



HALFTONE

Print & Apparel Co.

Financial review

12-Month Financial Review

June 2025 - May 2026, compared with the prior 12 months

Prepared for **Halftone Apparel Co.**

Prepared by **PLS Balance My Books** | June 16, 2026

Confidential

Illustrative example. Halftone Apparel Co. is a fictional company, and every name and figure in this report is invented to demonstrate the analysis. Any resemblance to a real business is coincidental.

1 Executive summary

Revenue grew 10%. The bigger store cost more than it brought in.

Custom printing had a good year. The retail expansion and the inventory behind it absorbed the profit and most of the cash.



\$451.5K

Revenue, Jun 2025 - May 2026. Up 10.2% from the prior 12 months.

\$18.9K

Net income after the owner's salary. Down 61.9%; margin 4.2%, from 12.1%.

\$60.2K

Inventory at May 31, up from \$35.0K. Retail stock nearly doubled with the new space.

\$26.0K

Line of credit drawn at May 31, from \$0 a year ago. Limit \$40K.

Critical issue

Back-to-school will use the rest of the credit line

The retail expansion added \$11.0K of sales and **\$36.7K of retail costs**, and inventory grew \$25.2K. Together with the buildout, that is why the business drew \$26K on its line of credit this year.

The 13-week forecast (Section 6) shows back-to-school blanks and payroll going out before school payments come in. **The line reaches its \$40K limit in the week of Jul 27 and stays there into September**, leaving no room for a late payment or a large rush order. Deposits on team orders, a clearance sale and a pause on retail reorders keep the peak near \$30K (Section 9, actions 1-5).

The custom side of the business is healthy. Business, school and team-store orders grew 10.6%, and online team stores, which customers pay for up front, grew 66.7%. Custom work contributed \$126.6K before shared overhead, up from \$122.2K, even though blank prices rose faster than the shop's prices.

Retail is where the year went wrong. After its staff, its share of the space and its marketing, the storefront contributed **\$12.7K**, down from \$38.4K. That \$25.7K drop accounts for most of the \$30.7K fall in net income.



Area	Direction	Summary
Revenue	Up	+\$41.9K (+10.2%). Team stores +66.7%, retail +9.3%, schools +8.1%, business orders +4.7%.
Profitability	Down sharply	Net income \$18.9K (4.2%), down from \$49.7K (12.1%), after the owner's \$40K salary.
Gross margin	Down	47.7% to 45.3%. Blank costs rose about 7%; prices about 3%.
Retail	Not paying back	Sales +9.3% after nearly doubling the space. Contribution \$38.4K to \$12.7K.
Inventory	Too high	\$35.0K to \$60.2K. Retail stock turns 1.9 times a year, down from 2.6.
Cash and debt	Weakening	Cash \$11.5K; line of credit \$26K of \$40K. Total debt \$55.9K, up from \$21.0K.
Data quality	Needs attention	No inventory count since December; card fees netted from retail sales; exemption certificates missing for some tax-exempt sales.

	Prior 12 mo	Current 12 mo	Change
Revenue	\$409,590	\$451,500	+10.2%
Gross profit	\$195,485	\$204,608	+4.7%
Gross margin	47.7%	45.3%	-2.4 pts
Overhead	\$145,788	\$185,658	+27.3%
Net income	\$49,697	\$18,950	-61.9%
Custom contribution (business, schools, team stores)	\$122,190	\$126,592	+3.6%
Retail contribution	\$38,387	\$12,661	-67.0%
Inventory at year-end	\$35,000	\$60,200	+72.0%
Line of credit at year-end	\$0	\$26,000	

Decisions needed from the owner

- **Deposits on team and booster orders.** Approve a 50% deposit when the order is placed. School district purchase orders stay on invoice terms.
- **Custom price increase.** Confirm 5% on the standard price list from July 1, which recovers the blank increases.
- **Clearance.** Approve markdowns of up to 50% on retail stock older than nine months (\$11.2K at cost).
- **Retail staffing.** Move the store lead to production about 60% of the time through September, when the shop needs hands and the store is quiet.
- **The adjacent suite.** Its lease runs through August 2027. Decide by December 31 whether retail stays at this size, using the monthly retail scorecard in Section 3.

