Quarterly Business Review

Prepared by: Brightline Bookkeeping

Business: Northline Comfort Heating & Air LLC

Period: Jul 2025 - Jun 2026

At a Glance

Northline made $337,600 yet ended June with $66,000 less cash: owner draws took $312,600 and Harbor pays 30-45 days late. Firm terms and a draw rule could free about $34,000-$52,000 now and keep $73,000-$104,000 a year.

Net profit	Change in cash	Owner Distributions
$337,600	**−$66,000**	**$312,600**
$353,400 the year before	cash now $158,000	92.6% of net profit

The three moves

Move	First step	Dollar impact
1. Put Harbor on written 30-day terms	Call Harbor's payables contact for payment dates	$34,000-$52,000 of cash freed once
2. Set a fixed monthly draw and cash floor	Estimate quarterly tax, then set one standing transfer	$73,000-$104,000 a year more cash kept
3. Raise prices where you rarely lose on price	Start a quote log with your next quote	$44,000-$70,000 a year of gross profit

If you do one thing this week, make it the Harbor call.

The Three Moves

You told us this was your best revenue year and you still ended June with less cash. February was the closest call: Harbor sat on about three invoices for 60 days and you almost missed payroll. Revenue rose 8.3% while net profit fell 4.5%, so more sales are not the missing piece. Keeping and collecting cash is. A third install crew can wait until cash is about two months of costs, roughly $286,000. Today it is about 1.1 months.

Move 1: Put Harbor on written 30-day terms

Harbor is your largest client at $418,000, 20.0% of revenue. There is no written contract, and Harbor pays in 60-75 days against net 30. Paying 30-45 days late leaves roughly $34,000-$52,000 of your cash in Harbor's hands ($418,000 × 30-45 ÷ 365), and with no contract Harbor can cut orders without notice. Ask for a payment date on what is open, then raise written terms with the next work order: 30-day payment, a pause on non-emergency work past 45 days, and a notice period. Have an attorney review the agreement.

- **Owner:** You. We can prepare an aged-invoice list and a terms sheet for your attorney.
- **First step:** List Harbor's open invoices by date and call their payables contact for payment dates.
- **Impact:** Roughly $34,000-$52,000 of cash released if Harbor moves to 30 days, assuming even billing through the year and that Harbor agrees.

Move 2: Set a fixed monthly draw and cash floor

Owner draws were $312,600, 92.6% of profit, up from $208,400 (59.0%). That is about $26,050 a month against $17,370 the year before, and it was the largest use of cash. At last year's draw level, cash would have risen about $38,000 instead of falling $66,000. Cash is $158,000, about 1.1 months of costs, and the business is your only safety net. Pay yourself one fixed amount each month and keep at least one month of costs, about $143,000, in the operating account before anything extra leaves. Then build toward two months. Set the amount from your real mortgage and school costs plus personal tax on the profit. The two vans added $90,000 of equipment, about $60,000 of it paid from cash after new loans, so they were not the main reason cash fell.

- **Owner:** You. We can set the number with you.
- **First step:** Meet with us to estimate your quarterly tax, then set one standing monthly transfer.
- **Impact:** Roughly $73,000-$104,000 a year less cash leaving (an annual draw of $208,400-$240,000 versus $312,600), assuming profit holds near $337,600 and your household can live on the lower draw. This is retained cash, not new profit.

