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## Annual Performance Report

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### Rimrock Plumbing & Heating LLC

FY2025 (Jan-Dec)

*Prepared by Marlow Accounting*

Published January 20, 2026

SAMPLE REPORT — ILLUSTRATIVE DATA FOR DEMONSTRATION PURPOSES ONLY

## Executive Summary

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Rimrock Plumbing & Heating LLC generated \$405,430 in revenue for FY2025 (Jan-Dec), up +13.5% from \$357,080 in FY2024 (Jan-Dec). The business kept \$89,048 of that as net income — a net margin of 22.0%, meaning it held onto about \$22 out of every \$100 of sales after covering the cost of the work and running the office. Cash on hand closed the period at \$83,312, up from \$47,827 a year earlier.

- **Revenue** ON TRACK  
\$405,430, up +13.5% versus FY2024 (Jan-Dec).
- **Profitability** ON TRACK  
Net income of \$89,048 (22.0% margin), up +29.0% from FY2024 (Jan-Dec).
- **Cash Position** ON TRACK  
\$83,312 in the bank at period end, an increase of \$35,485.
- **Liquidity** ON TRACK  
Current ratio of 9.44:1 — the business has \$9.44 in short-term assets for every \$1 of short-term obligations.
- **Expense Control** ON TRACK  
Operating expenses of \$132,675, up +5.1%, growing slower than revenue.

### Biggest Positive

Cash on hand grew by \$35,485 to \$83,312, strengthening the business's cash cushion.

### Biggest Concern

Accounts receivable grew faster than revenue, up +29.5% to \$3,856 — worth confirming collections stay on schedule.

### Three Recommendations

- Keep pricing and scheduling aligned with the year's \$405,430 demand level so the 55% gross margin holds as volume grows.
- Review "Wages - Office & Admin" (\$42,935 this year) for opportunities to renegotiate or trim, since it is the largest controllable cost line.
- With \$83,312 in cash and a current ratio of 9.4:1, consider directing some of the excess cash toward a rainy-day reserve, equipment upgrades, or accelerated debt paydown rather than letting it sit idle.

## Performance Dashboard

Key performance indicators for FY2025 (Jan-Dec), compared to FY2024 (Jan-Dec). All figures are drawn directly from the underlying profit & loss and balance sheet data.

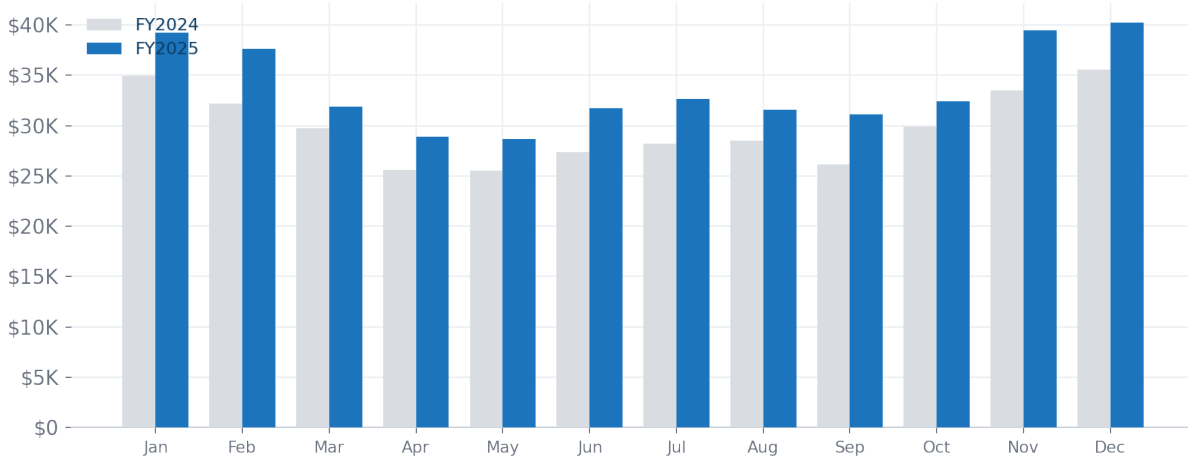
<b>REVENUE</b> <b>\$405,430</b> ▲ +13.5% vs FY2024 (Jan-Dec)	<b>GROSS PROFIT</b> <b>\$221,723</b> ▲ +13.5% vs FY2024 (Jan-Dec)	<b>GROSS MARGIN %</b> <b>54.7%</b> ▲ +0.0 pts	<b>NET INCOME</b> <b>\$89,048</b> ▲ +29.0% vs FY2024 (Jan-Dec)
<b>NET MARGIN %</b> <b>22.0%</b> ▲ +2.6 pts	<b>OPERATING EXPENSES</b> <b>\$132,675</b> ▲ +5.1% vs FY2024 (Jan-Dec)	<b>EBIT (OPERATING PROFIT)</b> <b>\$89,048</b> No interest or tax expense this period	<b>CASH ON HAND</b> <b>\$83,312</b> ▲ +\$35,485 vs FY2024 (Jan-Dec)
<b>WORKING CAPITAL</b> <b>\$80,986</b> Current assets less current liabilities	<b>CURRENT RATIO</b> <b>9.44:1</b> Target: 2.00:1 or higher	<b>TOTAL DEBT</b> <b>\$24,478</b> ▼ (\$4,419) vs FY2024 (Jan-Dec)	<b>OWNER EQUITY</b> <b>\$129,626</b> ▲ +\$35,208 vs FY2024 (Jan-Dec)

