

Monthly financial review

August 2026 Executive Summary

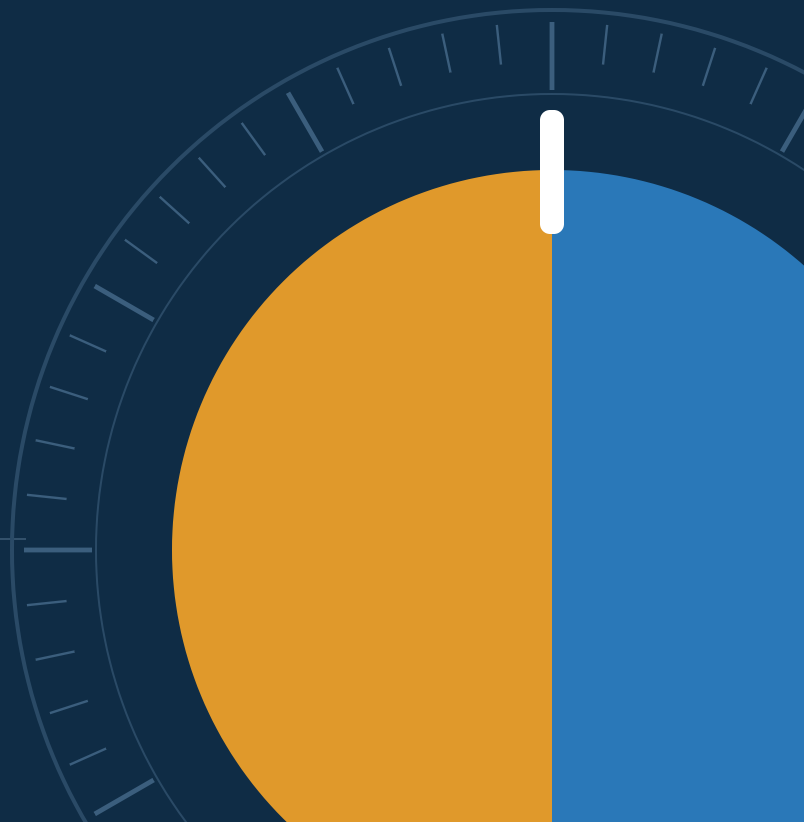
Month ended August 31, 2026, with comparisons to July 2026 and August 2025

Prepared for **Setpoint Heating & Air Co.**

Prepared by **PLS Balance My Books** | September 14, 2026

Confidential

Illustrative example. Setpoint Heating & Air 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

The biggest month in two years, and the repricing is starting to show.

Revenue reached \$203.1K, the largest month in the 25 months reviewed. Reported margin is understated by equipment bought in August for September jobs.

Close status. August is closed and bank, credit card and loan accounts are reconciled. The first month-end equipment count (review action 5) found **\$16,560** of equipment received and expensed in August for September installs. Reported figures follow QuickBooks; the management view moves that equipment to September, when it will be installed.

\$203.1K

Revenue. Up 29.3% from August 2025 and 11.2% from July.

43.7%

Gross margin, management view (35.5% reported). July was 41.3% on the same basis.

\$44.3K

Net income, management view (\$27.8K reported). August 2025: \$29.4K.

\$29.9K

Cash net of the line (\$64.9K cash, \$35.0K drawn). Jul 31: -\$7.5K.

Fact. August revenue was \$203,126: 11 replacements (\$129.6K), service and repair (\$58.9K), Comfort Club (\$9.3K) and commercial contracts (\$5.3K). Reported gross margin was 35.5% and net income \$27,782.

Management view. Moving the \$16,560 of September equipment out of August gives a gross margin of **43.7%** and net income of **\$44,342**, the strongest month in the period reviewed on a like-for-like basis.

Inference. Part of the improvement is seasonal, but part is price. Equipment fell to 44.3% of replacement revenue from 46.3% in July, and financing fees to 3.7% from 5.1%. Only four jobs were sold on the new price book, so September is the first real test.