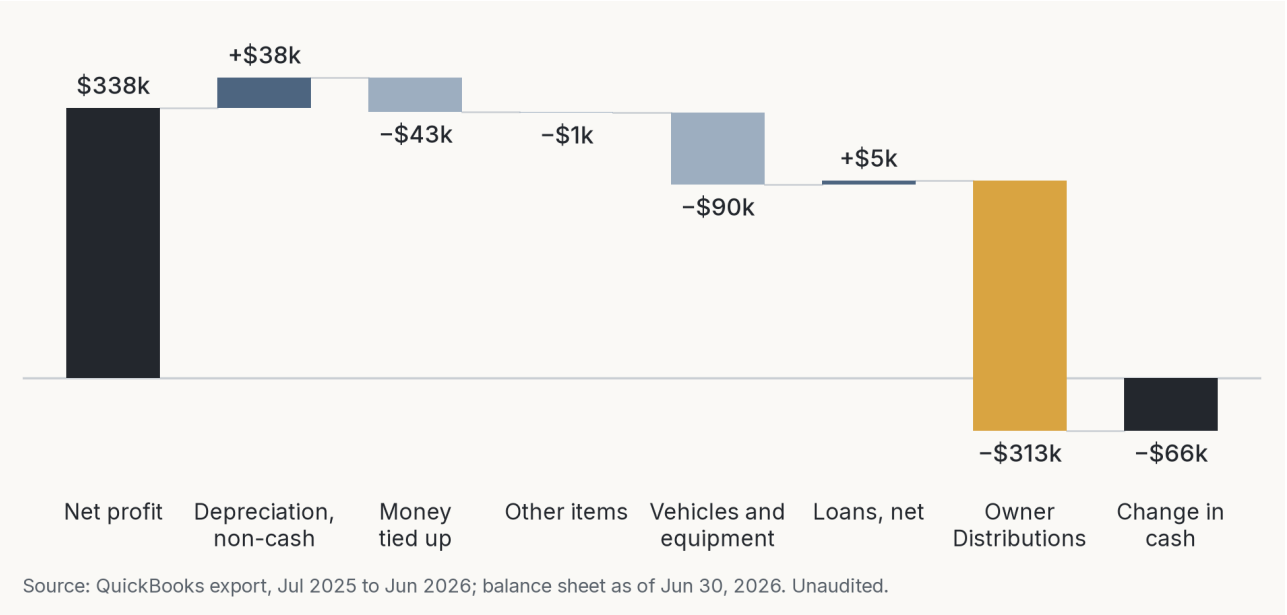
Move 3: Raise prices where you rarely lose on price

You quote every install yourself and tell us installs rarely lose on price. Gross margin slid from 43.0% to 41.1%, roughly $40,000 of gross profit on $2,090,000 of revenue, while revenue grew. Each 1% of price on installs and service combined ($1,780,000) is worth about $17,800 a year. Test rather than blanket-raise: add 2-3% to new install quotes and 3-5% to service rates, and log every quote (date, customer, price, won or lost, reason). If the win rate holds, keep going. If it drops sharply, you have found the limit.

- **Owner:** You, since you price installs.
- **First step:** Start the quote log with your next quote and apply the new price to it.
- **Impact:** Roughly $44,000-$70,000 a year of gross profit ($19,200-$28,800 from installs plus $24,600-$41,000 from service), assuming volume holds. Expect about a quarter of it in the first 90 days, since only new quotes carry the increase.

Profit vs cash

Profit was $338k, but cash fell by $66k; the largest use of cash was owner distributions at $313k.



Source: QuickBooks export, Jul 2025 to Jun 2026; balance sheet as of Jun 30, 2026. Unaudited.

You reported a profit of $337,600 but cash went down by $66,000.

