

CLIENT PROJECT BUDGET VS ACTUAL REPORT

Q4 2023 Financial Analysis

Summit Digital Solutions, Inc.

CONFIDENTIAL AND PROPRIETARY

Generated: January 9, 2024

1. EXECUTIVE SUMMARY

This document presents the Q4 2023 budget versus actual analysis for client project engagements conducted by Summit Digital Solutions, Inc. ("Company") for the period October 1, 2023 through December 31, 2023. All figures are presented in United States Dollars (USD) and have been reviewed by the Company's Finance Department and external auditors.

2. PROJECT PORTFOLIO OVERVIEW

1. Total Active Projects: 47
2. New Projects Initiated in Q4: 8
3. Projects Completed in Q4: 6
4. Average Project Duration: 8.3 months
5. Total Portfolio Value: \$42,875,000

3. AGGREGATE FINANCIAL PERFORMANCE

1. Revenue

- Budgeted: \$23,500,000
- Actual: \$24,725,000
- Variance: +\$1,225,000 (+5.2%)

2. Direct Costs

- Budgeted: \$15,275,000
- Actual: \$15,850,000
- Variance: -\$575,000 (-3.8%)

3. Gross Margin

- Budgeted: \$8,225,000 (35%)
- Actual: \$8,875,000 (35.9%)
- Variance: +\$650,000 (+7.9%)

4. PROJECT-SPECIFIC PERFORMANCE

1. Enterprise AI Implementation Projects

- Number of Projects: 18
- Average Budget Utilization: 97.8%
- Margin Performance: +2.3% above target

2. IoT Integration Projects

- Number of Projects: 15
- Average Budget Utilization: 102.4%
- Margin Performance: -1.1% below target

3. Process Automation Projects

- Number of Projects: 14
- Average Budget Utilization: 95.6%
- Margin Performance: +3.4% above target

5. RESOURCE ALLOCATION

1. Professional Services Hours

- Budgeted: 84,500 hours
- Actual: 86,725 hours
- Variance: +2,225 hours (+2.6%)

2. Utilization Rates

- Technical Resources: 83.2%
- Project Management: 87.5%
- Solution Architecture: 91.3%
- Implementation Teams: 85.7%

6. COST ANALYSIS

1. Labor Costs

- Budgeted: \$12,875,000
- Actual: \$13,225,000
- Variance: -\$350,000 (-2.7%)

2. Technology Infrastructure

- Budgeted: \$1,575,000
- Actual: \$1,625,000
- Variance: -\$50,000 (-3.2%)

3. Third-Party Services

- Budgeted: \$825,000
- Actual: \$1,000,000
- Variance: -\$175,000 (-21.2%)

7. KEY PERFORMANCE INDICATORS

1. Project Delivery

- On-Time Delivery Rate: 92%
- Change Order Rate: 7.3%
- Client Satisfaction Score: 4.4/5.0

2. Financial Metrics

- Average Project Margin: 35.9%
- Revenue per Billable Hour: \$285
- Cost per Billable Hour: \$183

8. RISK FACTORS AND MITIGATION

1. Identified Risks

- Resource constraints in AI specialization
- Supply chain delays affecting IoT hardware
- Increasing labor costs in technical roles

2. Mitigation Strategies

- Enhanced recruiting for AI specialists
- Revised vendor management protocols
- Implementation of new pricing models

9. LEGAL DISCLAIMERS

This document contains confidential and proprietary information of Summit Digital Solutions, Inc. The financial data presented herein has been prepared in accordance with generally accepted accounting principles (GAAP) and internal company policies. All projections and forward-looking statements are subject to various risks and uncertainties. Actual results may differ materially from those presented.

10. CERTIFICATION

The undersigned hereby certify that the information contained in this report is accurate and complete to the best of their knowledge as of the date of this report.

SUMMIT DIGITAL SOLUTIONS, INC.

By: _

Sarah Blackwell

Chief Operating Officer

By: _

Marcus Chen

Chief Financial Officer

Date: January 9, 2024

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