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## Quarterly Performance Report

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### Rimrock Plumbing & Heating LLC

Q3 2025 (Jul-Sep)

*Prepared by Marlow Accounting*

Published October 8, 2025

SAMPLE REPORT — ILLUSTRATIVE DATA FOR DEMONSTRATION PURPOSES ONLY

## Executive Summary

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Rimrock Plumbing & Heating LLC generated \$95,280 in revenue for Q3 2025 (Jul-Sep), up +15.0% from \$82,840 in Q3 2024 (Jul-Sep). The business kept \$20,301 of that as net income — a net margin of 21.3%, meaning it held onto about \$21 out of every \$100 of sales after covering the cost of the work and running the office. Cash on hand closed the period at \$72,251, up from \$37,044 at the end of Q3 2024 (Jul-Sep).

- **Revenue** ON TRACK  
\$95,280, up +15.0% versus Q3 2024 (Jul-Sep).
- **Profitability** ON TRACK  
Net income of \$20,301 (21.3% margin), up +36.7% from Q3 2024 (Jul-Sep).
- **Cash Position** ON TRACK  
\$72,251 in the bank at period end, an increase of \$35,207.
- **Liquidity** ON TRACK  
Current ratio of 10.21:1 — the business has \$10.21 in short-term assets for every \$1 of short-term obligations.
- **Expense Control** ON TRACK  
Operating expenses of \$33,048, up +4.8%, growing slower than revenue.

### Biggest Positive

Cash on hand grew by \$35,207 to \$72,251, strengthening the business's cash cushion.

### Biggest Concern

Accounts receivable grew faster than revenue, up +20.9% to \$2,588 — worth confirming collections stay on schedule.

### Three Recommendations

- Keep pricing and scheduling aligned with the quarter's \$95,280 demand level so the 56% gross margin holds as volume grows.
- Review "Wages - Office & Admin" (\$10,759 this quarter) for opportunities to renegotiate or trim, since it is the largest controllable cost line.
- With \$72,251 in cash and a current ratio of 10.2:1, 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 Q3 2025 (Jul-Sep), compared to Q3 2024 (Jul-Sep). All figures are drawn directly from the underlying profit & loss and balance sheet data.

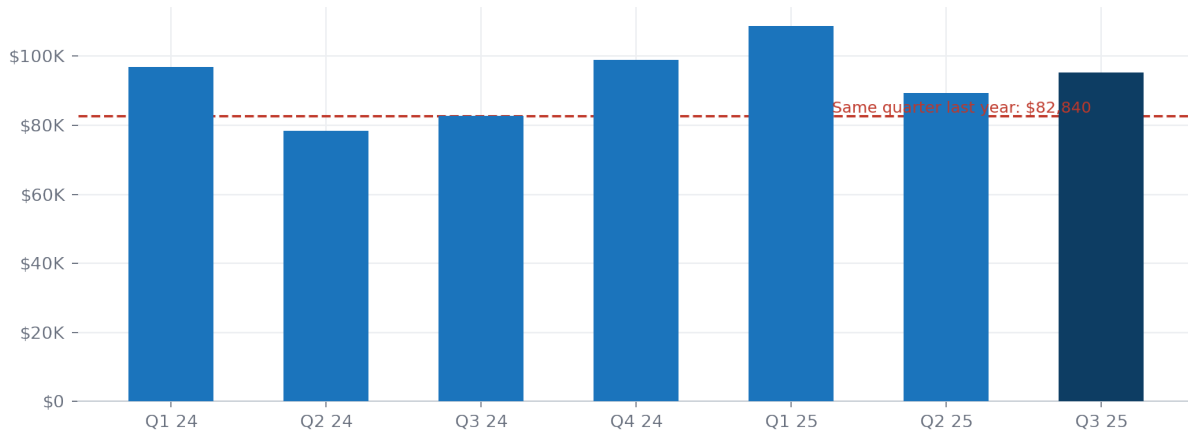
<b>REVENUE</b> <b>\$95,280</b> ▲ +15.0% vs Q3 2024 (Jul-Sep)	<b>GROSS PROFIT</b> <b>\$53,349</b> ▲ +15.0% vs Q3 2024 (Jul-Sep)	<b>GROSS MARGIN %</b> <b>56.0%</b> ▲ +0.0 pts	<b>NET INCOME</b> <b>\$20,301</b> ▲ +36.7% vs Q3 2024 (Jul-Sep)
<b>NET MARGIN %</b> <b>21.3%</b> ▲ +3.4 pts	<b>OPERATING EXPENSES</b> <b>\$33,048</b> ▲ +4.8% vs Q3 2024 (Jul-Sep)	<b>EBIT (OPERATING PROFIT)</b> <b>\$20,301</b> No interest or tax expense this period	<b>CASH ON HAND</b> <b>\$72,251</b> ▲ +\$35,207 vs Q3 2024 (Jul-Sep)
<b>WORKING CAPITAL</b> <b>\$69,959</b> Current assets less current liabilities	<b>CURRENT RATIO</b> <b>10.21:1</b> Target: 2.00:1 or higher	<b>TOTAL DEBT</b> <b>\$23,616</b> ▼ (\$2,604) vs Q3 2024 (Jul-Sep)	<b>OWNER EQUITY</b> <b>\$119,019</b> ▲ +\$32,350 vs Q3 2024 (Jul-Sep)