Ratios such as current ratio and working capital reflect the balance sheet as of December 31, 2025. Return-based ratios (ROA, ROE) are annualized from full-year results for comparability.

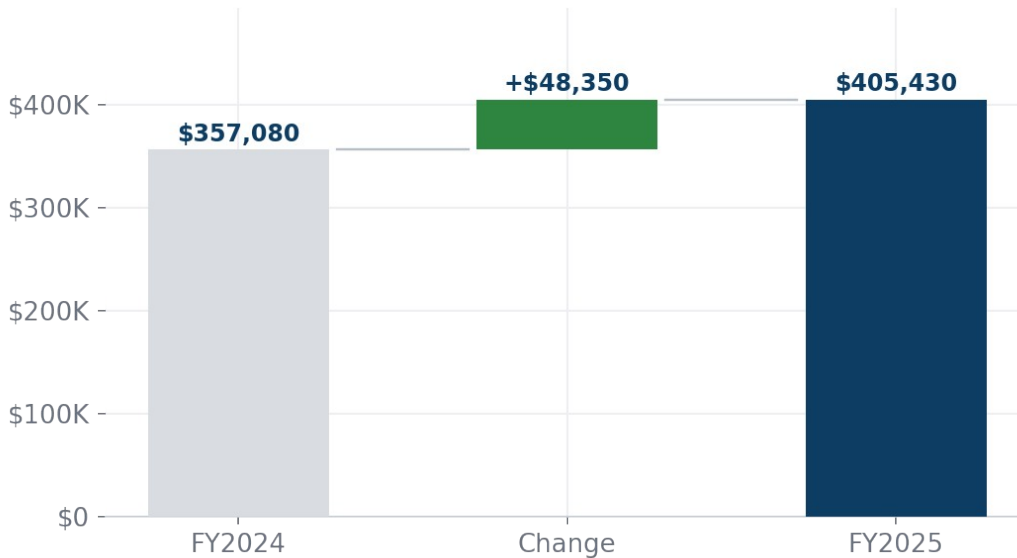
# Revenue Analysis

Rimrock Plumbing & Heating LLC billed \$405,430 in FY2025 (Jan-Dec), an increase of \$48,350 (+13.5%) from \$357,080 in FY2024 (Jan-Dec).