2 Key wins

Custom orders grew, and team stores took off.

The printing side of the business did more work at healthy margins and brought in new, prepaid revenue.



- **Revenue up \$41.9K (+10.2%)** to \$451.5K, with growth on every channel.
- **Online team stores up 66.7%** to \$37.5K. Parents and members order and pay online, the shop prints in batches, and contribution rose to 27% as volume grew.
- **Schools and teams up 8.1%**. August was the biggest school month of the year at \$18.0K.
- **Business orders up 4.7%**, with repeat uniform and promotional customers and a strong holiday gifting season.
- **New DTF printer in October**. It added capacity for small full-color orders and is financed over 60 months.
- **Deposits on business orders are working**. Customer deposits held steady at about \$4K, and business-order receivables stayed short.
- **Holiday retail was strong**. November and December retail sales were \$38.5K, up 11.0%.

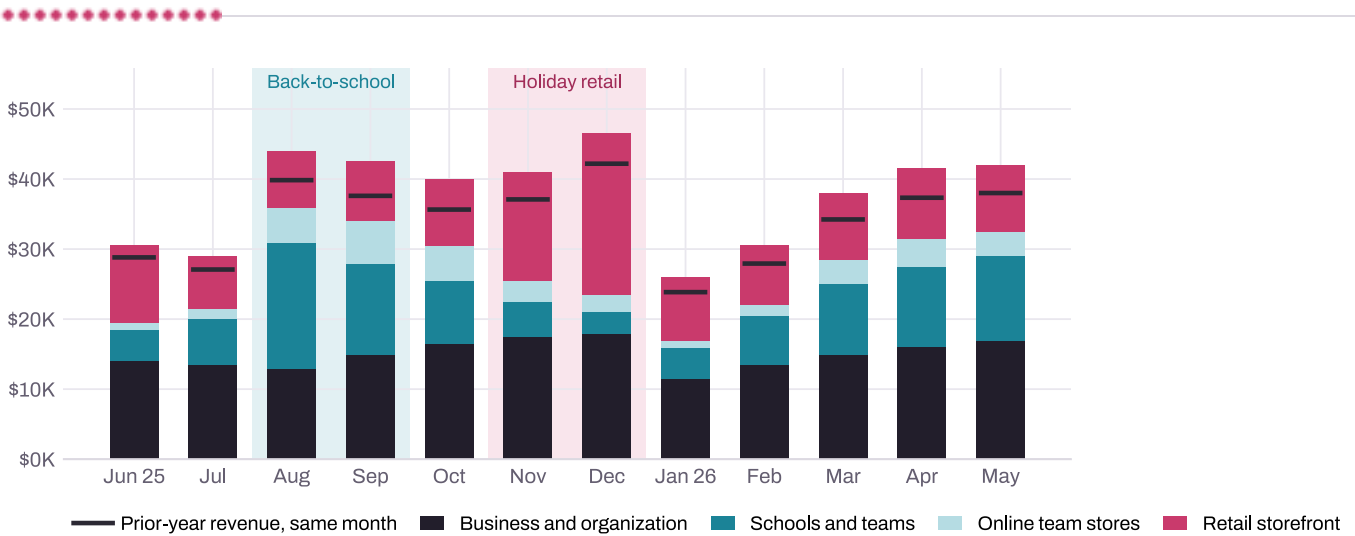
Custom printing	Prior 12 mo	Current 12 mo	Change	Contribution
Business and organization orders	\$172,370	\$180,500	+4.7%	\$74,996
Schools and teams	\$96,190	\$104,000	+8.1%	\$41,491
Online team stores	\$22,500	\$37,500	+66.7%	\$10,105
Total custom	\$291,060	\$322,000	+10.6%	\$126,592

Contribution is revenue less blanks and materials, production labor, outsourced work, shipping and card or platform fees, before shared overhead. Section 3 explains the method.

3 Revenue and margin trends

Every channel grew, but retail grew least for what it cost.

Revenue averaged \$37.6K a month, from \$26.0K in Jan to \$46.5K in Dec.