Ratios such as current ratio and working capital reflect the balance sheet as of September 30, 2025. Return-based ratios (ROA, ROE) are annualized from this quarter's results for comparability.

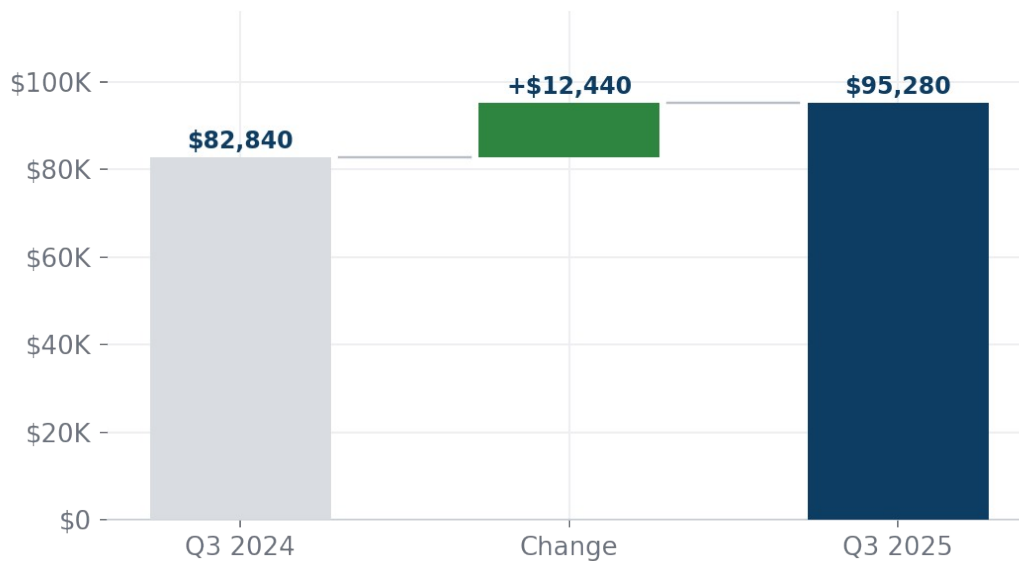
# Revenue Analysis

Rimrock Plumbing & Heating LLC billed \$95,280 in Q3 2025 (Jul-Sep), an increase of \$12,440 (+15.0%) from \$82,840 in Q3 2024 (Jul-Sep).