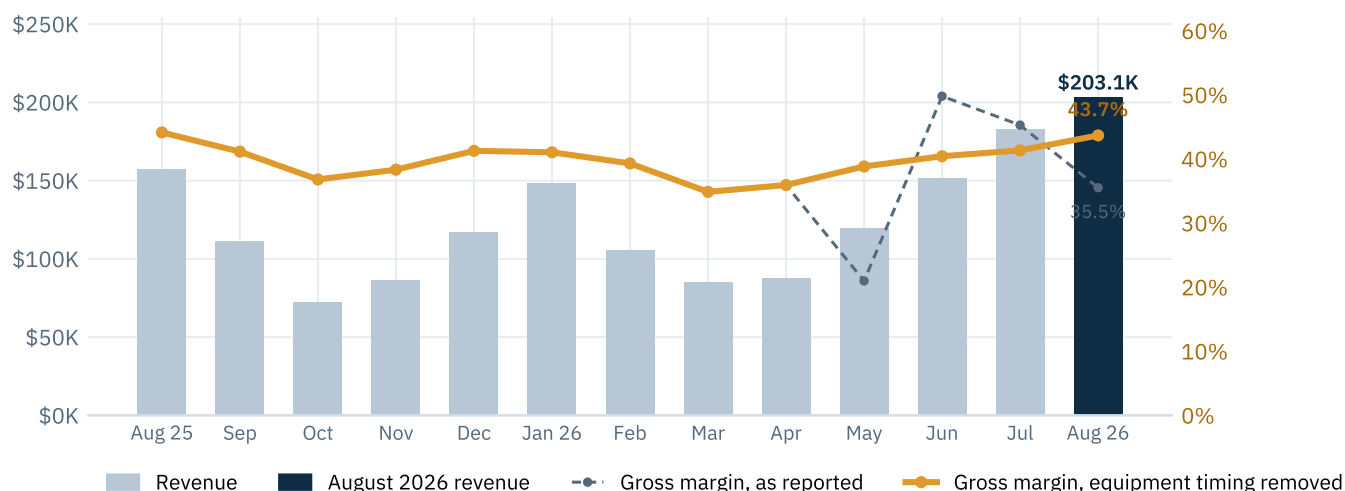
Recommendation. Keep the fall cash plan conservative. The rolled-forward forecast still takes the line to about \$60K in early November.

August 2026	Reported	Timing adjustment	Management view
Revenue	\$203,126	-	\$203,126
Cost of sales	\$130,966	(\$16,560)	\$114,406
Gross profit	\$72,159	+\$16,560	\$88,719
Gross margin	35.5%	+8.2 pts	43.7%
Overhead	\$44,377	-	\$44,377
Net income	\$27,782	+\$16,560	\$44,342

2 Revenue and margin trends

Replacements hit a two-year high, and margin recovered.

Trailing 13 months. The management-view line removes equipment bought ahead of the month it was installed (May, June, July and August 2026).