Channel	Prior 12 mo	Current 12 mo	Change	Share of revenue
Business and organization orders	\$172,370	\$180,500	+4.7%	40.0%
Schools and teams	\$96,190	\$104,000	+8.1%	23.0%
Online team stores	\$22,500	\$37,500	+66.7%	8.3%
Retail storefront	\$118,530	\$129,500	+9.3%	28.7%
Total revenue	\$409,590	\$451,500	+10.2%	100.0%

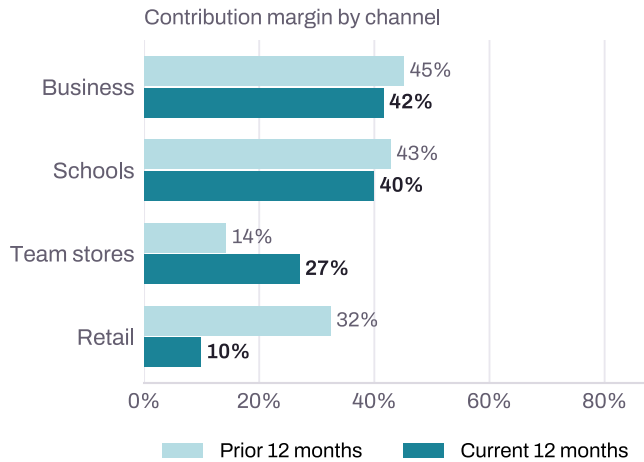
Two peaks, two different businesses. August and September are driven by schools, teams and team stores. November and December are driven by retail and business gifting. January is the low point at \$26.0K.

Retail grew about 11% after the expansion. From September to May, retail sales were up 11.0% on the same months a year earlier, with nearly twice the selling space and a second employee.

Channel profitability: custom printing carries the business

Current 12 months	Revenue	Direct costs	Contribution	Margin	vs prior year
Business and organization orders	\$180,500	\$105,504	\$74,996	41.5%	-3.6 pts
Schools and teams	\$104,000	\$62,509	\$41,491	39.9%	-2.9 pts
Online team stores	\$37,500	\$27,395	\$10,105	26.9%	+12.7 pts
Retail storefront	\$129,500	\$116,839	\$12,661	9.8%	-22.6 pts
Total before shared overhead	\$451,500	\$312,248	\$139,252	30.8%	
Shared overhead			(\$120,303)		
Net income			\$18,950	4.2%	

Direct costs: blanks and materials, production labor (allocated by press and embroidery hours), outsourced work, shipping and card or platform fees. Retail also carries its staff, its share of rent (the front of the building plus the adjacent suite) and most of the marketing. Shared overhead includes the owner's salary, the rest of the building, equipment, software, insurance and interest.



Blanks got more expensive faster than prices.

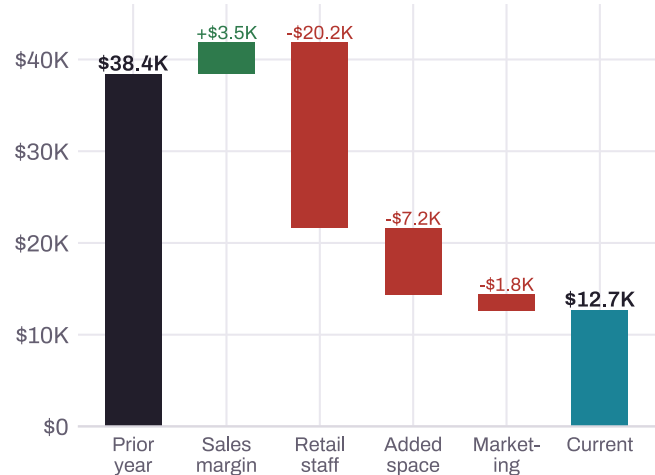
Materials rose from 30.0% to 32.0% of business and school revenue. Supplier increases of about 7% in August met price changes of about 3%, which cost roughly \$5.7K this year.

Team stores improved the most. Contribution rose from 14% to 27% as batch printing spread setup time over more orders.

Where the profit went. Net income fell \$30.7K. Retail contribution fell \$25.7K, shared overhead rose \$9.4K (mostly depreciation and interest from the buildout, printer and line of credit), and custom contribution rose \$4.4K.