## Revenue — Trailing Periods



## Revenue Bridge

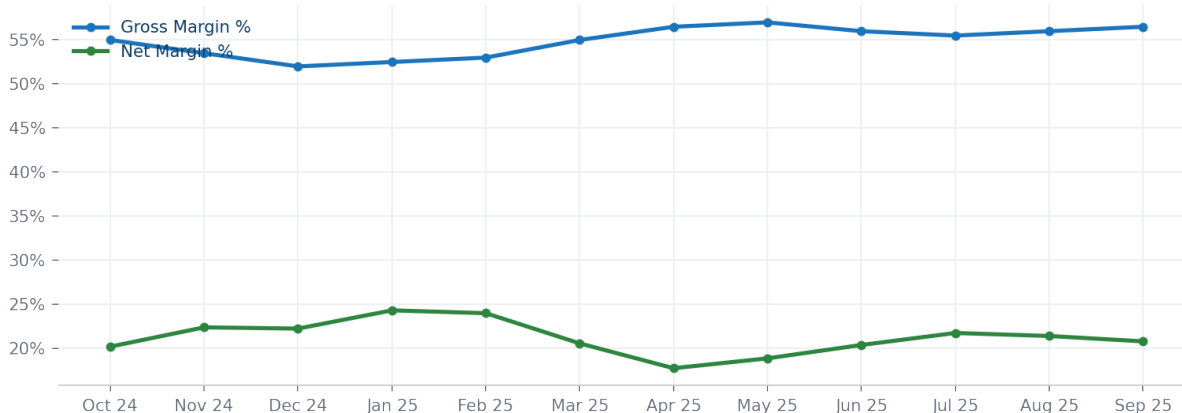


## Why Revenue Moved

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 +15.0% is consistent with the business's broader growth trend rather than a one-time event — revenue has grown in most comparable periods over the trailing two years shown above.

## Gross Profit Analysis

	Q3 2024 (Jul-Sep)	Q3 2025 (Jul-Sep)	Variance	Variance %
Revenue	\$82,840	\$95,280	+\$12,440	+15.0%
Cost of Goods Sold	\$36,460	\$41,931	+\$5,471	+15.0%
<b>Gross Profit</b>	<b>\$46,380</b>	<b>\$53,349</b>	<b>+\$6,969</b>	<b>+15.0%</b>
<b>Gross Margin %</b>	<b>56.0%</b>	<b>56.0%</b>	<b>+0.0 pts</b>	



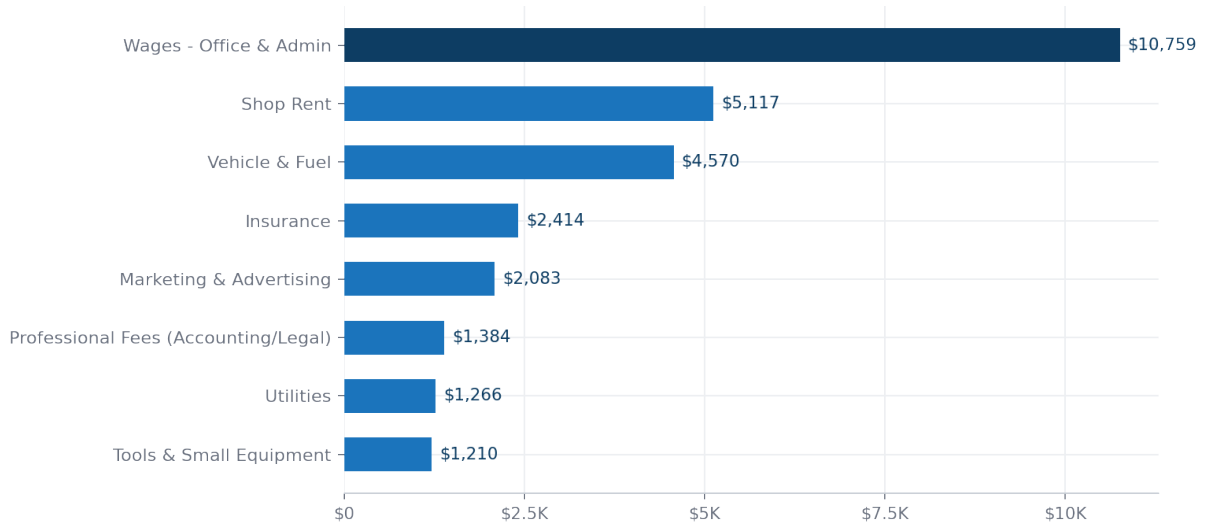
### Why Margin Moved

For every \$100 of sales, the business kept \$56 after paying for materials and field labor in Q3 2025 (Jul-Sep), compared with \$56 in Q3 2024 (Jul-Sep). Materials and direct labor ran 44.0% of revenue this quarter, versus 44.0% 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 \$33,048 in Q3 2025 (Jul-Sep), up +4.8% from \$31,533 in Q3 2024 (Jul-Sep).