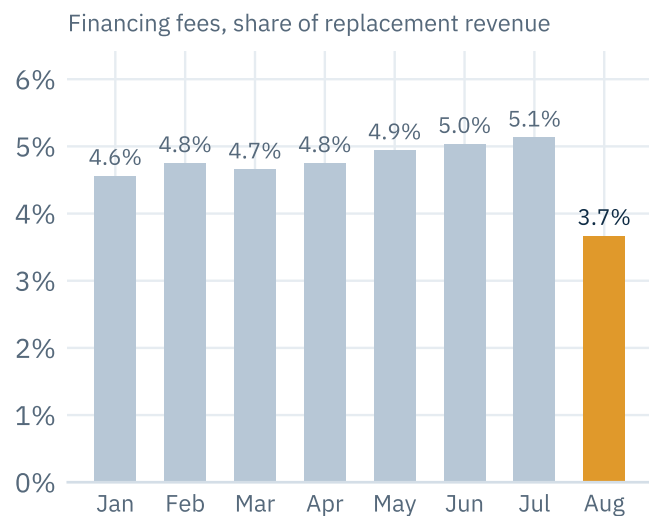
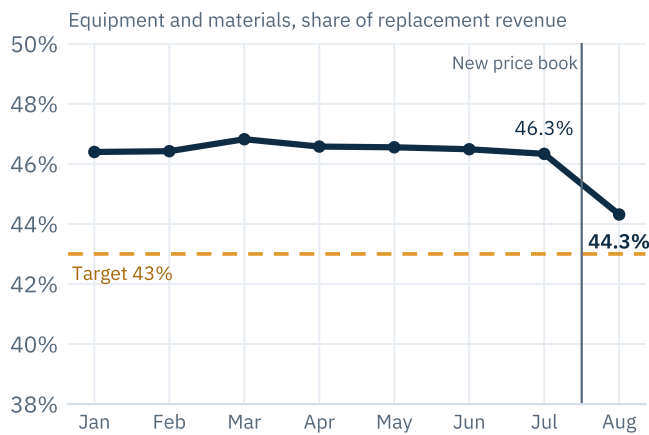
	Aug 2026	Jul 2026	Aug 2025	vs Aug 2025
Replacement installs	\$129,580	\$111,800	\$91,350	+41.9%
Service and repair	\$58,900	\$56,810	\$55,560	+6.0%
Comfort Club memberships	\$9,346	\$8,802	\$5,408	+72.8%
Commercial maintenance contracts	\$5,300	\$5,300	\$4,800	+10.4%
Total revenue	\$203,126	\$182,712	\$157,118	+29.3%
Systems installed	11	10	9	+22.2%
Average replacement ticket	\$11,780	\$11,180	\$10,150	+16.1%
Comfort Club members, month-end	531	503	338	+57.1%
Gross margin, management view	43.7%	41.3%	44.1%	-0.5 pts

Fact. 11 systems were installed, one more than July and 2 more than August 2025. Service and repair grew 6.0% over last August during a hot final three weeks of the month.

Inference. On a like-for-like basis, margin is back to within 0.5 points of August 2025 (44.1%), the smallest gap to the same month a year earlier in the past 13 months. July's reported 45.3% was flattered by \$7,200 of equipment bought in May; on an installed basis it was 41.3%.

Is the new price book working?

The 12-month review found equipment taking 46.0% of every replacement dollar and set a target of 43% or less. August is the first month with evidence.



Replacement jobs	July 2026	Aug, old price book	Aug, new price book
Systems	10	7	4
Average ticket	\$11,180	\$11,300	\$12,620
Equipment and materials per system	\$5,180	\$5,220	\$5,220
Equipment share of the ticket	46.3%	46.2%	41.4%
Contribution per system before field labor	\$4,811	\$5,047	\$6,273

Fact. Seven August installs were sold before the price book changed on August 17 and averaged \$11,300. The four sold after averaged \$12,620, with equipment at 41.4% of the ticket, inside the 43% target. Financing fees fell to 3.7% of replacement revenue as 47% of jobs were financed at an average fee of 7.8%.

Inference. At August's equipment cost, the new pricing adds about \$1,227 of contribution per system. Close rates have not visibly changed, but four jobs is too few to judge.

Recommendation. Track close rate and average ticket on quotes issued since August 17. If close rates hold through September, the increase is working as intended.

3 Expenses and variances

Costs followed volume. Timing explains the reported margin.

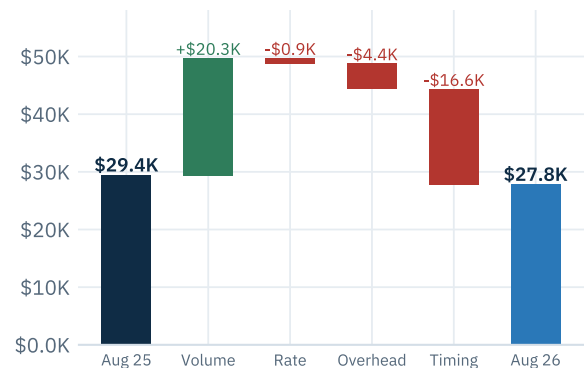
Overhead was \$44.4K, close to the \$43.2K monthly average of the last 12 months. The only large variance is equipment timing.

