend on one person's memory.
Job cost coding	Every direct cost coded to a job and cost code before WIP is run.	WIP is only as good as the coding.

What this means: the hard part is done. The goal now is to hold 6 days with a written checklist, so the close survives vacations and busy months.

SECTION 2

Job costing & WIP

$186K
NET OVER-BILLED

Four jobs, $14.65M of total contract value, and $6.695M still to build. On a net basis the company has billed $186K more than it has earned.

$14.65M
Total contract value (4 jobs)

$6.695M
Backlog — contract still to earn

$7.955M
Earned to date *(derived: TCV − backlog)*

$186K
Net over-billed (a liability)

Work-in-progress — jobs

Job	Contract	% complete	Est. profit	Margin (bid → now)	Over / (under) billed
Route 6 Medical Office			Job detail: see live demo		
Carmel School Renovation	$2,800,000	80%	$364,000	15.0% → 13.0%	**($135,000)**
Brewster Warehouse			Job detail: see live demo		
Lake Mahopac Retail			Job detail: see live demo		
Total — 4 jobs	**$14,650,000**				**$186,000**

This sample shows only Carmel School Renovation at job level. Net over-billed $186K is the portfolio total; with Carmel under-billed $135K, the other three jobs together are over-billed about $321K *(derived: $186K + $135K)*.

Reading over-billing

Over-billing isn't bad by itself — it funds the work. But it is a liability: the customer has been billed for work not yet done. Cash collected on those bills will be spent finishing those jobs.

Treating it as free cash is how a profitable contractor runs short.

Reading under-billing

Under-billing is the reverse: work done and paid for, but not invoiced. Carmel's $135K is cash the company has already spent and is waiting to bill.

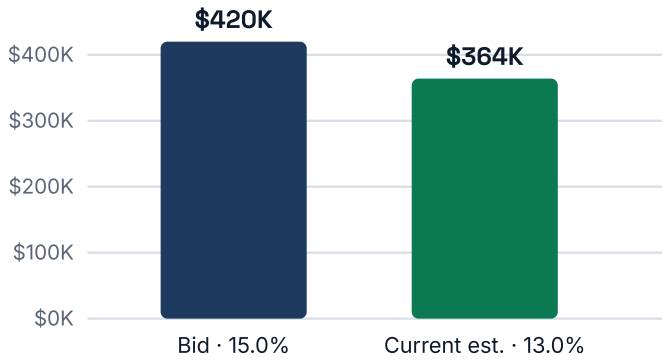
It is usually a billing-timing or change-order issue — and it is the fastest cash lever in this report.

What this means: a monthly WIP, reviewed job by job with the PMs, shows both numbers before they reach the bank balance.

SECTION 2 (CONTINUED)

Carmel School Renovation: a $56K fade and $135K not yet billed

"Fade" is when a job's expected gross profit shrinks between bid and completion. Carmel's margin has slipped two points on a $2.8M contract with 20% of the work left.



Estimated job profit on a $2.8M contract

Carmel School Renovation	Amount
Contract	$2,800,000
Percent complete	80%
Bid margin	15.0%
Current margin	**13.0%**
Estimated profit	$364,000
Under-billed	**$135,000**

Derived from those figures

Bid profit (15.0% × $2.8M)	$420,000
Fade (bid − current est. profit)	$56,000
Earned to date (80% × $2.8M)	$2,240,000
Billed to date (earned − under-billed)	$2,105,000
Contract left to earn (20%)	$560,000

Questions a Health Check would put to the PM

- Where did the two points go — labor, a subcontractor, materials, or unpriced changes? Each has a different fix.
- Is any of the $135K under-billing an unsigned change order? If so, price and submit it before the next pay app.
- With $560K of contract left, is 13.0% the floor, or is the fade still moving? The cost-to-complete should be re-run before the next billing.
- What can be billed this cycle? Clearing even part of the $135K helps the weeks 6–7 cash dip directly.

Why it matters: Carmel's 13.0% is below the company's 14.6% October gross margin. A fade that's caught at 80% complete can still be partly recovered through change orders; one caught at closeout usually can't.