### Top Expense Categories

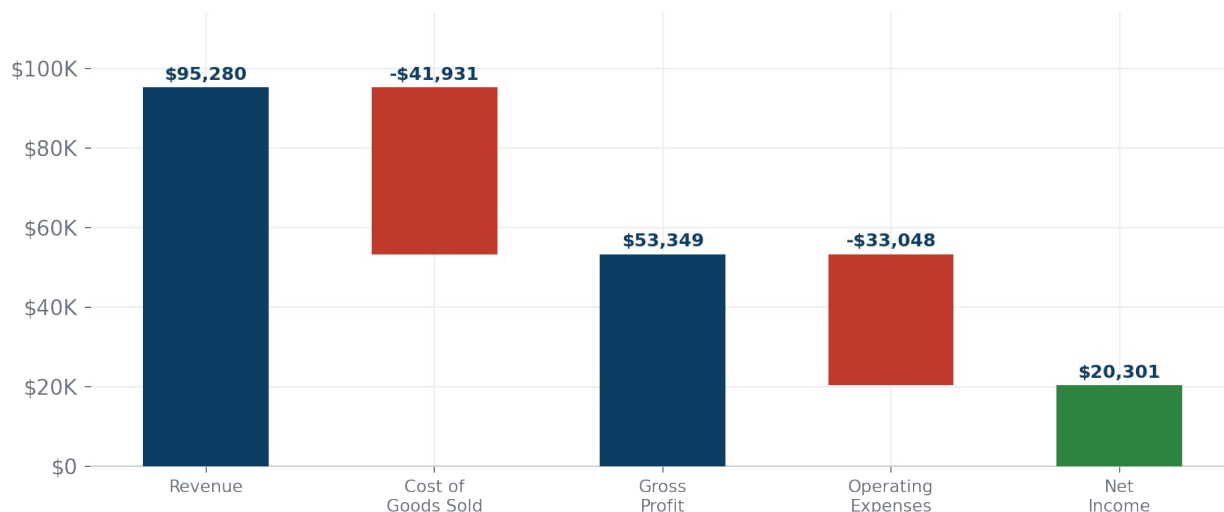


**What Increased, What Decreased**

Needs attention: Wages - Office & Admin rose \$586 (+5.8%); Shop Rent rose \$274 (+5.7%); Vehicle & Fuel rose \$126 (+2.8%).

Overall, expense growth of +4.8% stayed within the pace of revenue growth, which is the healthy pattern for a growing service business.

## Net Income Analysis



	Q3 2024 (Jul-Sep)	Q3 2025 (Jul-Sep)	Variance	Variance %
Revenue	\$82,840	\$95,280	+\$12,440	+15.0%
Cost of Goods Sold	\$36,460	\$41,931	+\$5,471	+15.0%
Gross Profit	\$46,380	\$53,349	+\$6,969	+15.0%
Operating Expenses	\$31,533	\$33,048	+\$1,515	+4.8%
<b>Net Income</b>	<b>\$14,847</b>	<b>\$20,301</b>	<b>+\$5,454</b>	<b>+36.7%</b>

Net income of \$20,301 represents a net margin of 21.3% — the business kept about \$21 of every \$100 in sales after all costs and operating expenses. The +36.7% change from Q3 2024 (Jul-Sep) was driven primarily by the revenue gain described above, which flowed through to the bottom line faster than expenses grew.

