

# Kehoe & Co. - 2007 Annual Landscape Industry Report

## Average Findings for: Most Profitable - Top 25% of Companies with Sales Over \$3M

### Report Criteria:

- Reporting Period: Fiscal-Year-End 2006
- All figures reported in actual US dollars.
- Reported sums may not add due to averaging and rounding.

<b>INCOME STATEMENT - FYE 2006</b>	<b>Landscape Construction</b>		<b>Landscape Design Build</b>		<b>Grounds Maintenance</b>	
	<b>% of Sales</b>		<b>% of Sales</b>		<b>% of Sales</b>	
<b>REVENUES</b>						
Total Revenue	\$ 7,242,000	100.0%	\$ 3,850,000	100.0%	\$ 8,781,116	100.0%
<b>DIRECT COSTS</b>						
Job Materials	2,201,967	30.4%	645,000	16.8%	1,004,698	11.4%
Subcontractors	1,061,928	14.7%	340,000	8.8%	470,668	5.4%
Direct Labor Wages & Salaries - Foremen & Laborers	866,953	12.0%	675,000	17.5%	2,681,898	30.5%
Direct Labor Payroll Taxes	135,123	1.9%	NA	NA	193,615	2.2%
<b>Total Direct Costs</b>	<b>4,265,971</b>	<b>58.9%</b>	<b>1,660,000</b>	<b>43.1%</b>	<b>4,350,880</b>	<b>49.5%</b>
<b>INDIRECT COSTS</b>						
Production Supervisor Salaries Including Payroll Taxes	72,448	1.0%	100,000	2.6%	275,144	3.1%
Mechanic Wages & Salaries Including Payroll Taxes	47,716	0.7%	27,000	0.7%	59,579	0.7%
Equipment Repairs, Equip. Leases, Fuel, & Depreciation	310,403	4.3%	115,000	3.0%	886,563	10.1%
Vehicle Insurance, License, & Registration	35,199	0.5%	19,500	0.5%	56,154	0.6%
Small Tools & Job Supplies	257,811	3.6%	8,000	0.2%	89,033	1.0%
Trash Fees, Dumping Fees, & Uniforms	8,121	0.1%	32,000	0.8%	66,322	0.8%
<b>Total Indirect Costs</b>	<b>731,698</b>	<b>10.1%</b>	<b>301,500</b>	<b>7.8%</b>	<b>1,432,794</b>	<b>16.3%</b>
<b>TOTAL COST OF SALES</b>	<b>4,997,669</b>	<b>69.0%</b>	<b>1,961,500</b>	<b>50.9%</b>	<b>5,783,674</b>	<b>65.9%</b>
<b>GROSS MARGIN</b>	<b>2,244,331</b>	<b>31.0%</b>	<b>1,888,500</b>	<b>49.1%</b>	<b>2,997,442</b>	<b>34.1%</b>
<b>SELLING, GENERAL, &amp; ADMINISTRATIVE COSTS - SG&amp;A</b>						
Advertising & Marketing	10,457	0.1%	6,000	0.2%	44,198	0.5%
Insurance - Including Workers' Comp	99,047	1.4%	87,000	2.3%	237,058	2.7%
Office Expense - Including Computers & Supplies	25,404	0.4%	52,000	1.4%	65,206	0.7%
Rent and/or Facility Lease	82,098	1.1%	72,000	1.9%	183,228	2.1%
Professional Services	11,632	0.2%	10,800	0.3%	74,488	0.8%
Phone & Utilities - Including Cell Phone	22,485	0.3%	27,200	0.7%	74,879	0.9%
Interest Expense	27,720	0.4%	500	0.0%	5,737	0.1%
All Other Misc. Expenses - Dues, Travel, Education, etc.	31,950	0.4%	18,000	0.5%	67,890	0.8%
Salaries - Sales & Designers Including Payroll Taxes	114,921	1.6%	117,000	3.0%	235,716	2.7%
Salaries - Office & Admin Staff Including Payroll Taxes	322,855	4.5%	900,000	23.4%	381,616	4.3%
<b>Total SG&amp;A Costs</b>	<b>748,569</b>	<b>10.3%</b>	<b>1,290,500</b>	<b>33.5%</b>	<b>1,370,016</b>	<b>15.6%</b>
<b>NET PROFIT (Calculated)</b>	<b>1,495,762</b>	<b>20.7%</b>	<b>598,000</b>	<b>15.5%</b>	<b>1,627,426</b>	<b>18.5%</b>

<b>ASSETS - As of Fiscal-Year-End 2006</b>	<b>Landscape Construction</b>		<b>Landscape Design Build</b>		<b>Grounds Maintenance</b>	
	<b>% of Assets</b>		<b>% of Assets</b>		<b>% of Assets</b>	
Accounts Receivable	3,551,041	43.2%	756,000	57.0%	472,031	42.6%
Equipment (Net Depreciation)	697,343	8.5%	42,000	3.2%	473,517	42.8%
Estimated New Equipment Purchases for 2007	647,446	7.9%	35,000	2.6%	213,618	19.3%
<b>Total Assets (Reported)</b>	<b>8,223,000</b>	<b>100.0%</b>	<b>1,327,000</b>	<b>100.0%</b>	<b>1,107,473</b>	<b>100.0%</b>
<b>RATIO ANALYSIS</b>						
Asset Turnover	0.9	-	2.9	-	7.9	-
Equipment Turnover	10.4	-	91.7	-	18.5	-

<b>AVERAGE STAFFING LEVELS</b>	<b>Landscape Construction</b>	<b>Landscape Design Build</b>	<b>Grounds Maintenance</b>
Sales & Estimators	1.5	1.0	5.3
Designers	1.0	3.0	0.5
Production, Operations Mngt, Facilities, & Purchasing	9.3	1.0	17.0
Project & Account Managers	2.3	2.0	10.0
Shop & Mechanic Staff	1.0	1.0	1.3
Accounting, Admin, & Human Resources Staff	2.7	2.0	6.0
<b>Average Total Employees</b>	<b>17.8</b>	<b>10.0</b>	<b>40.2</b>