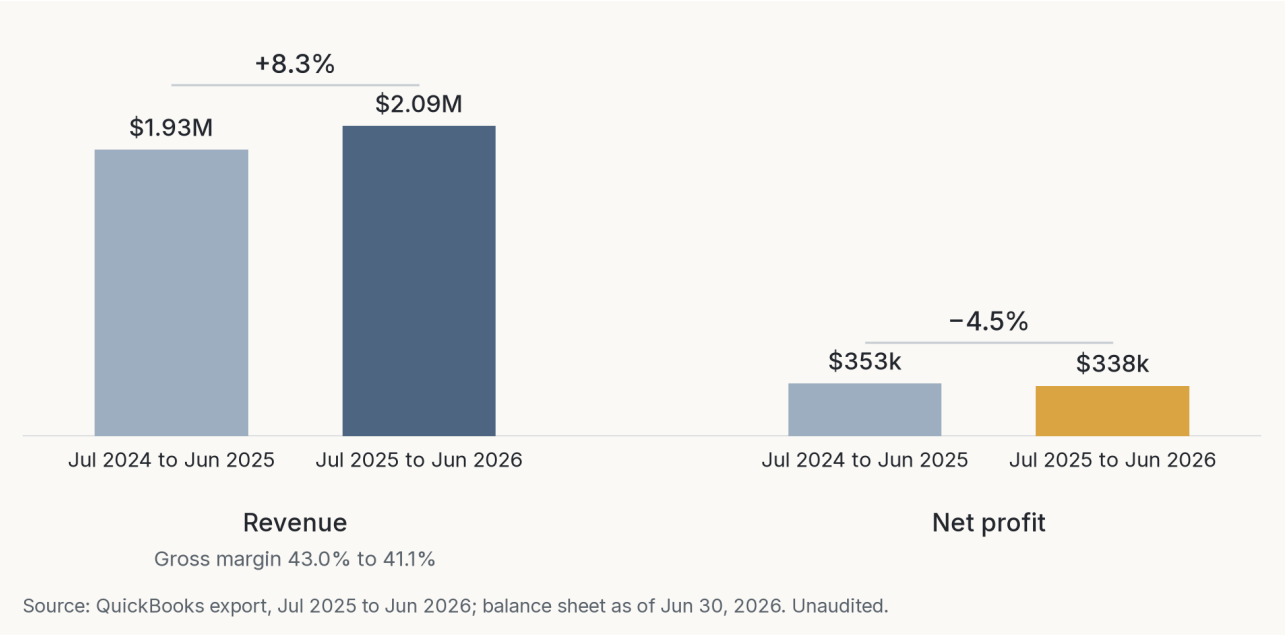
- Depreciation of $38,000 is a cost on paper, not cash out, so it helped cash.
- Unpaid invoices rose $46,000 and stock rose $15,000, which tied up cash. Bills owed to suppliers rose $18,000, which helped.
- Vehicles and equipment bought were $90,000. Loans rose a net $5,000: vehicle loans up $30,000, SBA term loan down $25,000.

- Owner draws were $312,600, 92.6% of profit, up from $208,400 (59.0%) a year ago.
- The cash movement is fully accounted for by these items.

The Numbers Behind This Review

Source: QuickBooks export. Period: Jul 2025 - Jun 2026 (balance sheet as of Jun 30, 2026). Unaudited. n/a means the export has no figure.

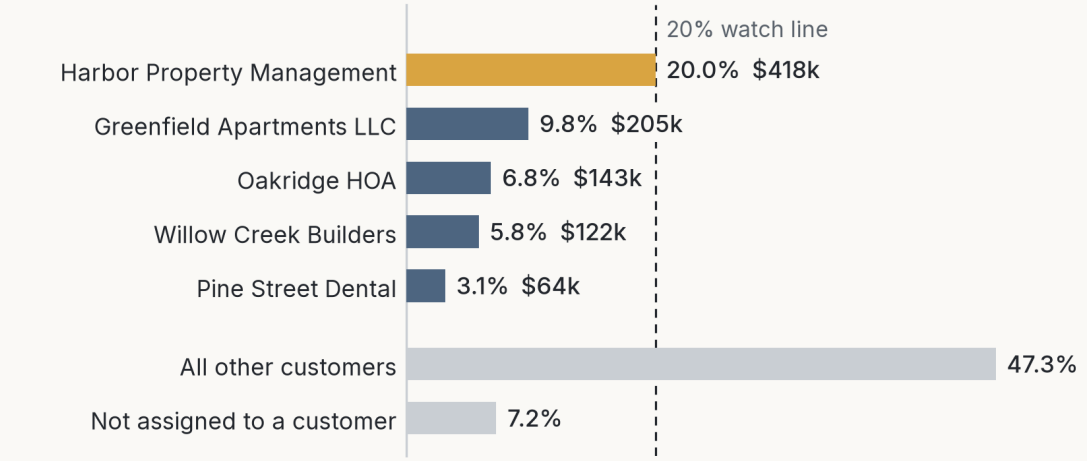
Revenue grew 8.3% but net profit fell 4.5%.



