G-1 Transmittal

October close complete; books closed November 12, 2026. One job is projected to lose money. Forecast cash falls below two weeks of payroll in the week ending December 5.

Issued to Dale Lindqvist, Northmoor Mechanical LLC on November 13, 2026: the monthly financial statements for October 2026, on the sheets listed below, revision 0. Prepared for the owner; sent to the surety and the bank only at the owner's direction, as the company's own statements.

This is a sample package. Northmoor Mechanical LLC is a sample company, and its figures are illustrative.

No.	Sheet	Page
S-1	Owner summary	2
F-1	Profit and loss by job	3
F-2	Balance sheet	4
C-1	Cash flows and forecast	5
W-1	Open jobs and backlog	6
W-2	Closed jobs and ratios	7
A-1	Receivables	8
A-2	Payables	9
G-2	Close checklist	10

Prepared by Backlog Controller, office@backlogcontroller.com. Questions on any sheet: reply to the message this came with.

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S-1 Owner summary

To Dale Lindqvist, Northmoor Mechanical LLC
From Backlog Controller
Date November 13, 2026
Re October 2026 close

Revenue was $557,673, and the jobs other than Lakeside, with the service work, earned a 16.4 percent margin. Lakeside's revision cost the month $34,428, $12,793 of it the provision for the rest of the job; after overhead and interest the month lost $27,178.

Lakeside Clinic TI is the one job losing money. The sheet-metal buyout on October 22 came in well over budget; the November 6 estimate puts the job at a $28,800 loss at completion, all of it in these statements. Lakeside also owes the $48,560 invoice from June, the only receivable past 90 days.

Cash is $312,418. The forecast bottoms at $97,386 in the week of December 5, under two weeks of payroll, and comes back to $287,642 by the end of January; a one-week draw on the line covers the low. Brookhaven's $174,620 pay application (34 days past due) and Cedar Ridge's $139,270 from September are forecast for the week of December 12; a week earlier from either removes the low. Tolliver Street is underbilled by $241,735: its September and October pay applications were held for the brewer's financing, which closed October 28. The work is billable, and a pay application now, on 30-day terms, lands in mid-December and repays the draw.

Backlog is $2.23 million, about four months of revenue, with gross profit covering 4.0 months of overhead against six. October's $20,000 distribution came in a month that lost money; we would hold November's until the Brookhaven money is in.

Backlog Controller

Decisions this month

1. Contain 26-044 Lakeside Clinic TI, projected to lose $28,800: lock the remaining buyout and approve no added scope without a signed change order.
2. Ask the bank to term out about $260,000 of the line before the next statement date: the adjusted current ratio is 1.32 against the 1.50 sureties look for, a working-capital gap of $259,371 that collections alone will not close.
3. Cover the week ending December 5, 2026, when the forecast low of $97,386 is below two weeks of payroll ($129,740): draw on the line for that week, and bill the earned work on 26-035 Tolliver Street process piping now ($241,735 underbilled) so its collection repays the draw.

Revenue, gross profit and cash by month

	Months as closed												Forecast	
	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Dec 5 low	Jan 30
Revenue	468	403	378	353	455	503	579	568	598	609	597	558		
Gross profit	81	64	55	49	75	87	99	98	100	101	107	52		
Cash at month end	231	199	176	170	204	224	247	263	281	276	266	312	97	288

In thousands of dollars. Source: QuickBooks Online general ledger, each month as closed; October 2026 from sheets F-1 and F-2. The forecast low is the lowest closing cash in the 13 weeks (sheet C-1), in the week ending December 5, 2026.

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F-1 Profit and loss by job

26-044 Lakeside Clinic TI lost $34,428 in October; the other seven jobs and the service work earned $86,538 at a 16.4% margin.