The fix is routine: a monthly cost-to-complete from each PM, a 30-minute WIP review per job, and billing that follows the WIP — not the other way around.

SECTION 3

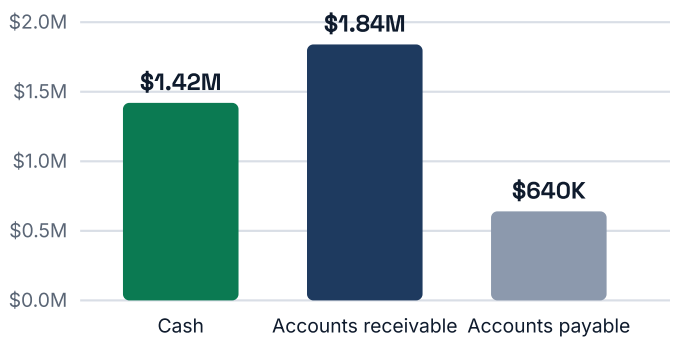
Cash, AR & AP

48 days
DSO

The balance sheet looks strong: $1.42M of cash and receivables nearly three times payables. The risk is timing — how fast the $1.84M turns into cash.

$1.42M	$1.84M	$640K	48 days
Cash	Accounts receivable	Accounts payable	Days sales outstanding

Cash, receivables and payables



How to read it

- **Cash ($1.42M)** should be read alongside the $186K net over-billing — cash collected ahead of the work is already committed to finishing it.
- **Retainage** is part of the receivables story: two retainage releases are what lift cash in week 8 of the forecast.
- **AP ($640K)** is the near-term call on cash, alongside payroll and subcontractor payments.
- **DSO (48 days)** — on average, about seven weeks from invoice to cash.

What a Health Check reviews here

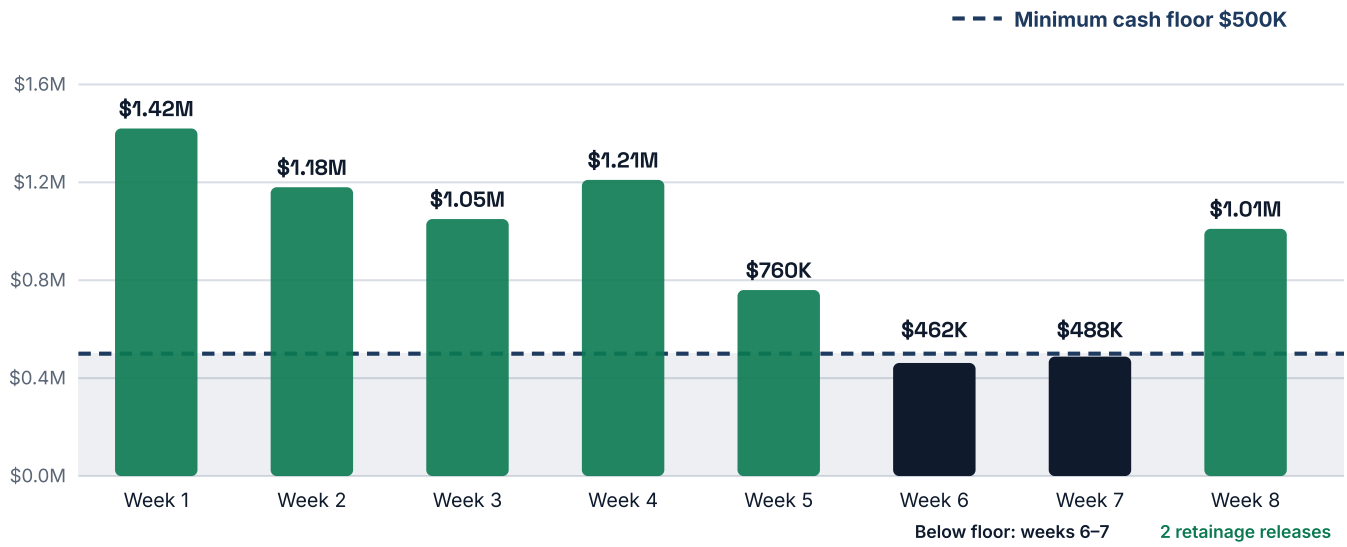
Area	What we look at
AR aging & collections	Which invoices are past terms, who owns follow-up, and whether there is a regular collections rhythm.
Retainage	Retainage by job and status, and what closeout paperwork is holding each release.
Pay applications	Whether pay apps go out on the owner's cut-off date every month; a late pay app can push payment a full cycle.
AP & payment runs	Supplier terms, early-pay discounts, and whether payment runs are planned against the cash forecast.

