CONESTOGA
— ADVISORY GROUP —

MONTHLY FINANCIAL REPORT

Sample Manufacturing Co., LLC

October 2026 · Month ended October 31, 2026

SAMPLE — ILLUSTRATIVE DATA

Prepared by Conestoga Advisory Group, a licensed Pennsylvania CPA firm
Delivered [agreed monthly date]

Monthly summary

October revenue rose 6.0% over September, with net income of $63,100. Cash still dipped $16,400 because customers paid more slowly, you paid down $25,000 on the line of credit, and owner distributions were $30,000.

REVENUE	GROSS MARGIN	NET INCOME	CASH ON HAND
$360.5K	**41.4%**	**$63.1K**	**$235.0K**
▲ 6.0% vs. Sep	▲ 0.2 pts vs. Sep	▲ 15.8% vs. Sep	▼ $16.4K vs. Sep

What this means for you

1. **Growth is profitable.** Year-to-date revenue is up 9.5% and net income is up 17.7%, so profit is growing faster than sales.
2. **Watch collections.** Receivables rose $23,300 to $412,800. Customers now take about 35 days to pay, up from 34 last month.
3. **Debt is coming down.** The line of credit dropped from $75,000 to $50,000. At this pace, it could be paid off by year-end.

Year to date

	YTD 2026	YTD 2025	CHANGE
Revenue	3,251,300	2,968,500	+9.5%
Gross margin	41.6%	41.0%	+0.6 pts
Net income	**504,600**	**428,800**	**+17.7%**

Income Statement

For the month ended October 31, 2026 · with year-to-date comparison · in U.S. dollars

	OCT 2026	% OF REV.	SEP 2026	YTD 2026	YTD 2025	YTD CHG.
Revenue						
Product sales	268,400	74.5%	251,900	2,412,600	2,198,300	+9.7%
Service & installation revenue	96,200	26.7%	91,800	874,500	802,100	+9.0%
Less: returns & discounts	(4,100)	-1.1%	(3,600)	(35,800)	(31,900)	+12.2%
Total revenue	**360,500**	**100.0%**	**340,100**	**3,251,300**	**2,968,500**	**+9.5%**
Cost of goods sold						
Materials	118,300	32.8%	112,600	1,067,900	978,400	+9.1%
Direct labor	64,900	18.0%	62,100	588,200	551,700	+6.6%
Subcontractors	21,800	6.0%	19,400	186,300	171,200	+8.8%
Freight & delivery	6,200	1.7%	5,900	55,400	50,300	+10.1%
Total cost of goods sold	**211,200**	**58.6%**	**200,000**	**1,897,800**	**1,751,600**	**+8.3%**
Gross profit	**149,300**	**41.4%**	**140,100**	**1,353,500**	**1,216,900**	**+11.2%**
Operating expenses						
Salaries & wages (admin & sales)	38,500	10.7%	38,500	377,200	351,600	+7.3%
Payroll taxes & benefits	11,900	3.3%	11,700	114,800	106,300	+8.0%
Rent	9,500	2.6%	9,500	95,000	90,000	+5.6%
Utilities	2,700	0.7%	2,400	25,800	24,100	+7.1%
Insurance	3,900	1.1%	3,900	39,000	35,600	+9.6%
Vehicle & fuel	4,300	1.2%	4,600	43,900	40,200	+9.2%
Marketing	3,100	0.9%	2,800	29,600	22,400	+32.1%
Professional fees	2,600	0.7%	2,600	26,400	24,800	+6.5%
Software & technology	1,800	0.5%	1,800	17,600	14,900	+18.1%
Office & supplies	1,400	0.4%	1,200	13,100	12,500	+4.8%
Depreciation	4,200	1.2%	4,200	42,000	38,000	+10.5%
Total operating expenses	**83,900**	**23.3%**	**83,200**	**824,400**	**760,400**	**+8.4%**
Operating income	**65,400**	**18.1%**	**56,900**	**529,100**	**456,500**	**+15.9%**
Other income (expense)						
Interest expense	(2,600)	-0.7%	(2,650)	(27,100)	(29,800)	-9.1%
Other income	300	0.1%	250	2,600	2,100	+23.8%
Net income	**63,100**	**17.5%**	**54,500**	**504,600**	**428,800**	**+17.7%**

> **Notable this month:** Marketing is up 32.1% year to date, the fastest-growing expense. It's worth confirming that spend is bringing in the new revenue.