	October 2026				Year to date		
In whole dollars	Revenue	Cost	Gross profit	Margin	Revenue	Gross profit	Margin
Open jobs							
26-031 Cedar Ridge HS mechanical retrofit	131,255	115,255	16,000	12.2%	1,310,341	191,934	14.6%
26-044 Lakeside Clinic TI loss job	29,894	64,322	(34,428)	(115.2%)	267,612	(28,800)	(10.8%)
26-038 Hennessy Flats plumbing rough-in	73,980	61,424	12,556	17.0%	363,588	65,752	18.1%
26-047 Dakota County data room HVAC	55,403	45,722	9,681	17.5%	178,941	29,631	16.6%
25-112 Brookhaven rec center RTU replacement	68,969	58,243	10,726	15.6%	609,223	93,621	15.4%
26-052 St. Anne's domestic water	43,675	36,638	7,037	16.1%	166,696	28,792	17.3%
26-035 Tolliver Street process piping	69,834	57,167	12,667	18.1%	573,535	87,427	15.2%
26-049 Vicksburg Lane office fit-out	46,023	38,887	7,136	15.5%	146,213	25,136	17.2%
Jobs closed this year							
25-104 Lindgren Falls fire station boiler	—	—	—	—	402,910	68,635	17.0%
26-012 Northfield Commons medical plumbing	—	—	—	—	412,700	80,560	19.5%
26-019 Highway 10 warehouse unit heaters	—	—	—	—	276,400	47,285	17.1%
26-027 Cedar Ridge MS boiler replacement	—	—	—	—	61,400	9,530	15.5%
Other work							
Service and small jobs	38,640	27,905	10,735	27.8%	429,734	122,474	28.5%
Total jobs	557,673	505,563	52,110	9.3%	5,199,293	821,977	15.8%
Overhead							
Office salaries			(31,462)			(311,870)	
Rent			(8,400)			(84,000)	
Insurance			(9,187)			(90,415)	
Vehicles			(7,834)			(79,112)	
Software			(3,116)			(30,804)	
Professional fees			(5,250)			(61,250)	
Marketing			(4,218)			(38,970)	
Interest			(4,512)			(44,920)	
Other			(5,309)			(52,183)	
Total overhead			(79,288)			(793,524)	
Net income			**(27,178)**			**28,453**	

Source: QuickBooks Online general ledger, closed November 12, 2026. Year to date is January 1 through October 31, 2026. Job revenue is revenue earned on each job this month; overhead is the general ledger.

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F-2 Balance sheet

Current assets rose $101,791 in October; receivables rose $145,490. Equity fell $47,178 to $874,022.

In whole dollars	October 31, 2026	September 30, 2026	Change
Current assets			
Cash	312,418	266,051	46,367
Contract receivables, excluding retainage	1,234,130	1,088,640	145,490
Retainage receivable	171,820	158,440	13,380
Costs in excess of billings (underbillings)	266,079	371,650	(105,571)
Other current assets, including related-party receivable	40,240	38,115	2,125
Total current assets	2,024,687	1,922,896	101,791
Fixed assets, net of depreciation	619,874	611,230	8,644
Other assets	15,140	15,140	—
Total assets	**2,659,701**	**2,549,266**	**110,435**
Current liabilities			
Payables, excluding retainage	691,738	639,480	52,258
Retainage payable	93,455	89,735	3,720
Billings in excess of costs (overbillings)	158,513	121,672	36,841
Provision for anticipated losses on contracts	12,793	—	12,793
Line of credit	300,000	250,000	50,000
Current portion of long-term debt	97,104	96,870	234
Other current liabilities	120,062	109,969	10,093
Total current liabilities	1,473,665	1,307,726	165,939
Long-term debt, less current portion	312,014	320,340	(8,326)
Total liabilities	1,785,679	1,628,066	157,613
Equity	874,022	921,200	(47,178)
Total liabilities and equity	**2,659,701**	**2,549,266**	**110,435**

Source: QuickBooks Online general ledger, closed November 12, 2026. Underbillings, overbillings and the provision for anticipated losses tie to sheet W-1.

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C-1 Cash flows and forecast

Operations generated $33,103 of cash in October, and the line of credit provided $50,000. Forecast cash bottoms at $97,386 in the week ending December 5, below two weeks of payroll ($129,740).