What this means: profit is fine. What decides whether cash dips below $500K is how quickly the $1.84M is collected and when retainage is released.

SECTION 3 (CONTINUED)

13-week cash forecast: weeks 1–8

The forecast starts at $1.42M, recovers briefly in week 4, then drops below the $500K minimum floor in weeks 6 and 7, with a low of **$462K** in week 6. It recovers to $1.01M in week 8, when two retainage releases land.



Ending cash	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
Balance	**$1.42M**	**$1.18M**	**$1.05M**	**$1.21M**	**$760K**	**$462K**	**$488K**	**$1.01M**
vs. $500K floor	+$920K	+$680K	+$550K	+$710K	+$260K	−$38K	−$12K	+$510K

Weeks 9–13 of the 13-week forecast are not shown in this sample; see the live demo. The "vs. floor" row is derived (ending cash − $500K).

Weeks 6–7: below the floor. At the low, cash is $38K under the $500K minimum. That is two weeks where a late payment or an unplanned bill has no cushion.

The recovery depends on retainage. Week 8 jumps to $1.01M only because two retainage releases land. If either slips, the dip lasts longer.

Levers within reach before week 6

- Bill Carmel School Renovation's $135K under-billing on the next pay app.
- Confirm the closeout paperwork for both retainage releases is complete and submitted now, not in week 7.
- Work the oldest receivables first; at 48 days DSO, each week of faster collection matters.
- Plan the week 5–7 payment runs against the forecast rather than by who calls first.
- Update the forecast weekly so the dip is seen six weeks out, not six days.

Systems & staff

Four people spend about 540 hours a month on finance work, and about half of it (278 hours) is manual entry. Automating that work could free about 140 hours a month for collections and WIP.

Single point of failure: only one person can run payroll. Document the process and cross-train a second person before year-end. Bills are approved by a verbal OK, and project managers keep cost-to-complete in their own spreadsheets.

People & workload

What we look at	Common warning sign
Bookkeeper load	One person, no backup; work falls behind during vacations or busy months
PM involvement	Cost-to-complete lives in personal spreadsheets
Owner time	Owner approves every bill by phone or text
Change orders	Tracked in email; priced after the work is done

Systems

What we look at	Common warning sign
Spreadsheets	Retainage, cash and WIP kept in files that don't tie to QuickBooks
Software stack	Overlapping tools and unused seats
Cost codes	Estimate codes differ from QuickBooks codes, so bid vs. actual can't be compared
Reporting	No single dashboard for jobs, WIP and cash

Controls

- **Approval workflow:** each bill approved in writing by the PM against the job budget; the owner releases payment.
- **Separation of duties:** the person who sets up vendors is not the person who releases payments.
- **Lien waivers & COIs:** checked before every subcontractor payment.
- **One source of truth:** spreadsheets replaced by reports that tie to the books.

Why it matters: a 6-day close and an accurate WIP only last if they don't depend on one person working late. In a real Health Check this section is built from interviews and a walk-through of the actual workflow.