## Revenue — Trailing Two Years



## Revenue Bridge

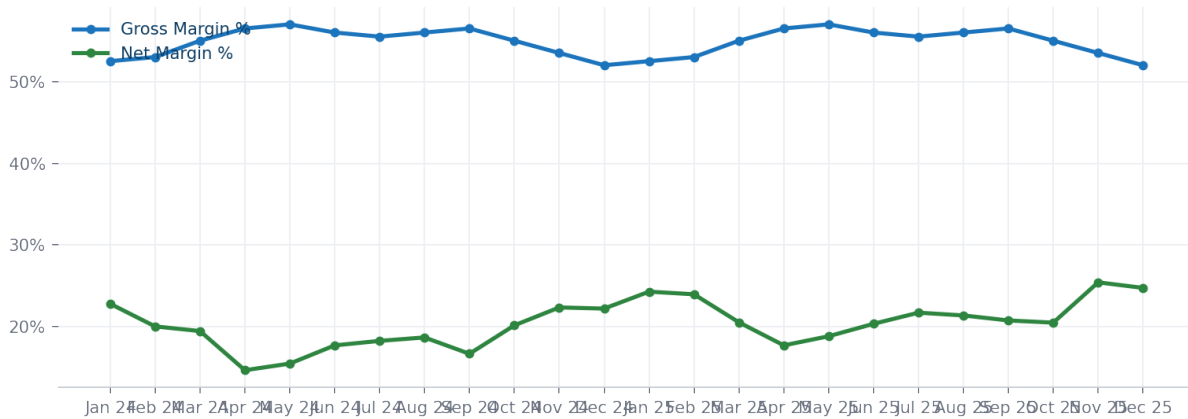


## Why Revenue Moved

Revenue follows a seasonal pattern tied to heating and cooling demand, with the winter and early-year quarters typically the strongest and the late-spring quarter typically the softest. The year-over-year gain of +13.5% is consistent with the business's broader growth trend rather than a one-time event — revenue has grown in most months over the trailing two years shown above.

## Gross Profit Analysis

	FY2024 (Jan-Dec)	FY2025 (Jan-Dec)	Variance	Variance %
Revenue	\$357,080	\$405,430	+\$48,350	+13.5%
Cost of Goods Sold	\$161,786	\$183,707	+\$21,921	+13.5%
<b>Gross Profit</b>	<b>\$195,294</b>	<b>\$221,723</b>	<b>+\$26,429</b>	<b>+13.5%</b>
<b>Gross Margin %</b>	<b>54.7%</b>	<b>54.7%</b>	<b>+0.0 pts</b>	



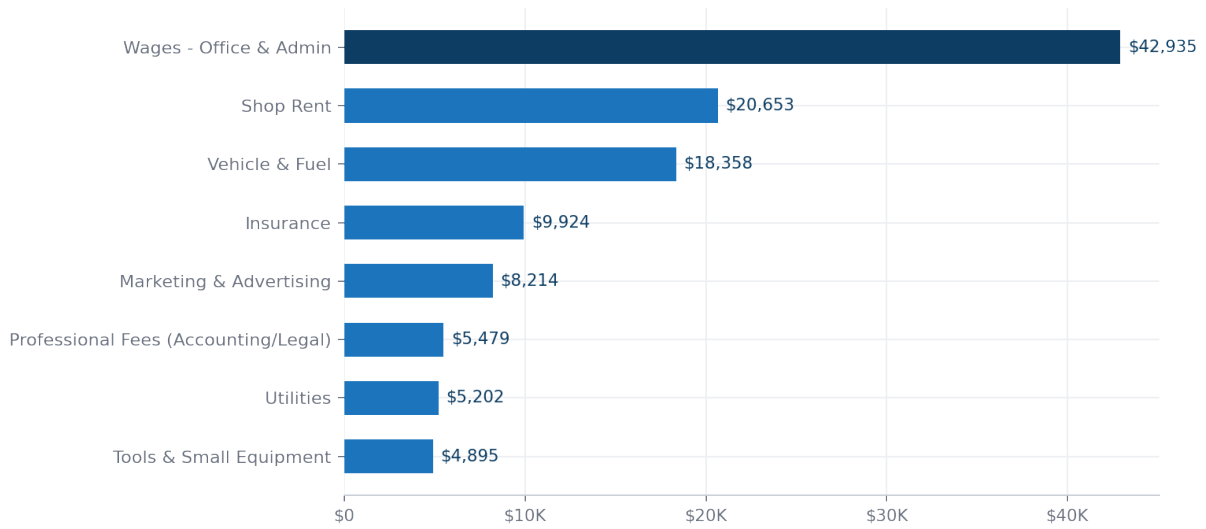
### Why Margin Moved

For every \$100 of sales, the business kept \$55 after paying for materials and field labor in FY2025 (Jan-Dec), compared with \$55 in FY2024 (Jan-Dec). Materials and direct labor ran 45.3% of revenue this year, versus 45.3% in the comparison period — essentially unchanged, a sign of consistent job pricing and material costs relative to sales.

## Expense Analysis

Total operating expenses (excluding cost of goods sold) were \$132,675 in FY2025 (Jan-Dec), up +5.1% from \$126,246 in FY2024 (Jan-Dec).

