

<b>Per Return</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Cumulative Incurred Costs	\$58,000	\$300,000	\$500,000
Estimated Total Cost	\$600,000	\$600,000	\$500,000
Percent Complete	9.6%	50%	100%
Total Contract Price	\$1,000,000	\$1,000,000	\$1,000,000
Income to be Reported	\$0	\$500,000	\$500,000
Expenses to be Deducted	\$0	\$300,000	\$200,000
<b>Per Look-Back</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Cumulative Incurred Costs	\$58,000	\$300,000	\$500,000
Actual Total Costs	\$500,000	\$500,000	\$500,000
Percent Completed	11.6%	60%	100%
Total Contract Price	\$1,000,000	\$1,000,000	\$1,000,000
Gross Income: That should have been reported for look-back purposes.	\$116,000	\$600,000	
		<u>(\$116,000)</u>	
		\$484,000	
Expenses: That should have been deducted for look-back purposes.	\$58,000	\$300,000	
		<u>(\$58,000)</u>	
		\$242,000	