## Balance Sheet Review

### Assets

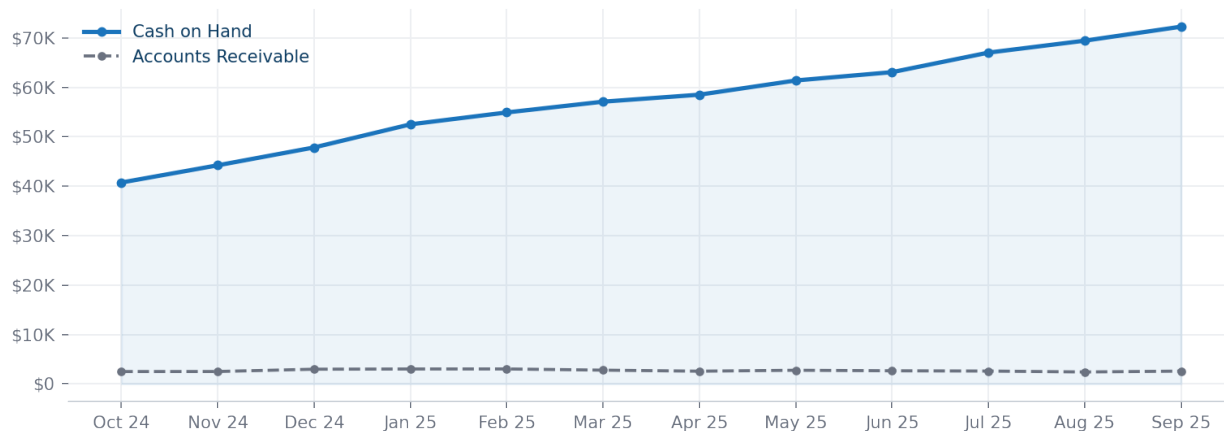
	Q3 2024 (Jul-Sep)	Q3 2025 (Jul-Sep)	Variance %
Cash & Equivalents	\$37,044	\$72,251	+95.0%
Accounts Receivable	\$2,141	\$2,588	+20.9%
Inventory (Parts on Hand)	\$1,234	\$1,566	+26.9%
Prepaid Expenses	\$1,150	\$1,150	0.0%
<b>Total Current Assets</b>	<b>\$41,569</b>	<b>\$77,555</b>	<b>+86.6%</b>
Fixed Assets, Net	\$71,320	\$65,080	-8.7%
<b>Total Assets</b>	<b>\$112,889</b>	<b>\$142,635</b>	<b>+26.3%</b>

## Liabilities & Equity

	Q3 2024 (Jul-Sep)	Q3 2025 (Jul-Sep)	Variance %
Accounts Payable	\$3,721	\$4,974	+33.7%
Credit Card Payable	\$1,919	\$2,622	+36.6%
<b>Total Current Liabilities</b>	<b>\$5,640</b>	<b>\$7,596</b>	<b>+34.7%</b>
Equipment Loan (Long-Term)	\$20,580	\$16,020	-22.2%
<b>Total Liabilities</b>	<b>\$26,220</b>	<b>\$23,616</b>	<b>-9.9%</b>
<b>Owner Equity</b>	<b>\$86,669</b>	<b>\$119,019</b>	<b>+37.3%</b>

Cash grew to \$72,251 while the equipment loan balance declined to \$16,020, a combination that has steadily reduced leverage: total liabilities are now -9.9% versus Q3 2024 (Jul-Sep). Owner equity of \$119,019 reflects retained profits after owner draws of \$4,056 for the period.

## Cash Flow



	Q3 2024 (Jul-Sep)	Q3 2025 (Jul-Sep)
Operating Cash Flow	\$15,469	\$22,897
Investing Cash Flow	\$0	\$0
Financing Cash Flow (draws + debt payments)	(\$10,549)	(\$13,699)
<b>Net Change in Cash</b>	<b>\$4,920</b>	<b>\$9,198</b>
Cash — Beginning of Period	\$32,124	\$63,053
<b>Cash — End of Period</b>	<b>\$37,044</b>	<b>\$72,251</b>

The business generated \$22,897 in operating cash flow this quarter. After equipment loan payments of \$1,140 and owner draws of \$12,559, cash on hand increased by \$9,198, closing at \$72,251. With no external financing beyond the existing equipment loan, day-to-day operations are self-funding the business's growth.

