



HALFTONE

Print & Apparel Co.

Monthly financial review

June 2026 Executive Summary

Month ended June 30, 2026, with comparisons to May 2026 and June 2025

Prepared for **Halftone Apparel Co.**

Prepared by **PLS Balance My Books** | July 14, 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

A slow month that shows the full cost of the bigger store.

Revenue of \$33.0K was up 8% on June 2025, but June is quiet and the expansion's costs don't shrink with the season. The first fixes started mid-month.



Close status. June is closed; bank, card, loan and payroll accounts are reconciled. The full physical inventory count on June 28 (review action 3) found **\$4,640** of shrink, damaged goods and markdowns since the December count. It is recorded in June's cost of sales; the management view moves the January-May share (\$3,867) out of June. Retail sales are now recorded gross of card fees.

\$33.0K

Revenue. Up 8.2% from June 2025; May was \$42.0K.

-\$2.1K

Net income, management view (-\$6.0K reported). June 2025: \$1.3K.

\$26.0K

Line of credit drawn, unchanged in June. Headroom \$14K.

\$57.6K

Inventory after the count, down from \$60.2K at May 31.

Fact. June revenue was \$33,000: business orders \$15.3K, schools and teams \$5.5K, team stores \$1.5K and retail \$10.7K. Reported net income was (\$6,002) after the \$4,640 count adjustment.

Management view. With only June's share of the count in the month, net income was **(\$2,136)**, against \$1,291 in June 2025.

Inference. The \$3.4K gap to last June is roughly one month of the expansion's added staff, space and financing costs. In busy months sales cover it; in June they don't.

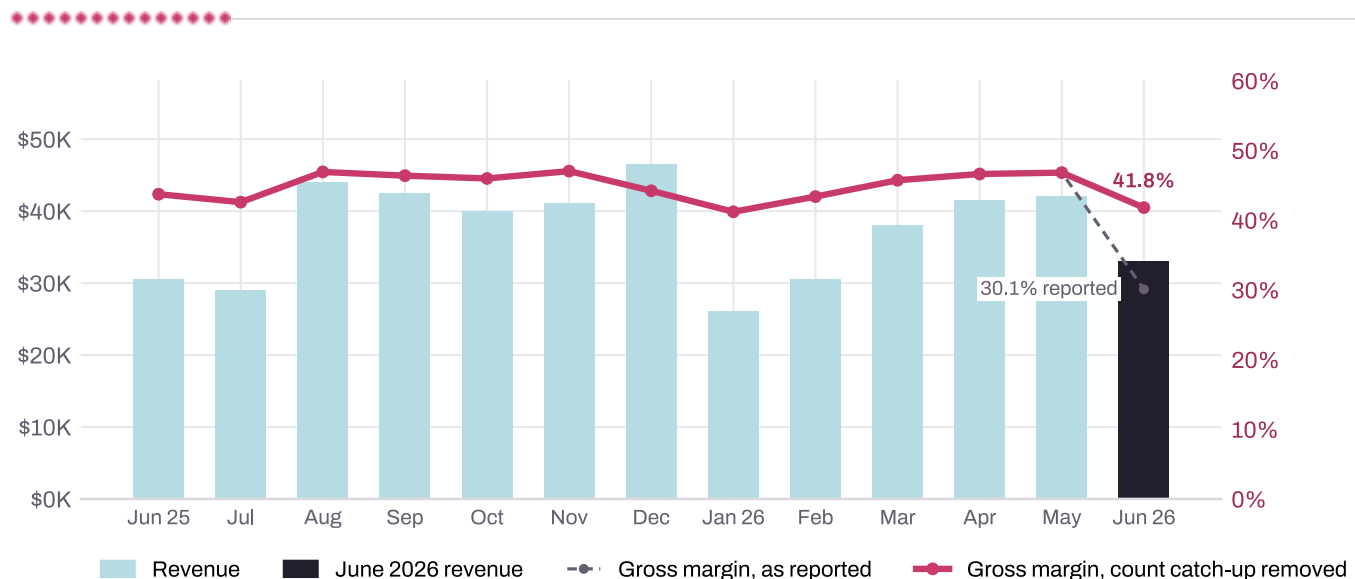
Recommendation. Stay on the summer plan. Rolled forward from June 30, the line peaks near \$31K this summer, against \$40K without the plan.

June 2026	Reported	Count timing	Management view
Revenue	\$33,000	-	\$33,000
Cost of sales	\$23,074	(\$3,867)	\$19,207
Gross profit	\$9,926	+\$3,867	\$13,793
Gross margin	30.1%		41.8%
Overhead	\$15,928	-	\$15,928
Net income	(\$6,002)	+\$3,867	(\$2,136)

2 Revenue and margin trends

Custom orders grew; retail was flat in a bigger store.