### Top Expense Categories

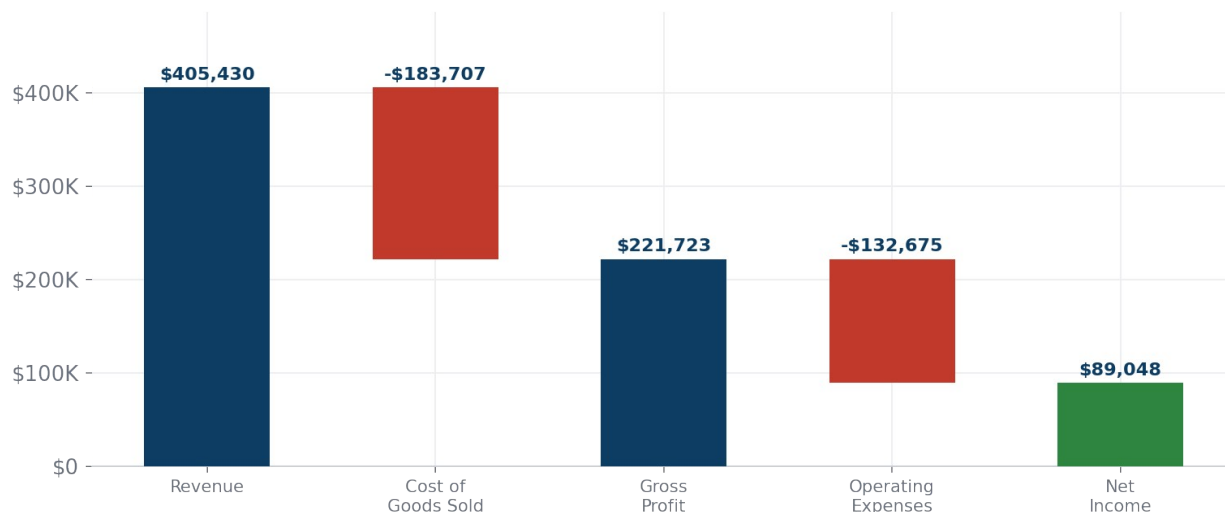


**What Increased, What Decreased**

Needs attention: Wages - Office & Admin rose \$1,919 (+4.7%); Shop Rent rose \$1,149 (+5.9%); Vehicle & Fuel rose \$913 (+5.2%).

Overall, expense growth of +5.1% stayed within the pace of revenue growth, which is the healthy pattern for a growing service business.

## Net Income Analysis



	FY2024 (Jan-Dec)	FY2025 (Jan-Dec)	Variance	Variance %
Revenue	\$357,080	\$405,430	+\$48,350	+13.5%
Cost of Goods Sold	\$161,786	\$183,707	+\$21,921	+13.5%
Gross Profit	\$195,294	\$221,723	+\$26,429	+13.5%
Operating Expenses	\$126,246	\$132,675	+\$6,429	+5.1%
<b>Net Income</b>	<b>\$69,048</b>	<b>\$89,048</b>	<b>+\$20,000</b>	<b>+29.0%</b>

Net income of \$89,048 represents a net margin of 22.0% — the business kept about \$22 of every \$100 in sales after all costs and operating expenses. The +29.0% change from FY2024 (Jan-Dec) was driven primarily by the revenue gain described above, which flowed through to the bottom line faster than expenses grew.