Statement of cash flows

In whole dollars	October 2026
Operating activities	
Net income	(27,178)
Change in receivables	(145,490)
Change in retainage receivable	(13,380)
Change in underbillings	105,571
Change in other current assets	(2,125)
Change in payables	52,258
Change in retainage payable	3,720
Change in overbillings	36,841
Change in loss provision	12,793
Change in other current liabilities	10,093
Net cash from operating activities	33,103
Investing activities	
Change in fixed and other assets, net of depreciation	(8,644)
Net cash from investing activities	(8,644)
Financing activities	
Line of credit, net	50,000
Long-term debt, net	(8,092)
Owner contributions (distributions), net	(20,000)
Net cash from financing activities	21,908
Net change in cash	46,367
Cash at beginning of month	266,051
Cash at end of month	**312,418**

Source: the balance sheets at September 30, 2026 and October 31, 2026 (sheet F-2), indirect method. Fixed assets are carried net, so the investing line nets purchases, disposals and depreciation.

13-week cash forecast

Week ending	Opening cash	Receipts	Disbursements	Closing cash
November 7, 2026	312,418	96,410	(123,180)	285,648
November 14, 2026	285,648	221,780	(236,510)	270,918
November 21, 2026	270,918	88,350	(125,832)	233,436
November 28, 2026	233,436	171,220	(227,300)	177,356
December 5, 2026	177,356	77,780	(157,750)	97,386
below two weeks of payroll				
December 12, 2026	97,386	349,870	(241,820)	205,436
December 19, 2026	205,436	118,640	(131,972)	192,104
December 26, 2026	192,104	236,110	(211,640)	216,574
January 2, 2027	216,574	97,230	(126,280)	187,524
January 9, 2027	187,524	201,560	(213,800)	175,284
January 16, 2027	175,284	164,390	(131,252)	208,422
January 23, 2027	208,422	228,740	(186,990)	250,172
January 30, 2027	250,172	172,850	(135,380)	287,642

Two weeks of payroll is $129,740.

In whole dollars. Source: the 13-week cash forecast workbook, refreshed November 10, 2026 from the October 31, 2026 cash position: receipts from the receivable aging and the billing schedule, disbursements from payables, payroll and loan payments on their dates.

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W-1 Open jobs and backlog

26-044 Lakeside Clinic TI is projected to lose $28,800; the full projected loss is recognized in these statements. The other seven jobs carry $856,200 of estimated gross profit, a 15.7% margin; open jobs are underbilled by a net $107,566. Gross profit in backlog of $319,202 covers 4.0 months of overhead.

Job	(1) Total contract	(2) Est. total cost	(3) Est. gross profit	(4) Cost to date	(5) Cost to complete	(6) Percent complete	(7) Earned revenue	(8) Billed to date	(9) Over (under) billed	(10) Accrued loss
26-031 Cedar Ridge HS mechanical retrofit	1,973,700	1,684,600	289,100	1,118,407	566,193	66.4%	1,310,341	1,308,250	(2,091)	—
26-044 Lakeside Clinic TI loss job	481,500	510,300	(28,800)	283,619	226,681	55.6%	267,612	258,900	(8,712)	12,793
26-038 Hennessy Flats plumbing rough-in	633,700	519,100	114,600	297,836	221,264	57.4%	363,588	421,700	58,112	—
26-047 Dakota County data room HVAC	341,200	284,700	56,500	149,310	135,390	52.4%	178,941	165,400	(13,541)	—
25-112 Brookhaven rec center RTU replacement	970,300	819,400	150,900	588,215	231,185	71.8%	696,540	722,350	25,810	—
26-052 St. Anne's domestic water	412,800	341,500	71,300	137,904	203,596	40.4%	166,696	236,900	70,204	—
26-035 Tolliver Street process piping underbilled over 20% of contract	921,700	781,200	140,500	486,108	295,092	62.2%	573,535	331,800	(241,735)	—
26-049 Vicksburg Lane office fit-out	193,700	160,400	33,300	121,077	39,323	75.5%	146,213	150,600	4,387	—
Total open jobs	**5,928,600**	**5,101,200**	**827,400**	**3,182,476**	**1,918,724**		**3,703,466**	**3,595,900**	**(107,566)**	**12,793**

(3) = (1) − (2). (5) = (2) − (4). (6) = (4) ÷ (2). (7) = (1) × (6). (9) = (8) − (7); a positive figure is billed ahead of the work. (10) is the part of a loss job's projected loss not yet recognized through percent complete; it is carried as a provision, so the full projected loss is recognized in these statements.