Retail scorecard: twice the space, not twice the sales

Retail storefront	Prior	Current
Retail sales	\$118.5K	\$129.5K
Selling space (sq ft)	650	1,250
Sales per sq ft, annualized	\$182	\$110
Retail staff cost	\$16.2K	\$36.5K
Retail stock at year-end	\$18.6K	\$36.2K
Inventory turns	2.6x	1.9x
Days of stock on hand	140	194
Stock older than nine months	n/a	\$11.2K
Retail contribution	\$38.4K	\$12.7K
Contribution margin	32.4%	9.8%



Retail contribution, prior 12 months to current. Sales per square foot for the current year uses September-May, annualized, on the larger space.

The new costs arrived in full; the new sales did not. Higher retail sales added about \$3.5K of margin. Against that, the store lead added \$20.2K, the adjacent suite \$7.2K of rent and the opening and holiday marketing \$1.8K.

The stock is working too slowly. The store now holds about 194 days of stock, against 140 a year ago, and \$11.2K of it at cost is older than nine months: mostly designs from last summer and the holiday line. That money is sitting on shelves instead of paying down the line.

What would make the store pay

Retail's own staff, space and marketing now cost \$56.6K a year, against \$27.4K a year ago. Its sales produce about \$69.2K of margin, which leaves \$12.7K toward the building, the owner's time and systems. Getting back to last year's \$38.4K through sales alone would take about 37% more retail sales, so the plan combines lower staffing in slow months, faster-moving stock and a few more high-traffic events.

4 Expense trends

Overhead grew almost three times as fast as revenue.

Direct costs rose 15.3% and overhead 27.3%, against revenue growth of 10.2%.



Category	Prior 12 mo	Current 12 mo	Change	% of revenue
Direct costs				
Blanks and materials, custom orders	\$80,568	\$91,040	+\$10,472	20.2%
Blanks and materials, team stores	\$9,450	\$15,750	+\$6,300	3.5%
Retail product cost (incl. count adjustments)	\$46,441	\$53,252	+\$6,811	11.8%
Production labor	\$70,340	\$78,970	+\$8,630	17.5%
Outsourced printing and embroidery	\$4,028	\$4,268	+\$239	0.9%
Shipping and delivery	\$3,277	\$3,612	+\$335	0.8%
Total direct costs	\$214,105	\$246,892	+\$32,787	54.7%
Overhead				
Owner's salary (with payroll taxes)	\$43,200	\$43,200	+\$0	9.6%
Rent	\$28,800	\$36,000	+\$7,200	8.0%
Retail staff	\$16,200	\$36,450	+\$20,250	8.1%
Depreciation	\$9,840	\$13,327	+\$3,487	3.0%
Marketing	\$7,200	\$10,400	+\$3,200	2.3%
CAM and utilities	\$8,400	\$9,480	+\$1,080	2.1%
Card and platform fees	\$7,548	\$8,786	+\$1,237	1.9%
Professional fees	\$7,200	\$7,700	+\$500	1.7%
Software (POS, online store, order system)	\$4,560	\$5,040	+\$480	1.1%
Insurance	\$3,960	\$4,320	+\$360	1.0%
Equipment repairs	\$3,600	\$4,080	+\$480	0.9%
Interest	\$1,680	\$2,916	+\$1,236	0.6%
Office and other	\$3,600	\$3,960	+\$360	0.9%
Total overhead	\$145,788	\$185,658	+\$39,870	41.1%
Total expenses	\$359,893	\$432,550	+\$72,658	95.8%

Three retail-related lines explain most of the overhead increase: retail staff (+\$20.2K), rent (+\$7.2K) and marketing (+\$3.2K). Depreciation and interest rose another \$4.7K with the buildout, the DTF printer and the line of credit.

What drove the direct-cost increase

Blanks. Garment suppliers raised prices about 7% in August 2025. The shop raised its price list about 3% and absorbed the rest, so custom materials rose 13.0% on revenue growth of 5.9%.

Production labor rose 12.3% with wage increases and more part-time helper hours in August and September. Labor per dollar of custom revenue was steady, which suggests the shop's productivity held up.