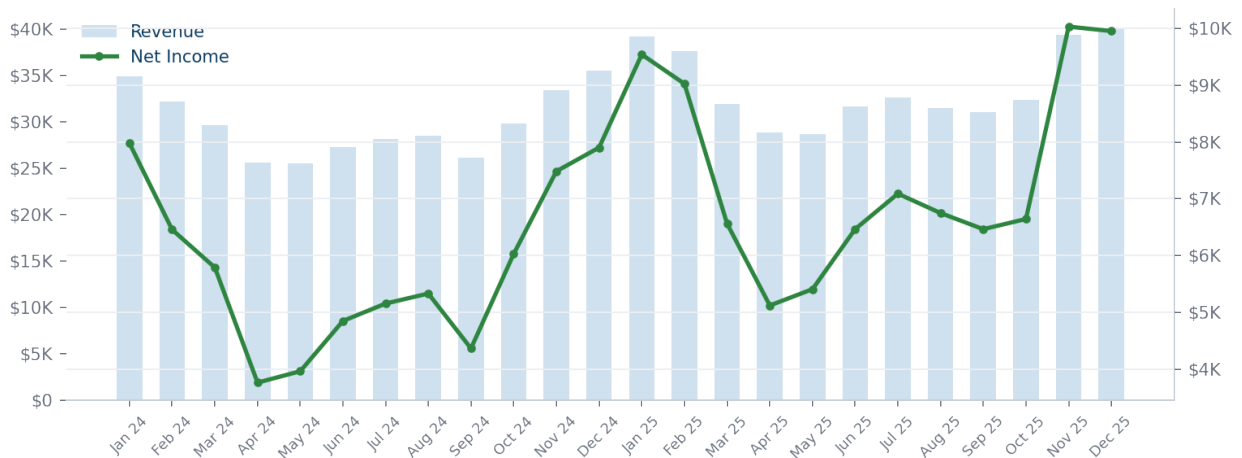
# Ratio Analysis

Ratio	Q3 2024 (Jul-Sep)	Q3 2025 (Jul-Sep)	What It Means
Current Ratio	7.37:1	10.21:1	Short-term assets available for every \$1 of short-term bills.
Quick Ratio	6.95:1	9.85:1	Cash and receivables alone, without relying on inventory, per \$1 of short-term bills.
Debt-to-Equity	0.30	0.20	Dollars of debt for every \$1 the owner has invested in the business.
Working Capital	\$35,929	\$69,959	Cash cushion left after paying all short-term obligations.
Return on Assets (annualized)	52.6%	56.9%	Annualized profit generated per dollar of assets owned.
Return on Equity (annualized)	68.5%	68.2%	Annualized return the owner is earning on their investment in the business.

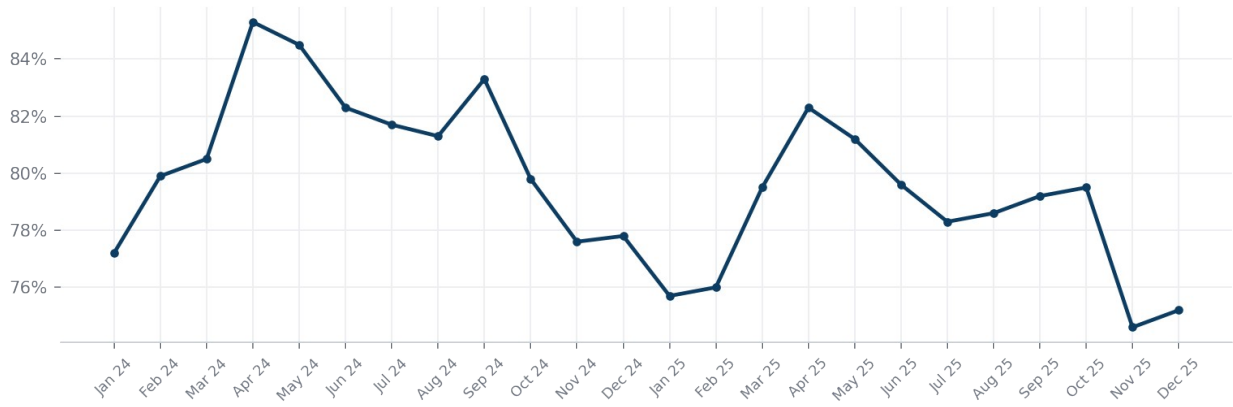
Every liquidity ratio here is comfortably above the general 2:1 / 1:1 rule of thumb, meaning short-term bills are well covered by cash and near-cash assets. Debt-to-equity of 0.20 shows the business is financed mostly by owner equity and retained profits rather than borrowed money.