Trailing 13 months. The management-view line removes the part of the June count adjustment that belongs to earlier months.



	Jun 2026	May 2026	Jun 2025	vs Jun 2025
Business and organization orders	\$15,300	\$17,000	\$14,000	+9.3%
Schools and teams	\$5,500	\$12,000	\$4,500	+22.2%
Online team stores	\$1,500	\$3,500	\$1,000	+50.0%
Retail storefront	\$10,700	\$9,500	\$11,000	-2.7%
Total revenue	\$33,000	\$42,000	\$30,500	+8.2%
Gross margin, management view	41.8%	46.8%	43.7%	-1.9 pts

Fact. Business orders rose 9.3% and school and team work 22.2%, mostly summer camps and league uniforms. Retail sales were \$10.7K, 2.7% below June 2025 despite the larger store.

Inference. Margin is 1.9 points lower than last June, mainly because June's share of the count adjustment (about \$773) is now recorded in the month. The 5% price increase from July 1 adds roughly \$1,040 a month at June's volume, which should more than recover it.

Retail scorecard: June 2026

This is the first monthly scorecard (review action 6). It will build the record for the December 31 decision on the adjacent suite.

Retail, June	2025	2026	June 28 count	Amount
Retail sales	\$11,000	\$10,700	Retail stock per POS	\$36,040
Sales per sq ft, annualized	\$203	\$103	Missing (shrink)	(\$2,140)
Product cost (incl. June shrink)	\$4,345	\$5,000	Damaged and misprinted	(\$1,000)
Retail staff	\$1,350	\$3,450	Marked down to clearance value	(\$1,500)
Space and marketing	\$902	\$1,758	Retail stock counted	\$31,400
Retail contribution	\$3,843	(\$76)	Of which older than nine months	\$9,600

Fact. After its staff, space and marketing, the store contributed (\$76) in June, against \$3,843 a year ago. The count adjustment of \$4,640 is about \$773 a month, or 8.1% of retail sales since January; missing items alone were \$2,140 (3.7%).

Inference. Missing stock at that level is well above the 1-2% of sales most retailers see, which points to theft or unrecorded giveaways. The larger floor is harder to watch with one person on shift.

Recommendation. Record damaged and donated items in the POS as they happen, count the top 50 items monthly, and move high-value hats and jackets closer to the counter.

3 Expenses and variances

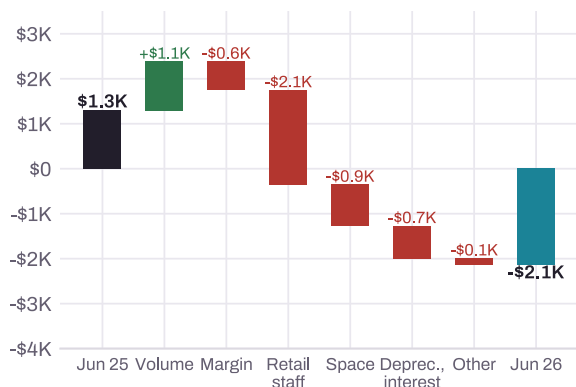
Overhead is running about \$4K a month above last year.

Overhead was \$15.9K, against \$12.0K in June 2025. Cost of sales includes the count adjustment.

Line	Jun 2026	May 2026	Jun 2025	Comment
Revenue	\$33,000	\$42,000	\$30,500	Custom up, retail flat
Blanks and materials	\$7,286	\$10,750	\$6,340	Old prices through June
Retail product cost	\$8,866	\$3,752	\$4,345	Includes \$4,640 count adjustment
Production labor	\$6,346	\$7,062	\$5,958	Store lead hours from June 22
Outsourcing and shipping	\$576	\$771	\$522	
Gross profit	\$9,926	\$19,664	\$13,336	41.8% management view
Owner salary	\$3,600	\$3,600	\$3,600	
Retail staff	\$3,450	\$3,600	\$1,350	Store lead partly in production
Rent	\$3,200	\$3,200	\$2,400	Adjacent suite from September
CAM and utilities	\$820	\$820	\$700	
Depreciation	\$1,238	\$1,238	\$820	Buildout and DTF printer
Interest	\$432	\$401	\$131	Line of credit and equipment loans
All other overhead	\$3,188	\$3,404	\$3,044	Fees, software, marketing, other
Total overhead	\$15,928	\$16,264	\$12,045	
Net income, reported	(\$6,002)	\$3,400	\$1,291	-\$2.1K management view

Fact. Against June 2025, higher sales added \$1.1K, but a lower margin cost \$0.6K, retail staff \$2.1K, the added space \$0.9K and depreciation and interest \$0.7K.

Inference. The retail staffing change started June 22, so July will be the first full month at lower retail cost.