Line	Aug 2026	Jul 2026	Aug 2025	Comment
Revenue	\$203,126	\$182,712	\$157,118	11 installs; hot final three weeks
Equipment and materials	\$73,980	\$44,600	\$41,220	Includes \$16.6K for September jobs
Field labor	\$32,736	\$31,246	\$27,218	Overtime in the last three weeks
Service parts	\$11,191	\$10,964	\$10,723	In line with service volume
Financing fees	\$4,750	\$5,735	\$2,466	Below July; lower-fee plan presented first
Subcontractors, permits, other	\$8,309	\$7,420	\$6,140	Follows install count
Gross profit	\$72,159	\$82,747	\$69,351	\$88.7K management view
Office and admin wages	\$15,600	\$15,600	\$14,900	Raises effective January
Vehicles and fuel	\$6,480	\$6,600	\$5,600	Peak-season fuel
Marketing	\$3,900	\$4,000	\$3,600	Paid search paused while booked out
Rent	\$4,100	\$4,100	\$3,800	Lease renewal January
Insurance	\$3,050	\$3,050	\$2,550	Renews October 1
Depreciation	\$2,820	\$2,820	\$1,850	Sixth truck from October 2025
All other overhead	\$8,427	\$8,250	\$7,647	Software, card fees, utilities, interest
Total overhead	\$44,377	\$44,420	\$39,947	
Net income, reported	\$27,782	\$38,327	\$29,404	\$44.3K management view

Fact. Compared with August 2025, higher revenue at last year's margin added \$20.3K of profit. The slightly lower margin rate cost \$0.9K, overhead was \$4.4K higher, and equipment timing reduced reported profit by \$16.6K.

Inference. Overhead did not grow with the peak month, which is how a shop with a fixed cost base earns its year in peak season. Marketing was lower than in any month since January because the schedule was full.

Management view. Treat the \$16,560 as September cost. September's reported margin will look correspondingly better; the management view will move it back.

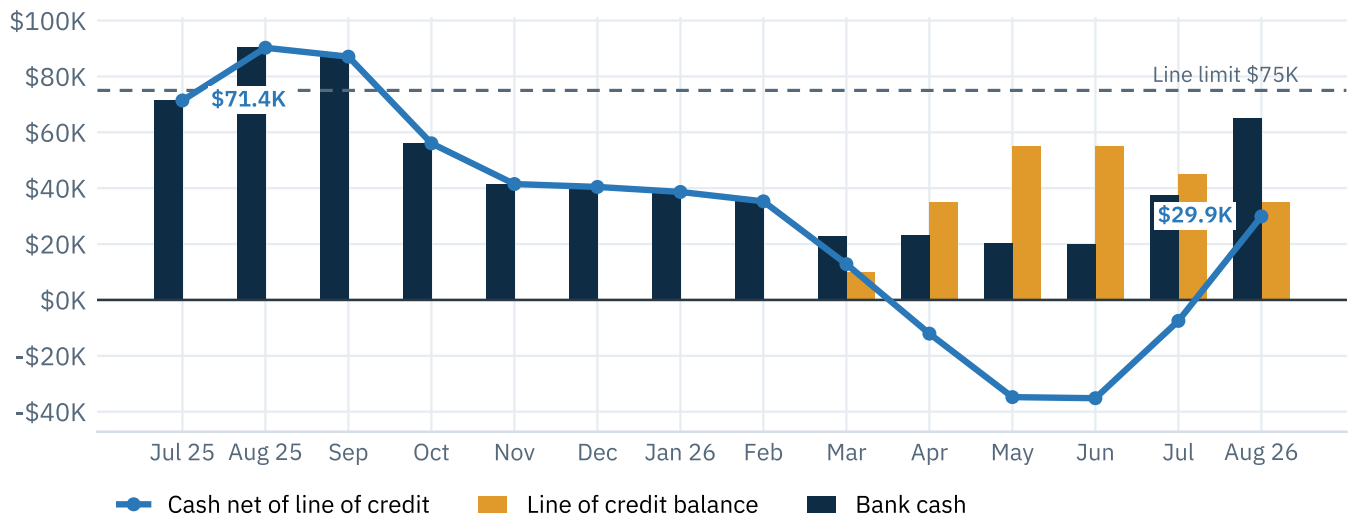


Net income, August 2025 to August 2026 (reported). Volume is revenue growth at August 2025's margin; rate is the change in margin, management view.