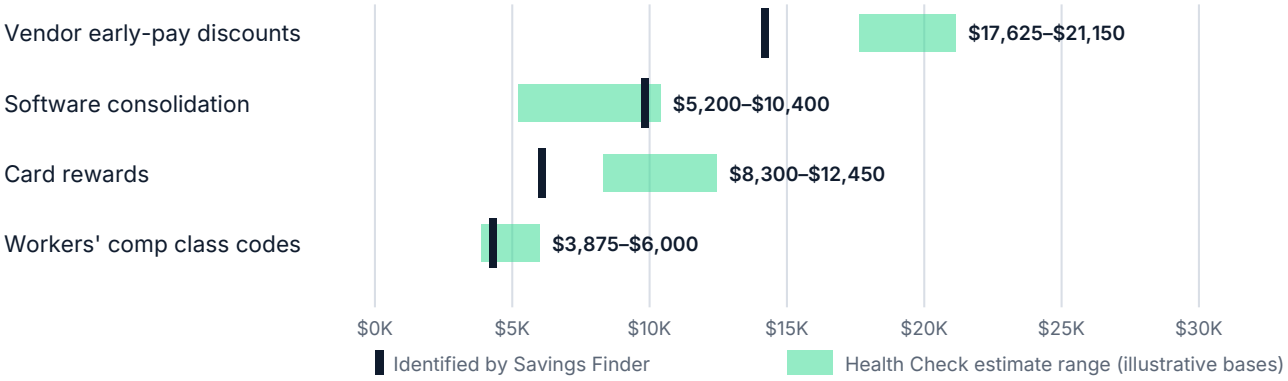
Where the hours go

Role	Hours/month	Manual	What frees the time
Office manager / bookkeeper	160	58%	Bank rules and receipt capture
AP clerk	140	64%	Bill capture and approvals
Project accountant	160	35%	An automated WIP schedule
Payroll admin (part-time)	80	50%	Time tracking synced to payroll
Total	**540**	**52%**	**About 140 hours a month freed**

SECTION 5

Costs & savings opportunities

The Savings Finder has identified **$34,440 a year** across four items. The Health Check estimate for the full opportunity is **$35K–$50K a year**. That is a range built on the assumptions below, not a promise.



Item	Identified	Estimate assumptions (illustrative bases)	Estimate range
Vendor early-pay discounts	$14,200	$1,175,000/yr of purchases with suppliers offering 2% for early payment × 75%–90% captured. Only once cash stays above the floor.	$17,625 – $21,150
Software consolidation	$9,840	$52,000/yr software stack × 10%–20% from removing overlapping tools and unused seats.	$5,200 – $10,400
Card rewards	$6,100	$830,000/yr of card-eligible spend (materials, fuel, software, travel) × 1%–1.5%, paid in full monthly, no supplier surcharge.	$8,300 – $12,450
Workers' comp class codes	$4,300	$125,000/yr of office payroll coded as field labor × a $3.10–$4.80 rate difference per $100 of payroll.	$3,875 – $6,000
Total	**$34,440**	**"Identified" = specific items found so far. "Estimate" = the same four items at full scope.**	**$35,000 – $50,000**

One-time cash, not savings

Billing Carmel's **$135K** under-billing and collecting retainage on time improve cash timing. They are not annual savings, so we don't count them above.

About these assumptions

The dollar bases behind each estimate are illustrative and appear only in this sample. In a real Health Check, every base comes from the client's own books and vendor terms.

Not counted above: the Team Review (Section 4) found about 140 hours a month of manual work that automation can free. That is reclaimed capacity, not a payroll cut. The cost of the Fix and Oversight is not netted against these ranges; see Section 7.

SECTION 6

Prioritized 90-day roadmap

Cash first, because the floor is breached in weeks 6–7. Then job visibility, then the routines that keep both in place.

DAYS 1–30

Protect cash

1. Bill Carmel School Renovation's $135K under-billing on the next pay app.
2. Push closeout paperwork for both retainage releases now.
3. Start a weekly 13-week cash update; plan payment runs for weeks 5–7 against the $500K floor.
4. Re-run Carmel's cost-to-complete with the PM; price any open change orders.
5. Set aside the $186K net over-billing in cash planning.

By day 30: a plan to keep cash above $500K through weeks 6–7, with a weekly forecast behind it.