Notable cost items and classification

Type	Items
New recurring costs	Store lead (from September, about \$2,250 a month with taxes); adjacent suite rent (\$800 a month) and higher CAM; DTF printer loan (\$342 a month); line of credit interest.
Largest ongoing costs	Blanks and materials (\$106.8K); production labor (\$79.0K); retail product (\$53.3K); owner's salary (\$43.2K); rent (\$36.0K).
One-time or annual	Retail buildout (\$12.4K, September, capitalized); DTF printer (\$16.5K, October, capitalized and financed); grand-opening marketing (September); tax preparation (March); December inventory count adjustment (\$2.1K).
Classification corrected	Square and Shopify payouts were recorded net of fees. This review records retail sales gross and shows the \$2,100 of fees as an expense, which raises both revenue and card fees but not profit.
Data quality	Retail inventory is based on POS quantities; the last physical count was in December. About \$14.2K of school and nonprofit sales were recorded as tax-exempt without a certificate on file.
Unexplained variances	None material. Bank, card, loan and payroll accounts reconcile to the general ledger.

What this means

The cost base of the print shop is in reasonable shape: labor productivity held, and the margin squeeze on blanks is a pricing issue with a straightforward fix. The overhead problem is almost entirely the retail expansion. It was a reasonable bet on growth, but after nine months the store is carrying a second employee, a second suite and nearly twice the stock on about 11% more sales.

5 Cash flow and liquidity

Inventory and the buildout were paid for with the credit line.

Operations produced almost no cash after the inventory build, so distributions, the buildout and loan payments were funded by borrowing.

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Cash flow, Jun 2025 - May 2026	Amount
Net income	\$18,950
Depreciation (non-cash)	\$13,327
Increase in inventory	(\$25,200)
Increase in receivables	(\$3,447)
Payables, deposits and other	\$1,944
Cash from operations	\$5,573
Retail buildout and DTF printer	(\$28,900)
DTF printer loan	\$16,500
Equipment loan principal	(\$7,643)
Owner distributions	(\$24,000)
Line of credit, net draws	\$26,000
Net change in cash	(\$12,470)

Inventory absorbed \$25.2K. Without that build, operations would have produced about \$30.8K, enough to cover distributions and loan payments.

Cash fell from \$24.0K to \$11.5K while the line went from \$0 to \$26K. **Net of the line, cash went from \$24.0K to -\$14.5K.**



The line tracks the stock. The first draw paid for the buildout in September and was cleared by holiday sales. From January, the line rose again as retail stock was rebuilt for the larger store and blanks were bought ahead of price increases. Blanks and supplies on hand grew to \$24.0K.

6 13-week cash forecast

The line runs out in late July without changes.

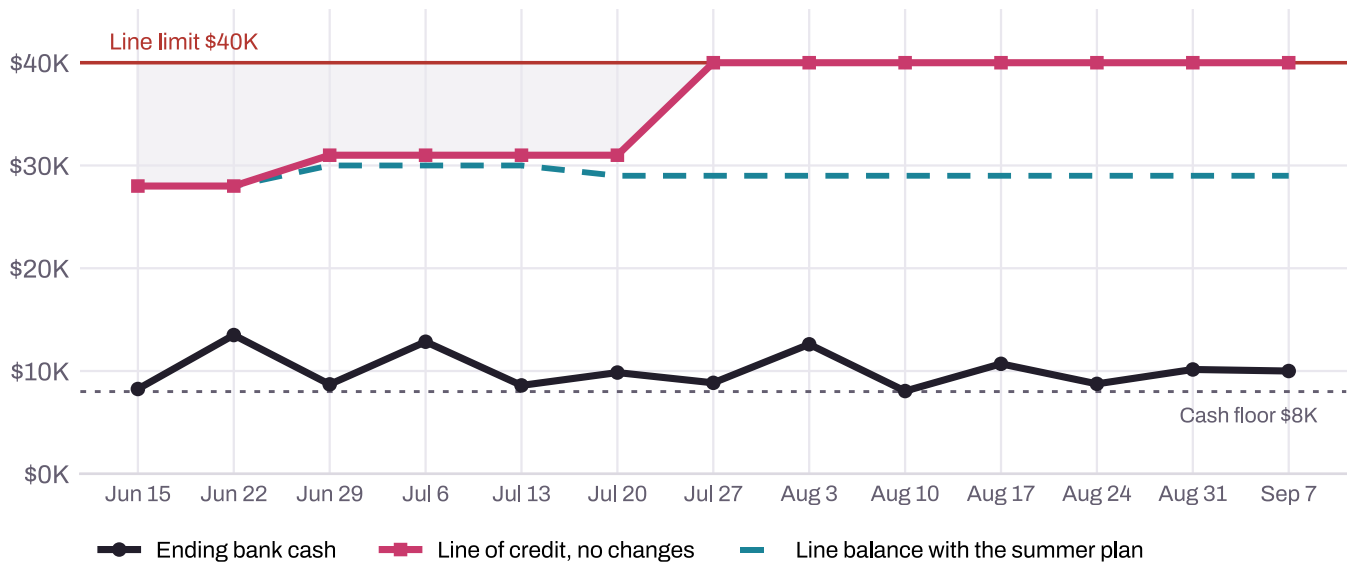
Weeks of June 15 to September 13, 2026: a quiet June and July, then the back-to-school rush, with school payments arriving mostly in September.