## Balance Sheet Review

### Assets

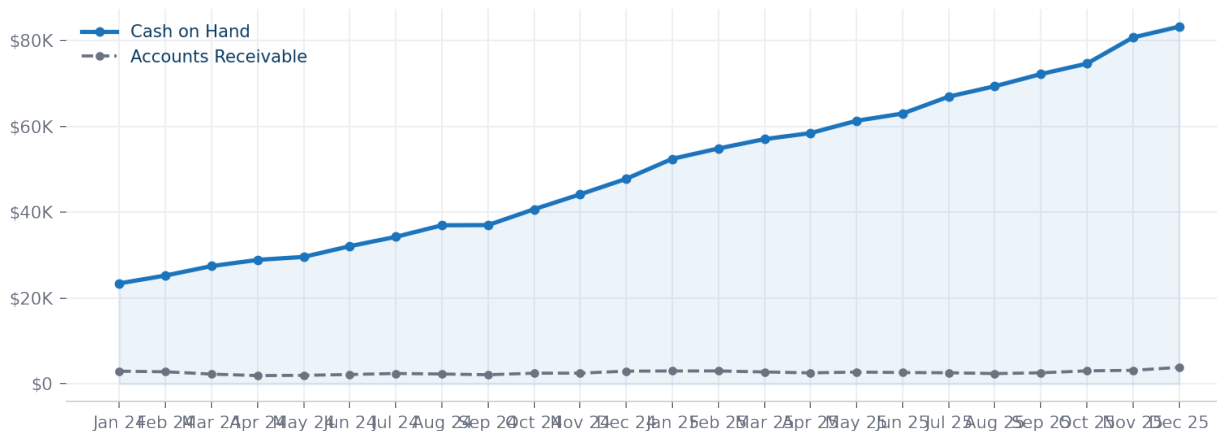
	FY2024 (Jan-Dec)	FY2025 (Jan-Dec)	Variance %
Cash & Equivalents	\$47,827	\$83,312	+74.2%
Accounts Receivable	\$2,977	\$3,856	+29.5%
Inventory (Parts on Hand)	\$1,601	\$2,266	+41.5%
Prepaid Expenses	\$1,150	\$1,150	0.0%
<b>Total Current Assets</b>	<b>\$53,555</b>	<b>\$90,584</b>	<b>+69.1%</b>
Fixed Assets, Net	\$69,760	\$63,520	-8.9%
<b>Total Assets</b>	<b>\$123,315</b>	<b>\$154,104</b>	<b>+25.0%</b>

### Liabilities & Equity

	FY2024 (Jan-Dec)	FY2025 (Jan-Dec)	Variance %
Accounts Payable	\$5,934	\$6,682	+12.6%
Credit Card Payable	\$3,523	\$2,916	-17.2%
<b>Total Current Liabilities</b>	<b>\$9,457</b>	<b>\$9,598</b>	<b>+1.5%</b>
Equipment Loan (Long-Term)	\$19,440	\$14,880	-23.5%
<b>Total Liabilities</b>	<b>\$28,897</b>	<b>\$24,478</b>	<b>-15.3%</b>
<b>Owner Equity</b>	<b>\$94,418</b>	<b>\$129,626</b>	<b>+37.3%</b>

Cash grew to \$83,312 while the equipment loan balance declined to \$14,880, a combination that has steadily reduced leverage: total liabilities are now -15.3% versus FY2024 (Jan-Dec). Owner equity of \$129,626 reflects retained profits after owner draws of \$5,777 for the period.

### Cash Flow



	FY2024 (Jan-Dec)	FY2025 (Jan-Dec)
Operating Cash Flow	\$75,888	\$93,885
Investing Cash Flow	\$0	\$0
Financing Cash Flow (draws + debt payments)	(\$47,975)	(\$58,400)
<b>Net Change in Cash</b>	<b>\$27,913</b>	<b>\$35,485</b>
Cash — Beginning of Period	\$23,459	\$47,827
<b>Cash — End of Period</b>	<b>\$47,827</b>	<b>\$83,312</b>

The business generated \$93,885 in operating cash flow this year. After equipment loan payments of \$4,560 and owner draws of \$53,840, cash on hand increased by \$35,485, closing at \$83,312. With no external financing beyond the existing equipment loan, day-to-day operations are self-funding the business's growth.