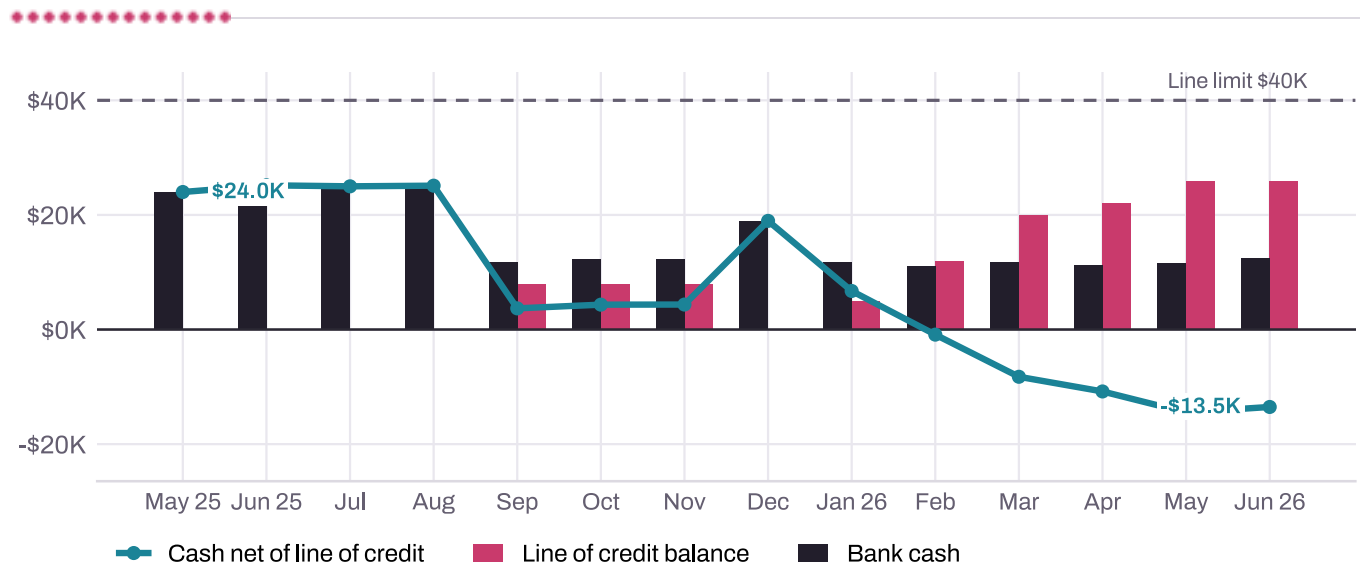


Net income, June 2025 to June 2026, management view.

4 Cash flow and liquidity

A school payment carried June; the line did not move.

Cash rose \$1.0K to \$12.5K as a \$6.2K school payment came in, and no draws were needed.



June cash movement	Amount	Forecast check, Jun 15-28	Forecast	Actual
Cash at May 31	\$11,530	Cash in	\$16,500	\$16,900
Net income, reported	(\$6,002)	Cash out	\$15,800	\$16,700
Count adjustment and depreciation (non-cash)	\$5,878	Line of credit draws	\$2,000	-
Receivables collected, net	\$5,674	Cash at June 28	\$13,500	\$11,000
Blanks bought, payables and other	(\$1,835)	Line balance	\$28,000	\$26,000
Loan principal and distribution	(\$2,758)	Cash net of the line	(\$14,500)	(\$15,000)
Cash at June 30	\$12,487			

Fact. Collections beat the forecast by \$0.4K and payments ran \$0.9K over, mostly count-day hours and clearance signage. The owner held some week-one payments until the school payment arrived, so the forecast's \$2K draw wasn't needed. Net of the line, the business finished \$500 behind forecast.

Inference. Rolled forward from June 30 with the summer plan, the line peaks at about \$31K in early July and ends the forecast near \$29K, against \$40K without the plan.

Recommendation. Collect deposits before ordering blanks for August team work, and keep July's reorders to best-sellers only.

5 Balance sheet

Inventory is finally coming down.

Balances at June 30, 2026, compared with May 31.

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\$12.5K Cash. May 31: \$11.5K.	\$26.0K Line of credit, \$14K of headroom.	\$31.4K Retail stock after the count. May 31: \$36.2K per POS.	\$13.4K Receivables. May 31: \$19.1K.
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Item	Jun 30	May 31	Status	Comment
Cash	\$12,487	\$11,530	Watch	Above the \$8,000 floor; July's rent and payroll come first.
Accounts receivable	\$13,441	\$19,115	Improving	School payment received; about \$600 over 60 days.
Retail inventory	\$31,400	\$36,200	Improving	Counted. \$9,600 older than nine months goes to clearance.
Blanks and supplies	\$26,200	\$24,000	Expected	Back-to-school blanks received June 26.
Accounts payable	\$8,779	\$8,838	Stable	Blank suppliers on 30-day terms; all current.
Customer deposits	\$3,810	\$3,504	Stable	Will grow as team and booster deposits come in.
Line of credit	\$26,000	\$26,000	Watch	Plan path peaks near \$31K in July.
Equipment loans	\$29,099	\$29,857	Stable	Scheduled payments only.
Owner's equity	\$73,580	\$81,582	Watch	June loss plus the \$2,000 distribution.