In whole dollars. Source: the WIP workbook as of October 31, 2026. Contract values include approved change orders. Cost to complete from estimate updates by the project managers dated November 6, 2026.

Backlog: contract revenue not yet earned is $2,225,134, and gross profit in backlog is $319,202, 33.3% of the $958,400 annual overhead on file. Gross profit in backlog counts only the unearned share of jobs projected to make money.

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W-2 Closed jobs and ratios

Four jobs closed this year at an 18.5% combined margin; 25-104 Lindgren Falls fire station boiler came in $30,150 under its last estimate. The adjusted current ratio is 1.32 against the 1.50 sureties look for.

Completed jobs

Job	Final contract	Total cost	Final gross profit	Last est. gross profit	Gain (fade)
25-104 Lindgren Falls fire station boiler profit fade	641,300	521,850	119,450	149,600	(30,150)
26-012 Northfield Commons medical plumbing	412,700	332,140	80,560	78,300	2,260
26-019 Highway 10 warehouse unit heaters	276,400	229,115	47,285	45,100	2,185
26-027 Cedar Ridge MS boiler replacement	61,400	51,870	9,530	9,200	330
Total completed jobs	**1,391,800**	**1,134,975**	**256,825**	**282,200**	**(25,375)**

In whole dollars. Source: the WIP workbook, jobs closed January 1 to October 31, 2026. Last estimated gross profit is the estimate carried the month before close-out.

Surety ratios

Ratio	Value	Target
Current ratio outside target	1.37	1.50 or higher
Adjusted current ratio outside target	1.32	1.50 or higher
Adjusted working capital	477,462	
Debt to tangible net worth	2.04	
Underbillings to equity outside target	30.4%	20.0% or less
Overbillings to cash	0.51	1.00 or less
Line of credit utilization	40.0%	80.0% or less

Adjusted figures leave out $48,560 of receivables more than 90 days past due, other than retainage, and the $25,000 related-party receivable. Tangible net worth is equity less intangible assets. Line of credit utilization is against the $750,000 limit.

Source: sheet F-2 and the receivable aging on sheet A-1. Targets are the levels sureties look for.

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A-1 Receivables

$48,560 at Lakeside Clinic LLC is more than 90 days past due; retainage receivable of $171,820 is current.

Customer	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Billings, excluding retainage						
Cedar Ridge Area Schools						
26-031 Cedar Ridge HS mechanical retrofit	311,480	139,270	—	—	—	450,750
26-027 Cedar Ridge MS boiler replacement	—	18,640	—	—	—	18,640
Hennessy Flats Partners LLC 26-038 Hennessy Flats plumbing rough-in	—	249,310	—	—	—	249,310
City of Brookhaven Falls 25-112 Brookhaven rec center RTU replacement	—	—	174,620	—	—	174,620
Lakeside Clinic LLC 26-044 Lakeside Clinic TI 90+ days	—	61,900	—	—	48,560	110,460
Dakota County 26-047 Dakota County data room HVAC	94,850	—	—	—	—	94,850
St. Anne's of Roseville 26-052 St. Anne's domestic water	60,115	—	—	—	—	60,115
Tolliver Street Brewing Co. 26-035 Tolliver Street process piping	—	24,780	—	—	—	24,780
Hennepin Storage LLC	—	14,815	—	—	—	14,815
Vicksburg Lane Partners LLC 26-049 Vicksburg Lane office fit-out	14,480	—	—	—	—	14,480
Maple Grove Animal Hospital	11,970	—	—	—	—	11,970
Plymouth Family Dentistry	9,340	—	—	—	—	9,340
Total billings, excluding retainage	502,235	508,715	174,620	—	48,560	1,234,130
Retainage						
Cedar Ridge Area Schools	64,815	—	—	—	—	64,815
Hennessy Flats Partners LLC	38,190	—	—	—	—	38,190
City of Brookhaven Falls	35,940	—	—	—	—	35,940
Lakeside Clinic LLC	24,760	—	—	—	—	24,760
Dakota County	8,115	—	—	—	—	8,115
Total retainage	171,820	—	—	—	—	171,820
Total receivables	**674,055**	**508,715**	**174,620**	**—**	**48,560**	**1,405,950**

Days are counted past the due date; an invoice with no due date is due 30 days after it is dated. Retainage is not flagged at 90 days because it falls due at project close-out.