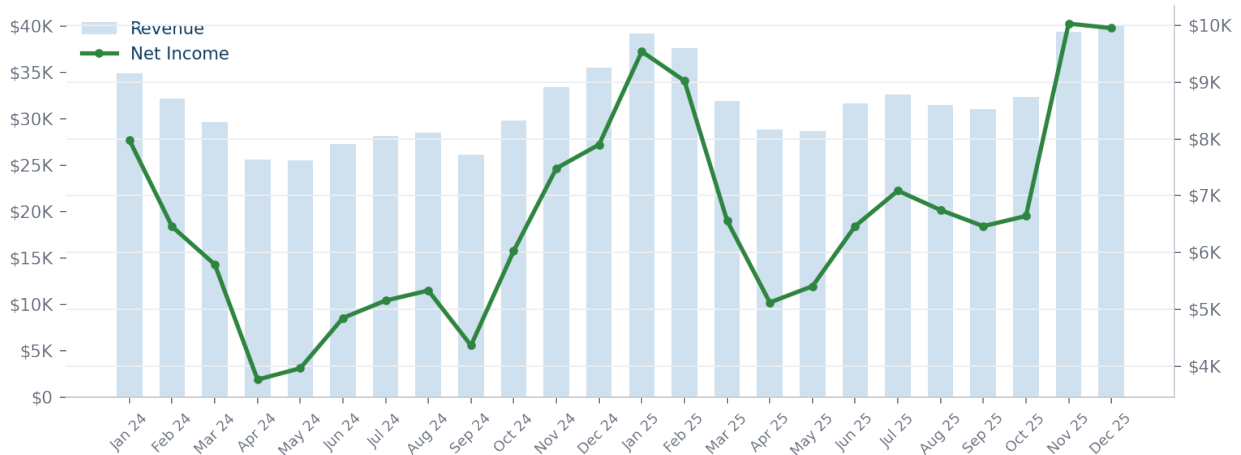
# Ratio Analysis

Ratio	FY2024 (Jan-Dec)	FY2025 (Jan-Dec)	What It Means
Current Ratio	5.66:1	9.44:1	Short-term assets available for every \$1 of short-term bills.
Quick Ratio	5.37:1	9.08:1	Cash and receivables alone, without relying on inventory, per \$1 of short-term bills.
Debt-to-Equity	0.31	0.19	Dollars of debt for every \$1 the owner has invested in the business.
Working Capital	\$44,098	\$80,986	Cash cushion left after paying all short-term obligations.
Return on Assets (annualized)	56.0%	57.8%	Annualized profit generated per dollar of assets owned.
Return on Equity (annualized)	73.1%	68.7%	Annualized return the owner is earning on their investment in the business.

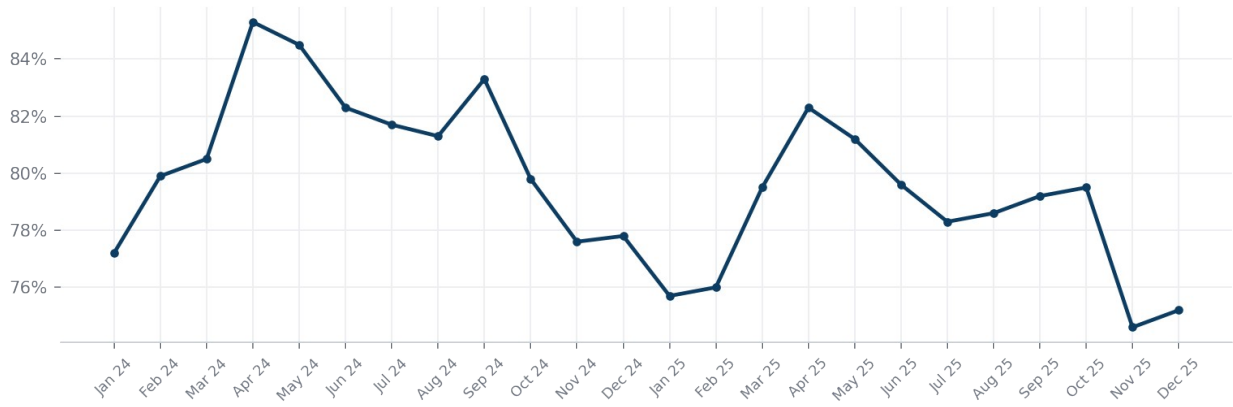
Every liquidity ratio here is comfortably above the general 2:1 / 1:1 rule of thumb, meaning short-term bills are well covered by cash and near-cash assets. Debt-to-equity of 0.19 shows the business is financed mostly by owner equity and retained profits rather than borrowed money.