Balance Sheet

As of October 31, 2026 · compared with last month-end and last year-end · in U.S. dollars

	OCT 31, 2026	SEP 30, 2026	DEC 31, 2025	CHANGE THIS MONTH
Assets				
Current assets				
Cash — operating	160,000	176,400	118,500	(16,400)
Savings / reserve	75,000	75,000	60,000	—
Accounts receivable	412,800	389,500	331,200	+23,300
Inventory	238,600	244,100	211,700	(5,500)
Prepaid expenses	14,200	15,900	9,800	(1,700)
Total current assets	**900,600**	**900,900**	**731,200**	**(300)**
Fixed assets				
Equipment	486,000	486,000	452,000	—
Vehicles	212,000	212,000	174,000	—
Less: accumulated depreciation	(298,400)	(294,200)	(256,400)	(4,200)
Net fixed assets	**399,600**	**403,800**	**369,600**	**(4,200)**
Total assets	**1,300,200**	**1,304,700**	**1,100,800**	**(4,500)**
Liabilities & owners' equity				
Current liabilities				
Accounts payable	142,600	151,200	118,900	(8,600)
Credit cards	18,300	16,900	12,400	+1,400
Accrued payroll	31,400	30,800	27,600	+600
Sales tax payable	6,800	6,400	5,900	+400
Line of credit	50,000	75,000	—	(25,000)
Current portion of long-term debt	48,000	48,000	46,000	—
Total current liabilities	**297,100**	**328,300**	**210,800**	**(31,200)**
Long-term liabilities				
Term loan (net of current portion)	312,000	316,000	352,000	(4,000)
Equipment notes	96,500	98,900	88,000	(2,400)
Total long-term liabilities	**408,500**	**414,900**	**440,000**	**(6,400)**
Total liabilities	**705,600**	**743,200**	**650,800**	**(37,600)**
Owners' equity				
Owner capital	50,000	50,000	50,000	—
Retained earnings (prior years)	400,000	400,000	400,000	—
Distributions to owners (YTD)	(360,000)	(330,000)	—	(30,000)
Current-year net income	504,600	441,500	—	+63,100
Total owners' equity	**594,600**	**561,500**	**450,000**	**+33,100**
Total liabilities & owners' equity	**1,300,200**	**1,304,700**	**1,100,800**	**(4,500)**

> Total liabilities fell $37,600 this month, mostly from paying down the line of credit and vendor bills.

Key Metrics & What to Watch

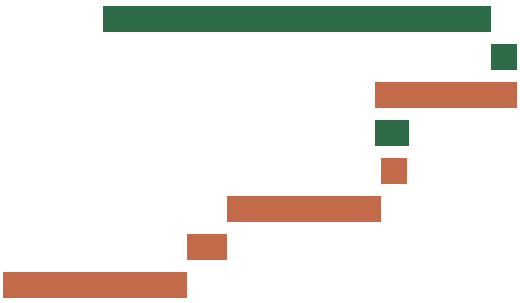
October 2026

Your balance sheet is getting stronger: the current ratio improved to 3.03 and debt-to-equity fell to 1.19.

METRIC	OCT 2026	SEP 2026	WHAT IT TELLS YOU
Gross margin	41.4%	41.2%	What's left of each sales dollar after direct costs
Net margin	17.5%	16.0%	What's left after all expenses
Current ratio	3.03	2.74	Short-term assets per $1 of short-term debts
Quick ratio	2.18	1.95	The same, counting only cash and receivables
Days to collect (DSO)	35	34	How long customers take to pay you
Days of inventory	35	37	How long inventory sits before it's used or sold
Debt-to-equity	1.19	1.32	Total debt per $1 of owners' equity

Where October's cash went

You earned $63,100, but cash fell $16,400. Bars to the right added cash; bars to the left used it.



Net income	+63,100
Add back depreciation (non-cash)	+4,200
Customers paid more slowly (receivables up)	(23,300)
Inventory drawn down	+5,500
Other working capital changes	(4,500)
Line of credit paydown	(25,000)
Loan & equipment note payments	(6,400)
Owner distributions	(30,000)
Change in cash	**(16,400)**

What to watch in November

- ☐ **Follow up on slow-paying customers.** Bringing collections back to about 30 days would free up roughly $60,000 in cash.
- ☐ **Line of credit.** Two more $25,000 payments would clear it by year-end.
- ☐ **Year-end planning.** Schedule a meeting with your tax preparer before December 31 to discuss timing of equipment purchases and distributions.