DAYS 31–60

See every job

1. Monthly WIP for all four jobs, reviewed with each PM.
2. Align estimate cost codes to QuickBooks so bid vs. actual can be compared.
3. Written bill approval: PM approves against budget, owner releases payment.
4. Collections rhythm with owners and dates; work the oldest AR first.
5. Retainage tracker by job and status.

By day 60: fade and over/under billing visible each month, before they hit the bank.

DAYS 61–90

Run it

1. Hold the 6-day close with a written checklist and calendar.
2. Command Center dashboards for jobs, WIP, cash and AR.
3. Act on the $34,440 of identified savings; test the $35K–$50K assumptions against real bases.
4. Retire spreadsheets the dashboards replace.
5. First monthly review with the owner: numbers, risks, decisions.

By day 90: a monthly rhythm — close, WIP review, cash forecast, owner review.

Priority matrix

Action	Addresses	Impact	Effort
Bill Carmel's $135K + retainage closeout	Findings 2, 3	High	Low
Weekly 13-week cash forecast	Findings 1, 3	High	Low
Monthly WIP with PM review	Findings 1, 2	High	Medium
Collections rhythm	Finding 4	Medium	Low
Savings items	Finding 5	Medium	Low

SECTION 7

How the Fix and Oversight would address this

Every client follows the same three steps. The Health Check is the first one: this report. What comes next is the client's choice.

STEP 1 · FIND

Health Check

- Review of books, jobs, cash, team and costs. The Health Check only reads your books.
- Health score, findings and savings ranges
- Prioritized 90-day roadmap
- Walk-through with the owner

STEP 2 · FIX

The Fix, 90 days

- Days 1–90 of the roadmap
- First full WIP and job re-forecasts
- 13-week cash model handed over
- Cost-code alignment, approval workflow, retainage tracker
- Close checklist and calendar

STEP 3 · KEEP

Monthly Oversight

- Command Center dashboards: jobs, WIP, cash, AR
- Close oversight to hold the 6-day close
- Monthly WIP review with PMs
- Weekly cash forecast
- Monthly review with the owner

Current prices

Size	Health Check	The Fix, 90 days	Oversight, monthly
Small business (under $3M)	$750	$1,000/mo	$500/mo
Mid-size ($3–10M, contractors)	$1,500	$3,000/mo	$2,000/mo
Large ($10–50M)	$3,000	$6,000/mo	$4,000/mo
Ad hoc	$175/hr		

Size depends on annual revenue. The Fix runs 90 days, paid monthly; the Health Check fee is credited to it. No per-item charges.

Special pricing: founding offer = 50% off the Health Check for the first 5 clients, still guaranteed (2× the fee in yearly savings or cash improvements, or it is free); 10% off Oversight paid yearly.

NEXT STEPS

What a real Health Check looks like

This sample uses a fictional company — the same one in the live Command Center demo. Yours would use your QuickBooks file, your jobs, and your bank.

1. **Free 30-minute call**
   We talk about your business, what's frustrating you about the numbers, and whether a Health Check is the right first step. If it isn't, we'll say so.

2. **Connect your books**
   Connect QuickBooks Online or Business Central in about 5 minutes, or send reports from another system, plus bank and card statements and your contract list. We only read your books and never ask for bank passwords.

3. **Review and PM conversations**
   We review the books, build WIP from your PMs' cost-to-complete, and walk through the real workflow with your team.

4. **Walk-through and roadmap**
   A report like this one, walked through with you. You keep the report and roadmap whether or not you continue.

Family First Advisors

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Your business, treated like family.

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About this sample. Demo Construction Co. is a fictional company. Its numbers match the live Command Center demo; item names and dollar bases marked "illustrative" were added for this sample. Nothing here describes a real client or claims a result.

Scope of services. Family First Advisors LLC provides fractional CFO and finance clean-up services. **The firm does not perform audits, reviews, or other attest work.** Findings rely on information provided by management and are not assurance on any financial statement. Savings figures are estimates based on stated assumptions; actual results will vary. If we recommend software that pays us a referral fee, we tell you in writing before you buy.