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Monthly leadership package

Sample Mechanical Contractor, LLC

October 2026 · Prepared November 10, 2026

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This is a sample. The company and every number in it are fictional, built to show what a monthly package from Laverton Advisory looks like. Prepared by Derek Hammock, Laverton Advisory LLC · laverton.co · derek@laverton.co

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1 · The month at a glance

Revenue beat budget. Margin didn't, and cash gets tight in week 8.

October revenue was $548K, 3% over budget, but gross margin came in at 23.8% against 26.0%. The gap is installation: jobs are finishing about 7 points below their bid margin, led by Job 2417. Service is on plan. Cash dips to $129K in the week of December 25, below the $150K floor, unless the late general contractor invoice is collected.

Revenue	Gross margin	Install margin	Service margin
$548K	**23.8%**	**16.9%**	**39.2%**
Budget $530K (+3%)	Budget 26.0%	Bid average 24%	Budget 38%
On track	Watch	Watch	On track

Backlog	Days to collect	Tech billable hours	Cash + open credit line
$2.9M	**61**	**59%**	**$712K**
About 9 months of install work	Target 45 days	Target 64%	$212K cash, $500K line available
On track	Watch	Watch	On track

Decisions needed this month

1. Approve the service rate increase to $123/hr on new work orders starting December 1.
2. Meet with the Job 2417 project manager this week: price the added duct scope as a change order (about $38K) before the work is finished.
3. Cover week 8: call the general contractor about the $60K invoice now at 71 days. If it isn't paid by week 6, move the week 8 owner draw to week 9 and borrow $25K on the line for one week.

What changed since September

- Revenue up $36K (7%) on two large installation billings; service steady at $170K.
- Installation margin fell from 18.5% to 16.9%. Job 2417 is the largest single cause.
- Days to collect rose from 54 to 61. One general contractor's $60K invoice is now 71 days old.

2 · Income statement

October: $548K revenue, $25K operating profit

Operating profit was $9.2K under budget. Installation gross profit was $5.4K short even though installation revenue beat budget by $28K, which points to job costs, not volume.

$ thousands	October actual	Budget	Better / (worse)	September
Installation revenue	378.0	350.0	28.0	340.0
Service revenue	170.0	180.0	(10.0)	172.0
Total revenue	**548.0**	**530.0**	**18.0**	**512.0**
Installation job costs	314.1	280.7	33.4	277.1
Service job costs	103.4	111.6	(8.2)	105.6
Installation gross profit	63.9	69.3	(5.4)	62.9
Service gross profit	66.6	68.4	(1.8)	66.4
Gross profit	**130.5**	**137.7**	**(7.2)**	**129.3**
Gross margin	*23.8%*	*26.0%*	*-2.2 pts*	*25.3%*
Office salaries and benefits	52.0	51.0	1.0	51.0
Rent and facilities	14.0	14.0	0.0	14.0
Insurance	9.0	9.0	0.0	9.0
Vehicles and fuel (not on jobs)	11.0	10.0	1.0	10.5
Software and IT	4.0	4.0	0.0	4.0
Professional fees	6.0	6.0	0.0	5.0
Marketing	3.0	4.0	(1.0)	3.0
Other	7.0	6.0	1.0	6.5
Total overhead	**106.0**	**104.0**	**2.0**	**103.0**
Operating profit (EBITDA)	**24.5**	**33.7**	**(9.2)**	**26.3**
Operating margin	*4.5%*	*6.4%*	*-1.9 pts*	*5.1%*

Better / (worse) shows the effect on profit: green helps, red hurts. Cost lines over budget show as red. Figures are fictional.

3 · Balance sheet and working capital

$1.07M is waiting to be collected

Receivables are the biggest asset on the balance sheet, about two months of sales. Bringing days to collect from 61 back to the 45-day target would free roughly $280K of cash, more than the line of credit balance.

Assets, October 31 ($ thousands)	
Cash	212.0
Accounts receivable, including retainage	1,065.0
Costs and earnings in excess of billings (underbillings)	48.0
Inventory	85.0
Prepaid expenses	22.0
Trucks and equipment, net	410.0
Total assets	**1,842.0**

Liabilities and equity ($ thousands)	
Accounts payable	310.0
Accrued payroll and taxes	64.0
Billings in excess of costs and earnings (overbillings)	96.0
Line of credit ($750K limit)	250.0
Truck and equipment loans	280.0
Total liabilities	**1,000.0**
Owner's equity	842.0
Total liabilities and equity	**1,842.0**