Measure	Current	Prior year	Change
Total revenue	$2,090,000	$1,930,000	+8.3%
Repair & Service Calls	$820,000	$760,000	+7.9%
Equipment Installations	$960,000	$900,000	+6.7%
Maintenance Agreements	$310,000	$270,000	+14.8%
Net profit	$337,600	$353,400	-4.5%
Gross margin	41.1%	43.0%	-1.9 pts
Cash on hand (Jun 30, 2026)	$158,000	$224,000	-$66,000
Monthly cash costs	about $142,900	n/a	n/a
Cash on hand in months of costs	about 1.1	n/a	n/a

Measure	Current	Prior year	Change
Largest client: Harbor Property Management	$418,000 (20.0% of revenue)	n/a	n/a
Owner draws	$312,600 (92.6% of net profit)	$208,400 (59.0%)	+$104,200

Harbor Property Management is 20.0% of revenue, at the 20% watch line.



Source: QuickBooks export, Jul 2025 to Jun 2026; balance sheet as of Jun 30, 2026. Unaudited. The 20% watch line is a rule of thumb.

What to say to your client

- "You made $337,600 and still ended June with $66,000 less cash. Most of the gap is your draws of $312,600."
- "Draws were 92.6% of profit against 59.0% last year. A fixed monthly draw and a cash floor is the biggest lever you control."
- "A third install crew can wait until cash is about two months of costs, roughly $286,000. Today it is about 1.1 months."
- "Harbor is 20% of revenue and pays in 60-75 days with no contract. Start with a call for payment dates, then written 30-day terms."

Appendix: method and data notes

Data caveats

> ***Data caveats.*** *All figures are unaudited and come from the export. Percentages are rounded, so derived dollar figures are approximate. Monthly cash costs are (revenue - net profit - depreciation) ÷ 12.*
>
> - *$150,000 of sales is not assigned to any customer. It counts in total revenue but not the largest-client ranking, so Harbor's 20% is measured against total revenue.*
> - *The export does not show how much of the $46,000 rise in unpaid invoices is Harbor, or whether loans financed the vans (the $60,000 cash cost assumes they did). The Harbor figure assumes even billing through the year.*
> - *The $208,400-$240,000 annual draw range is our assumption, not a recommendation. If the business is a pass-through, part of the draws may have gone to personal tax.*
> - *The price test sizes are our assumptions. We do not know why gross margin fell (labor, materials, job mix or pricing), so check job-level costs alongside the test. A third crew is not costed because the inputs hold no figures for it.*

How we read the numbers

Gross profit rose roughly $29,000 (41.1% of $2,090,000 versus 43.0% of $1,930,000) while net profit fell $15,800, so costs below gross profit grew by roughly $45,000. The export does not show which lines drove it without a line-by-line review.

From the notes you sent, not the export: Harbor pays in 60-75 days on net 30 with no contract; maintenance agreements renew about 85% of the time; client mix is roughly 45% property managers and builders, 55% homeowners.

Area	Finding	Feeds
One client	Harbor: 20% of revenue, no contract, slow pay.	Move 1
Cash cushion	About 1.1 months of costs, no outside cushion.	Moves 1, 2
Pricing	One service rise in two years; installs rarely lose.	Move 3

Trend view and benchmark comparison begin with your second report. Data source: QuickBooks export, profit and loss for Jul 2025 - Jun 2026 and balance sheet as of Jun 30, 2026; unaudited. This review is based on the figures and notes provided and has not been audited. It is general business guidance, not tax, legal or investment advice.

Drafted with AI from the uploaded figures; reviewed by a qualified accountant before delivery.