## Trends

### Revenue & Net Income — Trailing 24 Months

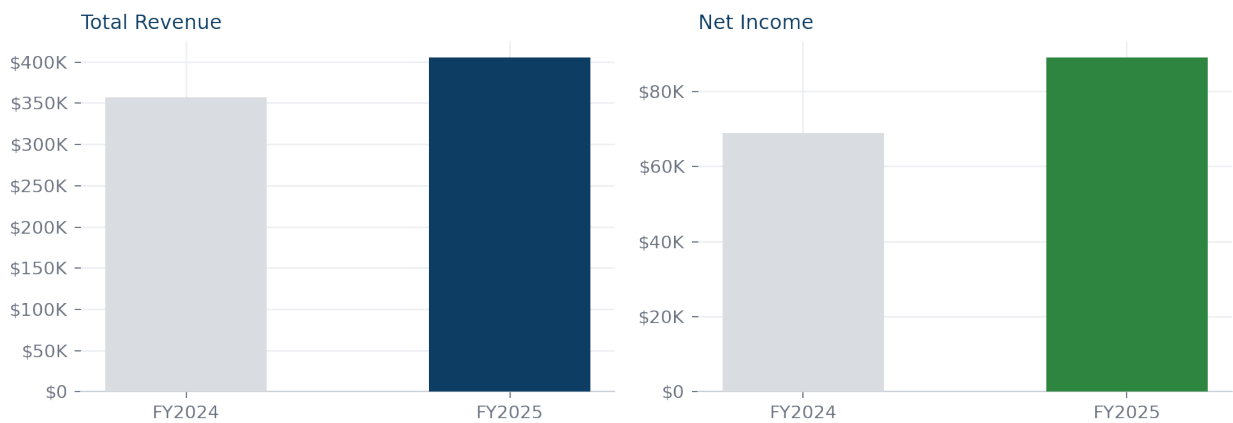


### Operating Cost Ratio — Trailing 24 Months



The line above tracks total cost of goods sold plus operating expenses as a percentage of revenue each month. A flatter, lower line means a larger share of each sales dollar is being retained as profit.

### Annual Revenue & Net Income Comparison



## Top Expense Categories

Ranked by total spend in FY2025 (Jan–Dec), compared to FY2024 (Jan–Dec).

Category	FY2025 (Jan–Dec)	FY2024 (Jan–Dec)	Variance \$	Variance %
Wages - Office & Admin	\$42,935	\$41,016	+\$1,919	+4.7%
Shop Rent	\$20,653	\$19,504	+\$1,149	+5.9%
Vehicle & Fuel	\$18,358	\$17,445	+\$913	+5.2%
Insurance	\$9,924	\$9,466	+\$458	+4.8%
Marketing & Advertising	\$8,214	\$7,793	+\$421	+5.4%
Professional Fees (Accounting/Legal)	\$5,479	\$5,145	+\$334	+6.5%
Utilities	\$5,202	\$4,915	+\$287	+5.8%
Tools & Small Equipment	\$4,895	\$4,586	+\$309	+6.7%

- Wages - Office & Admin: increased \$1,919 (4.7%) versus FY2024 (Jan–Dec).

- Shop Rent: increased \$1,149 (5.9%) versus FY2024 (Jan-Dec).
- Vehicle & Fuel: increased \$913 (5.2%) versus FY2024 (Jan-Dec).
- Insurance: increased \$458 (4.8%) versus FY2024 (Jan-Dec).

## Recommendations

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### Operational

- Track job-level time and materials against the 45% cost-of-goods rate seen this year to catch underpriced jobs before they become a pattern.
- Use the slower shoulder-season periods visible in the revenue trend to schedule maintenance contracts and proactive tune-ups that smooth out seasonal swings.

### Financial

- Maintain the current pace of equipment loan paydown (\$4,560 this year) — at this rate the loan will be retired well ahead of most equipment's useful life.
- With owner equity growing to \$129,626, consider setting a formal owner-draw percentage each year rather than an ad-hoc amount, to keep retained cash predictable.

### Cash Flow

- Cash on hand of \$83,312 now covers well over a month of operating expenses; consider moving a portion into an interest-bearing reserve account so idle cash still earns a return.
- Continue invoicing and collecting promptly — accounts receivable of \$3,856 remains a small fraction of revenue, which keeps cash flow predictable.

### Pricing & Expense Management

- Revisit pricing on service categories tied to "Wages - Office & Admin" since it is the single largest operating cost line at \$42,935.
- Shop vehicle and fuel costs annually against at least one competing quote to confirm the fleet is still on the most favorable terms available.

### Internal Controls & Bookkeeping

- Continue the current monthly close cadence so revenue, job costs, and cash positions stay current and this report remains a reliable planning tool.
- Keep reconciling the equipment loan and credit card statements monthly against the general ledger to keep the balance sheet audit-ready.

### Action Items for Next Year

- Review the top expense category identified above and confirm whether recent increases are one-time or likely to continue.
- Revisit the pricing assumptions behind the busiest upcoming season to make sure margins hold as volume increases.
- Confirm the cash reserve target with ownership and set aside any excess above that target on a regular schedule.