Fact. Total inventory fell \$2.6K to \$57.6K: the count write-down and the reorder pause more than offset the back-to-school blanks.

Inference. Retail stock is on track for the \$25,000 target by early fall if the clearance sale sells about two-thirds of the aged stock.

6 Progress on the 12-month review

Six of 11 actions done in two weeks.

Action numbers follow Section 9 of the 12-Month Financial Review dated June 16, 2026.



#	Action	Status	June evidence
1	Deposits on team and booster orders	Done	Policy adopted June 20. Deposits requested on six August booster and team orders.
2	Raise custom prices 5% from July 1	Done	New price list and quote templates live; repeat customers notified June 18.
3	Count inventory; clearance sale in July	In progress	Counted June 28 (\$4,640 adjustment). Clearance runs July 10-19.
4	Pause retail reorders	Done	Paused June 17, except six best-selling designs.
5	Store lead to production about 60%	Done	From June 22, about 24 hours a week in production.
6	Monthly retail scorecard	Started	First scorecard in this report (page 3).
7	Collect missing exemption certificates	In progress	11 of 17 customers returned certificates, covering \$9.1K of the \$14.2K.
8	Follow up the 60-day school receivable	Done	District paid \$6.2K on June 24; balance over 60 days is now about \$600.
9	Offer team stores for fall	Started	Four fall team stores booked so far.
10	Retail sales gross of fees; POS adjustments	Done	Recorded gross from June; quarterly counts scheduled.
11	CPA review: salary, depreciation, sales tax	Scheduled	Meeting set for July 22.

Where the plan stands

Every action that protects the credit line this summer is either done or scheduled: deposits, the price increase, the reorder pause and the staffing change are in place, and the clearance sale starts July 10. The retail decision now has its first month of scorecard data.

7 Key wins

Fast follow-through on the review.

- Custom orders up 14.4% on June 2025, led by business orders and summer leagues.
- Inventory counted and corrected, so retail margins and stock levels are now reliable.
- \$6.2K school receivable collected, clearing most of the over-60-day balance.
- No new borrowing in June, and the line stayed at \$26K.
- Six review actions done within two weeks of the review.

8 Risks and watch items

Late July is still the pinch point.

Item	Status	Comment
Line of credit in late July	Needs action	Blank payments for August orders fall due before school payments. Deposits must arrive first.
Clearance results	Watch	The plan assumes about \$4,000 of cash from \$9,600 of aged stock.
Retail shrink	Watch	\$4,640 over six months. Monthly counts of top items start in July.
Exemption certificates	Investigate	Six customers, about \$5.1K of sales, still outstanding.
Blank prices	Monitor	Suppliers have signaled another increase for early 2027.

9 Questions for the owner

Three decisions for July.

- Clearance depth. Go to 50% off in the second week on whatever hasn't sold?
- July distribution. Hold the July 15 distribution until the first August deposits are in?
- Store hours. Close the store on Mondays through September while the store lead is in production?

What next month's report will check.



- Line of credit and cash against the rolled-forward forecast, especially the week of July 27.
- Deposits collected on August team and booster orders, and blank orders placed against them.
- Clearance sale results: units sold, cash collected and aged stock remaining.
- First month of the 5% price increase: quotes won and lost.
- July retail scorecard with the lower staffing cost.
- Remaining exemption certificates and the outcome of the July 22 CPA meeting.
- Fall team-store bookings.

Conclusion

June was a quiet month that made the review's point clearly: in slow months, the expanded store costs more than it earns. The response was quick. The count is done, the price increase and deposit policy are live, reorders are paused and the store lead is helping in production. July's clearance sale and August's deposits will decide how much room the line has for back-to-school, and the retail scorecard will show whether the store can earn its space by December.

Sources. QuickBooks Profit and Loss, Balance Sheet, Statement of Cash Flows, A/R Aging and Inventory Valuation for June 2026, run July 13, 2026; Square and Shopify sales and payout reports; June 28 physical count sheets; 13-week cash forecast from the 12-Month Financial Review. Management view adjusts only for the timing of the count adjustment. Analytical review, not tax, legal or accounting advice. *Halftone Apparel Co. is fictional; this report is an illustrative example.*