What the forecast shows

Over the next 13 weeks the business takes in about \$116K and pays out about \$131K. Blanks for August school and team orders are bought in July and paid on 30-day terms in August, payroll rises with overtime, and most school districts pay 30 to 60 days after delivery. **The line of credit reaches its \$40K limit in the week of Jul 27** and stays there, with cash at the \$8K floor.

With the summer plan (deposits on team orders, a July clearance sale, a pause on retail reorders, the store lead helping in production and a 5% price increase), the line peaks at about \$30K, leaving \$10K of headroom through back-to-school.



Starting position: \$10,800 in the bank and \$26,000 drawn on the line at June 12 (June not yet closed). Whenever cash would fall below the \$8K operating floor, the shortfall is drawn on the line in \$1,000 steps; cash above \$16,000 repays it. The forecast will be compared with actual results in each monthly report.

Week of	Cash in	Payroll	Blanks, supplies	Overhead, loans	Tax, distrib.	Net cash flow	Line change	Ending cash	Line balance
Jun 15	\$8,400	(\$6,300)	(\$2,600)	(\$450)	(\$3,600)	(\$4,550)	+\$2,000	\$8,250	\$28,000
Jun 22	\$8,100	-	(\$2,400)	(\$450)	-	\$5,250	-	\$13,500	\$28,000
Jun 29	\$7,800	(\$6,300)	(\$2,500)	(\$6,800)	-	(\$7,800)	+\$3,000	\$8,700	\$31,000
Jul 6	\$7,300	-	(\$2,700)	(\$450)	-	\$4,150	-	\$12,850	\$31,000
Jul 13	\$7,600	(\$6,300)	(\$3,100)	(\$450)	(\$2,000)	(\$4,250)	-	\$8,600	\$31,000
Jul 20	\$7,400	-	(\$4,200)	(\$450)	(\$1,500)	\$1,250	-	\$9,850	\$31,000
Jul 27	\$7,900	(\$6,400)	(\$4,700)	(\$6,800)	-	(\$10,000)	+\$9,000	\$8,850	\$40,000
Aug 3	\$8,600	-	(\$4,400)	(\$450)	-	\$3,750	-	\$12,600	\$40,000
Aug 10	\$9,400	(\$6,900)	(\$4,600)	(\$450)	(\$2,000)	(\$4,550)	-	\$8,050	\$40,000
Aug 17	\$9,600	-	(\$4,800)	(\$450)	(\$1,700)	\$2,650	-	\$10,700	\$40,000
Aug 24	\$9,900	(\$7,100)	(\$4,300)	(\$450)	-	(\$1,950)	-	\$8,750	\$40,000
Aug 31	\$11,800	-	(\$3,500)	(\$6,900)	-	\$1,400	-	\$10,150	\$40,000
Sep 7	\$12,400	(\$6,900)	(\$3,200)	(\$450)	(\$2,000)	(\$150)	-	\$10,000	\$40,000
13 weeks	\$116,200	(\$46,200)	(\$47,000)	(\$25,000)	(\$12,800)	(\$14,800)	+\$14,000	\$10,000	\$40,000