## 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.

## Top Expense Categories

Ranked by total spend in Q3 2025 (Jul-Sep), compared to Q3 2024 (Jul-Sep).

Category	Q3 2025 (Jul-Sep)	Q3 2024 (Jul-Sep)	Variance \$	Variance %
Wages - Office & Admin	\$10,759	\$10,173	+\$586	+5.8%
Shop Rent	\$5,117	\$4,843	+\$274	+5.7%
Vehicle & Fuel	\$4,570	\$4,444	+\$126	+2.8%
Insurance	\$2,414	\$2,404	+\$10	+0.4%
Marketing & Advertising	\$2,083	\$1,990	+\$93	+4.7%
Professional Fees (Accounting/Legal)	\$1,384	\$1,270	+\$114	+9.0%
Utilities	\$1,266	\$1,212	+\$54	+4.5%
Tools & Small Equipment	\$1,210	\$1,137	+\$73	+6.4%

- Wages - Office & Admin: increased \$586 (5.8%) versus Q3 2024 (Jul-Sep).
- Shop Rent: increased \$274 (5.7%) versus Q3 2024 (Jul-Sep).
- Vehicle & Fuel: increased \$126 (2.8%) versus Q3 2024 (Jul-Sep).
- Insurance: increased \$10 (0.4%) versus Q3 2024 (Jul-Sep).

## Recommendations

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### Operational

- Track job-level time and materials against the 44% cost-of-goods rate seen this quarter 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 (\$1,140 this quarter) — at this rate the loan will be retired well ahead of most equipment's useful life.
- With owner equity growing to \$119,019, consider setting a formal owner-draw percentage each quarter rather than an ad-hoc amount, to keep retained cash predictable.

### Cash Flow

- Cash on hand of \$72,251 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 \$2,588 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 \$10,759.
- 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 Quarter

- 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	Q3 2024 (Jul-Sep)	Q3 2025 (Jul-Sep)	Variance \$	Variance %
Wages - Office & Admin	\$10,173	\$10,759	+\$586	+5.8%
Vehicle & Fuel	\$4,444	\$4,570	+\$126	+2.8%
Insurance	\$2,404	\$2,414	+\$10	+0.4%
Shop Rent	\$4,843	\$5,117	+\$274	+5.7%
Utilities	\$1,212	\$1,266	+\$54	+4.5%
Telephone & Internet	\$788	\$844	+\$56	+7.1%
Tools & Small Equipment	\$1,137	\$1,210	+\$73	+6.4%
Dues, Licenses & Permits	\$560	\$613	+\$53	+9.5%
Marketing & Advertising	\$1,990	\$2,083	+\$93	+4.7%
Professional Fees (Accounting/Legal)	\$1,270	\$1,384	+\$114	+9.0%
Office Supplies	\$519	\$561	+\$42	+8.1%
Software & Subscriptions	\$633	\$667	+\$34	+5.4%
Depreciation - Vehicles & Equipment	\$1,560	\$1,560	+\$0	0.0%

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Revenue	\$82,840	\$95,280	+\$12,440	+15.0%
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Total Operating Expenses	\$31,533	\$33,048	+\$1,515	+4.8%
<b>Net Income</b>	<b>\$14,847</b>	<b>\$20,301</b>	<b>+\$5,454</b>	<b>+36.7%</b>

### A2. Detailed Balance Sheet Comparison

	Q3 2024 (Jul-Sep)	Q3 2025 (Jul-Sep)	Variance %
Cash & Equivalents	\$37,044	\$72,251	+95.0%
Accounts Receivable	\$2,141	\$2,588	+20.9%
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<b>Owner Equity</b>	<b>\$86,669</b>	<b>\$119,019</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.