4 Cash flow and liquidity

Peak-season cash paid down the line. The fall is still ahead.

Cash rose \$27.4K after a \$10K line repayment. Net of the line, the position improved by \$37.4K in one month.



August cash movement	Amount	Forecast check, Aug 10-31	Forecast	Actual
Cash at July 31	\$37,502	Cash in	\$110,600	\$117,800
Cash from operations	\$46,159	Cash out	\$75,200	\$78,900
Vehicle loan principal	(\$2,750)	Line repayment	-	\$10,000
Owner distribution	(\$6,000)	Ending cash	\$71,412	\$64,912
Line of credit repayment	(\$10,000)	Line balance	\$45,000	\$35,000
Cash at August 31	\$64,912	Cash net of the line	\$26,412	\$29,912

Fact. Collections beat the forecast by \$7.2K on stronger service demand; payments ran \$3.7K higher on overtime and parts. After the repayment, cash net of the line finished \$3.5K ahead of forecast.

Inference. About \$10.3K of the early equipment is still unpaid on supplier terms and due September 10, so August-end cash is temporarily high. Rolled forward from the actual August position, the forecast now shows the line peaking at **\$60K in the week of Nov 2** (was \$65K), leaving \$15K of headroom.

Recommendation. Make no further repayment until November. Decide the October early-buy by September 25; deferring it keeps the line near \$45K.

5 Balance sheet

Receivables are steady, and financing paperwork is moving faster.

Balances at August 31, 2026, compared with July 31.

\$64.9K Cash, Jul 31: \$37.5K.	\$69.1K Accounts receivable, Jul 31: \$67.6K.	\$44.8K Accounts payable, including \$10.3K of early equipment.	\$35.0K Line of credit drawn of \$75K, Jul 31: \$45.0K.
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Item	Aug 31	Jul 31	Status	Comment
Cash	\$64,912	\$37,502	Strong	Seasonal high; includes unpaid early equipment.
Financing funding pending	\$18,200	\$24,900	Improving	Completion certificates now signed on install day.
Commercial receivables	\$31,100	\$29,450	Watch	\$4.9K over 60 days; one account on a payment plan.
Residential receivables	\$19,763	\$13,254	Stable	Higher with August volume; mostly current.
Accounts payable	\$44,818	\$23,341	Watch	Early equipment due September 10.
Customer deposits	\$10,602	\$16,845	Stable	Fewer installs scheduled for September than August.
Line of credit	\$35,000	\$45,000	Improving	\$10,000 repaid; hold until November.
Vehicle loans	\$78,250	\$81,000	Stable	Scheduled payments only.
Equity	\$101,901	\$80,119	Improving	Net income exceeded the distribution.

A/R aging, Aug 31	Amount	Share
Current	\$47,500	69%
1-30 days	\$12,400	18%
31-60 days	\$4,300	6%
61-90 days	\$2,100	3%
Over 90 days	\$2,763	4%
Total	\$69,063	100%

Fact. Balances over 60 days fell from \$6.4K to \$4.9K after one property manager paid in full.

Inference. The over-90 balance is the remaining property manager. The payment plan covers it by November if kept.

6 Progress on the 12-month review

Six of 11 actions done or on track after one month.

Action numbers follow Section 9 of the 12-Month Financial Review dated August 12, 2026.