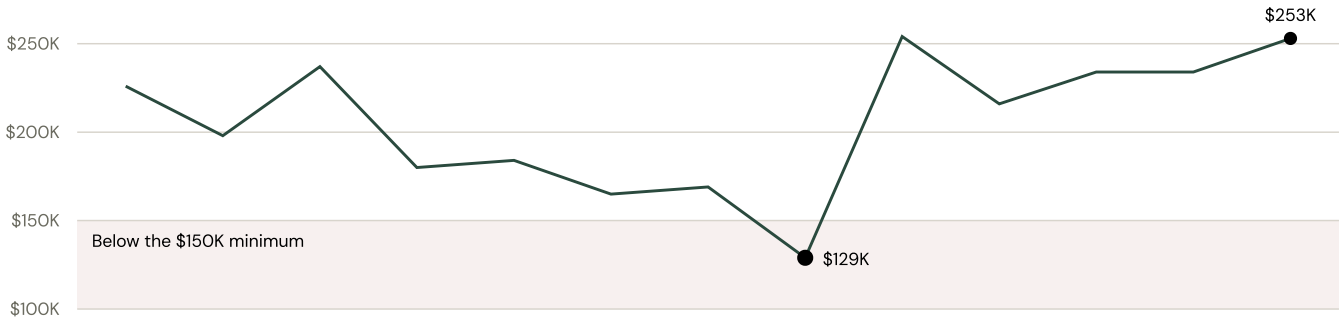
Working capital measures

Measure	October	September	Target	What it means
Days to collect (days sales outstanding)	61	54	45	Customers are paying slower; one contractor is most of the change.
Overbillings less underbillings	$48K	$62K	Positive	Still billing ahead of the work, but the cushion is shrinking.
Current ratio (current assets ÷ current liabilities)	1.88	1.93	1.5+	Comfortable, but much of it is tied up in receivables.
Line of credit available	$500K	$525K	$250K+	Enough to cover week 8 if needed.

4 · 13-week cash forecast

Week 8 drops $21K below the $150K floor

The week of December 25 carries payroll, a truck loan payment, line of credit interest and the owner draw all at once. Collecting the $60K late invoice by week 6 fixes it. If that slips, move the owner draw to week 9 and borrow $25K on the line for one week. Retainage of $85K arrives in week 9.



$ thousands, week ending	Nov 6	Nov 13	Nov 20	Nov 27	Dec 4	Dec 11	Dec 18	Dec 25	Jan 1	Jan 8	Jan 15	Jan 22	Jan 29
Beginning cash	212	226	198	237	180	184	165	169	129	254	216	234	234
Service collections	44	46	45	47	44	46	45	47	46	45	47	46	48
Install progress billings	52	38	70	41	35	58	30	62	44	66	40	71	55
Retainage released									85				
Total receipts	**96**	**84**	**115**	**88**	**79**	**104**	**75**	**109**	**175**	**111**	**87**	**117**	**103**
Payroll & taxes		62		62		62		62		62		62	
Materials & subs	48	44	52	46	41	55	47	50	44	53	45	49	47
Rent, insurance & overhead	34	6	6	6	34	6	6	6	6	34	6	6	6
Truck & equipment loans				14				14					14
Sales tax & payroll deposits			18				18				18		
Line of credit interest				2				2					2
Owner draw				15				15					15
Total disbursements	**82**	**112**	**76**	**145**	**75**	**123**	**71**	**149**	**50**	**149**	**69**	**117**	**84**
Ending cash	**226**	**198**	**237**	**180**	**184**	**165**	**169**	**129**	**254**	**216**	**234**	**234**	**253**
Cushion above $150K floor	76	48	87	30	34	15	19	-21	104	66	84	84	103

The bookkeeper updates actual receipts and payments each week; the forecast rolls forward and is reviewed every two weeks. The shaded column is the low week.

5 · Job profitability

Job 2417 is fading 12 points. It can still be fixed.

Margin fade is the gap between the margin a job was bid at and the margin it is now projected to finish at. Caught at 55% complete, Job 2417's added duct scope can still be priced as a change order; caught at closeout, it would simply be a loss.

Open job	Contract	Complete	Bid margin	Projected	Note
2417 Medical office heating and cooling retrofit	$640K	55%	23%	11%	Ductwork labor running 30% over. Added duct scope was never priced as a change order.
2409 Warehouse rooftop units	$280K	85%	22%	17%	$14K of field changes unbilled. Bill before closeout.
2422 School chiller replacement	$410K	30%	25%	24%	On track.

How the projection works

Each project manager re-estimates the cost to complete every month. Percent complete is cost to date divided by total estimated cost, and revenue is recognized on that basis. Any job projected to finish 3 or more points below its bid margin is flagged here while there is still time to act.

> **What a package like this takes:** about 6 to 8 hours a month on CFO Advisory ($3,500 a month), built from the systems the company already runs. See laverton.co/process for details, or book a working session at laverton.co.