Key assumptions

- **Starting position:** \$10,800 in checking and \$26,000 on the line at June 12. June is not yet closed.
- **Collections:** retail and team-store sales daily; business orders on deposit and balance at pickup; school orders invoiced at delivery and paid 30-60 days later, so August's school work is mostly collected in September and October.
- **Payroll:** biweekly, including the owner's salary, rising in August with helper hours and overtime.
- **Blanks and supplies:** paid on 30-day supplier terms, rising from about \$2,500 a week in June to \$4,500-4,800 a week in late July and August for back-to-school orders; includes normal retail reorders.
- **Rent, overhead and loans:** rent, CAM, insurance, software, equipment loans, bookkeeping and line interest at the start of each month; marketing, repairs and shipping weekly.
- **Sales tax and distributions:** sales tax on the 20th; owner distributions of \$2,000 on the 15th.
- **Line of credit:** \$40K limit at 10.5%; draws and repayments in \$1,000 steps.
- **Not included:** deposits on school and team orders, a clearance sale, any price change, or new equipment.

7 Balance sheet

More stock, more debt, slightly less equity.

The business still has solid equity, but more of its assets are now inventory and more of its funding is borrowed.



At May 31	2025	2026	Change
Cash	\$24,000	\$11,530	-\$12,470
Accounts receivable	\$15,668	\$19,115	+\$3,447
Retail inventory	\$18,600	\$36,200	+\$17,600
Blanks and supplies	\$16,400	\$24,000	+\$7,600
Equipment and buildout, net	\$48,000	\$63,573	+\$15,573
Total assets	\$122,668	\$154,418	+\$31,750
Accounts payable	\$7,497	\$8,838	+\$1,341
Customer deposits	\$3,120	\$3,504	+\$384
Sales tax and payroll liabilities	\$4,418	\$4,636	+\$218
Line of credit	\$0	\$26,000	+\$26,000
Equipment loans	\$21,000	\$29,857	+\$8,857
Total liabilities	\$36,035	\$72,836	+\$36,801
Owner's equity	\$86,633	\$81,582	-\$5,050

Debt at May 31, 2026	Balance	Rate
Line of credit (limit \$40K)	\$26,000	10.5%
Automatic press loan	\$14,929	7.5%
DTF printer loan	\$14,928	8.9%
Total	\$55,857	

The line of credit renews annually. Lenders usually want to see a line paid down for part of the year; this one has been drawn continuously since January.

- **Inventory is now 39% of total assets**, up from 29%. Retail stock nearly doubled.
- **Receivables of \$19.1K** are mostly school orders; \$6.8K is over 60 days, mainly one school district waiting on purchase-order paperwork.
- **Customer deposits of \$3.5K** are recorded correctly as a liability until orders are delivered.
- **Equipment loans are on schedule.** The press loan has about 27 payments left; the DTF loan runs to 2030.
- **Equity fell \$5.1K** because distributions of \$24K exceeded net income of \$18.9K.



8 Risks and red flags

One critical issue. Two more need action.

Risks are ranked by urgency: critical, needs action, needs investigation and monitor.



Act now

Issue	Status	Why it matters
Credit line capacity for back-to-school (highest priority)	Critical: act now	The forecast reaches the \$40K limit in late July with no headroom until school payments arrive in September.
Retail expansion	Needs action	Retail contribution fell from \$38.4K to \$12.7K. Staffing, stock and events need to change before the holiday season.
Custom pricing	Needs action	Blank costs outpaced prices, costing about \$5.7K this year. The increase is likely to continue.

Needs investigation

Issue	Why it matters
Missing exemption certificates	\$14.2K of sales recorded as tax-exempt without a certificate. If they can't be collected, about \$1.2K of sales tax could be owed.
Inventory accuracy	No physical count since December. Retail shrink, damaged items and markdowns are unknown until counted.
Slow school receivable	\$6.8K over 60 days, mainly one district. Purchase-order paperwork needs to be complete before work starts.

Monitor

Issue	Why it matters
Blank prices	Suppliers have signaled another increase for early 2027.
Credit line renewal	The lender will review the line at renewal; a line drawn all year is a harder conversation.
Automatic press age	Repairs are rising slowly; the press is central to school and team orders.

9 Recommended actions

Protect the credit line, then fix the store.

Prioritized actions for the next 30 days, the next 60-90 days and ongoing accounting items.