#	Action	Status	August evidence
1	Update the replacement price book (about 7%)	Done	New price book effective Aug 17. Four August installs sold at new prices averaged \$12,620, with equipment at 41.4% of the ticket.
2	Reset the financing offer	Done	Standard plan presented first from Aug 10; promotion fee now priced into promo jobs. Average dealer fee 7.8%, down from 9.5%.
3	Set the fall cash plan by Sep 25	In progress	August distribution held at \$6,000. September tax distribution and the October early-buy still to be decided (questions 1-2).
4	Pay the line down with August cash, keep \$30K headroom	Done	\$10,000 repaid Aug 28. Balance \$35.0K; \$40.0K available.
5	Month-end equipment count	Done	First count Aug 31 found \$16,560 of equipment for September jobs. Used for this report's management view.
6	Job number on every purchase	Improving	Untagged purchases fell from about 18% to 11% of equipment and material spend.
7	Collect faster (financing paperwork, commercial accounts)	Improving	Financing funding pending fell from \$24.9K to \$18.2K. One of two slow commercial accounts paid; the other is on a payment plan.
8	Grow Comfort Club to 650 by next June	On track	531 members, up 28 in August, the best month for sign-ups this year. October tune-up campaign scheduled.
9	Record lead source on every booked job	Not started	Field added to the booking screen; technicians and the CSR begin using it September 14.
10	Post dealer fees to cost of sales monthly	Done	August fees posted directly to cost of sales.
11	CPA review: owner compensation, inventory, depreciation	Scheduled	Meeting set for September 22.

Where the plan stands

The two pricing actions, the most important items in the review, are in place, and the early evidence is positive. The open decisions are about the fall: the September tax distribution and the October early-buy. Both should be settled before September 25 so the forecast can be finalized.

7 Key wins

The busiest month in two years, with better pricing behind it.

- **Highest revenue in the period reviewed.** \$203,126, up 29.3% on August 2025, with 11 replacements.
- **Pricing reset in place.** New price book and financing offer both live in August; new-price jobs came in under the 43% equipment target.
- **Membership momentum.** 28 net new Comfort Club members, taking the base to 531.
- **First inventory count completed,** which is why this month's true margin is visible.
- **Line of credit reduced to \$35.0K** with \$40.0K available for the fall, and financing receivables down \$6.7K after the same-day paperwork change.

8 Risks and watch items

The fall shoulder is the next test.

Item	Status	Comment
Fall liquidity	Needs action	Rolled-forward line peak of \$60K in early November, \$15K of headroom. Early-buy and tax distribution decisions are open.
Close rate on new prices	Investigate	Only four jobs sold at new prices so far. Track quotes issued since August 17 against close rate.
Commercial account on a payment plan	Watch	\$2.8K over 90 days. Continue service only while the plan is current.
Insurance renewal October 1	Monitor	Down payment of \$9,400 is in the forecast; quotes due mid-September.
September margin optics	Monitor	September will carry less equipment cost than it used. The management view will add back the \$16.6K.

9 Questions for the owner

Three decisions shape the fall.

- **October early-buy.** Proceed with the full \$16,000 of furnaces and heat pumps, reduce it, or move it to November? Deferring keeps the line near \$45K instead of \$60K.
- **September tax distribution.** The forecast includes \$6,000 on September 15. Confirm the amount with the CPA before it is paid.
- **Commercial account on a payment plan.** Continue routine maintenance visits while the plan is current, or limit service to emergencies until the balance is cleared?

What next month's report will check.

- Move the \$16,560 of early equipment into September's management view and repeat the month-end count.
- Replacement equipment share against the 43% target, with close rate on quotes issued since August 17.
- Line of credit and cash against the rolled-forward forecast, including the September 10 supplier payment and September 15 distribution.
- Comfort Club progress toward 650 members, and the October tune-up campaign booking rate.
- Lead-source capture rate in the first two weeks of use.
- Outcome of the September 22 CPA meeting on owner compensation, inventory method and depreciation.

Conclusion

August was the strongest month in the period reviewed, and it is the first month to show the pricing changes from the 12-month review working. On a like-for-like basis, gross margin was 43.7% and net income \$44.3K. The balance sheet improved, and the line of credit is down to \$35.0K. The next ten weeks are the seasonal low point, so the priority now is to carry August's cash through October without adding to the line.

Sources. QuickBooks Profit and Loss, Balance Sheet, Statement of Cash Flows, A/R and A/P Aging for August 2026, run September 11, 2026; field-service software job, quote and membership reports; month-end equipment count sheet dated August 31, 2026; 13-week cash forecast from the 12-Month Financial Review. Management view adjusts only for the equipment timing noted. Analytical review, not tax, legal or accounting advice. *Setpoint Heating & Air Co. is fictional; this report is an illustrative example.*