## Appendix

### A1. Detailed Income Statement Comparison

Operating Expense Line	FY2024 (Jan-Dec)	FY2025 (Jan-Dec)	Variance \$	Variance %
Wages - Office & Admin	\$41,016	\$42,935	+\$1,919	+4.7%
Vehicle & Fuel	\$17,445	\$18,358	+\$913	+5.2%
Insurance	\$9,466	\$9,924	+\$458	+4.8%
Shop Rent	\$19,504	\$20,653	+\$1,149	+5.9%
Utilities	\$4,915	\$5,202	+\$287	+5.8%
Telephone & Internet	\$3,190	\$3,419	+\$229	+7.2%
Tools & Small Equipment	\$4,586	\$4,895	+\$309	+6.7%
Dues, Licenses & Permits	\$2,290	\$2,454	+\$164	+7.2%
Marketing & Advertising	\$7,793	\$8,214	+\$421	+5.4%
Professional Fees (Accounting/Legal)	\$5,145	\$5,479	+\$334	+6.5%
Office Supplies	\$2,094	\$2,247	+\$153	+7.3%
Software & Subscriptions	\$2,562	\$2,655	+\$93	+3.6%
Depreciation - Vehicles & Equipment	\$6,240	\$6,240	+\$0	0.0%

	FY2024 (Jan-Dec)	FY2025 (Jan-Dec)	Variance \$	Variance %
Revenue	\$357,080	\$405,430	+\$48,350	+13.5%
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Total Operating Expenses	\$126,246	\$132,675	+\$6,429	+5.1%
<b>Net Income</b>	<b>\$69,048</b>	<b>\$89,048</b>	<b>+\$20,000</b>	<b>+29.0%</b>

### A2. Detailed Balance Sheet Comparison

	FY2024 (Jan-Dec)	FY2025 (Jan-Dec)	Variance %
Cash & Equivalents	\$47,827	\$83,312	+74.2%
Accounts Receivable	\$2,977	\$3,856	+29.5%
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<b>Owner Equity</b>	<b>\$94,418</b>	<b>\$129,626</b>	<b>+37.3%</b>

### A3. Full-History Monthly Summary (24 Months)

Month	Revenue	Gross Profit	GM %	Net Income	NM %	Cash on Hand
Jan 24	\$34,960	\$18,354	52.5%	\$7,977	22.8%	\$23,459
Feb 24	\$32,190	\$17,061	53.0%	\$6,455	20.1%	\$25,280
Mar 24	\$29,710	\$16,340	55.0%	\$5,788	19.5%	\$27,481
Apr 24	\$25,610	\$14,470	56.5%	\$3,761	14.7%	\$28,924
May 24	\$25,560	\$14,569	57.0%	\$3,961	15.5%	\$29,626
Jun 24	\$27,340	\$15,310	56.0%	\$4,847	17.7%	\$32,124
Jul 24	\$28,200	\$15,651	55.5%	\$5,154	18.3%	\$34,303
Aug 24	\$28,510	\$15,966	56.0%	\$5,330	18.7%	\$36,997
Sep 24	\$26,130	\$14,763	56.5%	\$4,363	16.7%	\$37,044
Oct 24	\$29,860	\$16,423	55.0%	\$6,027	20.2%	\$40,735
Nov 24	\$33,460	\$17,901	53.5%	\$7,484	22.4%	\$44,216
Dec 24	\$35,550	\$18,486	52.0%	\$7,901	22.2%	\$47,827
Jan 25	\$39,260	\$20,612	52.5%	\$9,541	24.3%	\$52,497
Feb 25	\$37,640	\$19,949	53.0%	\$9,025	24.0%	\$54,905
Mar 25	\$31,920	\$17,556	55.0%	\$6,559	20.6%	\$57,082
Apr 25	\$28,870	\$16,312	56.5%	\$5,120	17.7%	\$58,496
May 25	\$28,690	\$16,353	57.0%	\$5,407	18.9%	\$61,370
Jun 25	\$31,740	\$17,774	56.0%	\$6,466	20.4%	\$63,053
Jul 25	\$32,620	\$18,104	55.5%	\$7,089	21.7%	\$67,004
Aug 25	\$31,550	\$17,668	56.0%	\$6,748	21.4%	\$69,418
Sep 25	\$31,110	\$17,577	56.5%	\$6,464	20.8%	\$72,251
Oct 25	\$32,390	\$17,814	55.0%	\$6,643	20.5%	\$74,704
Nov 25	\$39,430	\$21,095	53.5%	\$10,032	25.4%	\$80,801
Dec 25	\$40,210	\$20,909	52.0%	\$9,954	24.8%	\$83,312

This report was prepared using illustrative sample data for demonstration purposes and does not represent an actual client engagement.