Goal: keep at least \$10,000 of credit-line headroom through back-to-school, and decide the retail footprint by December 31

The first five actions keep the line near \$30K this summer. The rest rebuild retail's contribution and clean up the accounting before the holiday season.

Next 30 days

#	Action	Why
1	Take 50% deposits on team and booster orders when the order is placed; confirm purchase-order paperwork for school districts before work starts.	Brings about \$5.6K in during late July and August, when the line is tightest.
2	Raise custom prices 5% from July 1 on the standard price list and quote templates.	Recovers the blank increase; about \$14.2K a year.
3	Count all inventory by June 30 , then hold a clearance sale in July on stock older than nine months.	Establishes accurate stock and turns about \$11.2K of slow stock back into cash.
4	Pause retail reorders except proven best-sellers until retail stock is below \$25,000.	Keeps about \$4.8K in the bank through August.
5	Move the store lead to production about 60% of the time through September.	Covers back-to-school helper hours at no extra cost, when the store is quiet.

Next 60-90 days

#	Action	Why
6	Review a monthly retail scorecard: sales per square foot, stock turns, aged stock and contribution.	Gives the owner the facts for the December decision on the adjacent suite.
7	Collect missing exemption certificates and require one before invoicing any sale as tax-exempt.	Removes about \$1.2K of potential sales tax exposure.
8	Follow up the 60-day school receivable and set a purchase-order checklist for school work.	Collects \$6.8K that is already earned.
9	Offer online team stores to every returning school and team customer for fall.	Prepaid revenue at about 27% contribution, with no receivable.

What keeps the line in check

Lever	Effect	Notes
Deposits on team and booster orders	about \$5.6K earlier	Timing: collected at order instead of 30-60 days after delivery.
Clearance sale in July	about \$4.0K	Cash from \$11.2K of aged stock at cost; sold near or below cost, so little profit.
Retail reorder pause	about \$4.8K	Less cash out in July and August; best-sellers still restocked.
Store lead in production	about \$2.1K	Fewer helper hours through September.
5% custom price increase	+\$14.2K a year	Profit; about \$2.7K arrives inside the forecast window.

Together these cut the forecast peak from \$40K to about \$30K and leave the business about \$13.6K better off by mid-September. If school payments arrive later than forecast, pausing distributions for July and August adds another \$4,000 of room.



Ongoing: accounting and CPA items

#	Action	Why
10	Record retail sales gross of card fees, book monthly POS inventory adjustments and count quarterly.	Keeps margins and inventory accurate between counts.
11	Review with the CPA: the owner's salary and distributions, depreciation on the buildout and DTF printer, and the sales tax exemption process.	Each affects taxes owed; the bookkeeping should follow the CPA's conclusions.

10 Summary

A strong print shop with a store that needs to earn its space.

Halftone grew 10% over the past twelve months, and the custom side of the business did well: more business and school work, a fast-growing team-store channel and steady production productivity. Its main weakness is pricing that lagged blank costs, which a 5% increase fixes.

The retail expansion is the reason profit fell and debt rose. The store nearly doubled its space, staff cost and stock, but sales grew about 11%. The inventory behind it, along with the buildout, was paid for with the credit line, which now has too little room for the back-to-school season.

Three priorities for the next 30 days

- 1. Take deposits on team and booster orders and confirm school paperwork up front.
- 2. Raise custom prices 5% from July 1.
- 3. Count inventory, clear aged stock and pause retail reorders until stock is below \$25,000.

About this report. Accrual basis. Based on QuickBooks reports run June 15, 2026 (Profit and Loss by Month for the current and prior 12 months, Balance Sheet by Month, Statement of Cash Flows, Sales by Customer and by Item, A/R Aging, A/P Aging, Inventory Valuation, Payroll Summary, General Ledger), Square and Shopify sales and payout reports, and the POS inventory aging report. Adjustments in this review: retail sales recorded gross of card fees (\$2,100). Inventory is at POS values; the last physical count was in December 2025. Channel costs are allocated by production hours and floor space. This review is analytical and does not constitute tax, legal or accounting advice; items marked for CPA review should be discussed with the company's tax professional. *Halftone Apparel Co. is fictional; this report is an illustrative example.*