In whole dollars. Source: QuickBooks Online general ledger, closed November 12, 2026. Customer balances from the subledger, tied to sheet F-2.

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A-2 Payables

$318,711 of $785,193 in payables is past its due date; retainage payable is $93,455.

Vendor	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Invoices, excluding retainage						
Ferguson Enterprises	78,730	65,815	—	—	—	144,545
Johnstone Supply	42,990	64,615	—	—	—	107,605
Bergstrom Sheet Metal	—	61,520	24,980	—	—	86,500
Hoffman Electric	63,875	21,390	—	—	—	85,265
Kowalski Pipe & Valve	57,940	23,610	—	—	—	81,550
Minnesota Mechanical Insulation	19,990	31,660	—	—	—	51,650
United Rentals	35,895	—	—	—	—	35,895
Pro-Line Controls	24,730	—	—	—	—	24,730
Lindahl Crane Service	18,450	—	—	—	—	18,450
Bauer Fuel & Fleet	14,254	—	—	—	—	14,254
Northwest Testing & Balancing	—	12,375	—	—	—	12,375
Grainger	7,218	3,106	—	—	—	10,324
R. J. Dahl Insulation	—	—	9,640	—	—	9,640
Anoka Concrete Cutting	4,860	—	—	—	—	4,860
CenterPoint Energy	2,915	—	—	—	—	2,915
City of Plymouth, permits	1,180	—	—	—	—	1,180
Total invoices, excluding retainage	373,027	284,091	34,620	—	—	691,738
Retainage						
Bergstrom Sheet Metal	39,650	—	—	—	—	39,650
Hoffman Electric	29,890	—	—	—	—	29,890
Minnesota Mechanical Insulation	23,915	—	—	—	—	23,915
Total retainage	93,455	—	—	—	—	93,455
Total payables	**466,482**	**284,091**	**34,620**	**—**	**—**	**785,193**

Days are counted past the due date; an invoice with no due date is due 30 days after it is dated.

In whole dollars. Source: QuickBooks Online general ledger, closed November 12, 2026. Vendor balances from the subledger, tied to sheet F-2.

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G-2 Close checklist

Close signed off by Backlog Controller on November 13, 2026; 22 of 22 steps done, 20 on or before their due day.

Step	Due	Done
Bank reconciliations complete	Day 3	Nov 3
Credit card reconciliations complete	Day 3	Nov 4
AR tie-out to subledger	Day 4	Nov 4
AP tie-out to subledger	Day 4	Nov 5
Retainage receivable and payable split	Day 4	Nov 5
Job cost walkthrough with PM	Day 5	Nov 6
WIP schedule updated	Day 6	Nov 9
Over/under billing entry posted	Day 6	Nov 9
Loss job accrual posted	Day 6	Nov 9
Depreciation posted	Day 6	Nov 9
Accruals posted	Day 7	Nov 10
Prepaid roll-forward	Day 7	Nov 6
Payroll tie-out to registers	Day 7	Nov 10
Sales and use tax checked	Day 7	Nov 10
Loan statements reconciled	Day 7	Nov 11
Line of credit reconciled	Day 7	Nov 10
Intercompany balanced	Day 7	Nov 11
Equity and distributions checked	Day 8	Nov 11
Surety ratio strip computed	Day 8	Nov 11
Cash forecast refreshed	Day 8	Nov 10
Owner summary drafted	Day 9	Nov 12
Package assembled	Day 9	Nov 12

Source: the close checklist workbook; Due is the business day of the month after period end.

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