Plumbline Advisory CPAS · ADVISORS

MONTH-END FINANCIAL PACKAGE

Hollis Construction Group, LLC

Period ending June 30, 2026 · Year-to-date through Q2

Prepared for the ownership & management team
Grand Rapids, Michigan

Issued July 12, 2026

Hi Dan & the Hollis team — here's how June went.

June was a **solid, steady month.** You brought in **$1.44M** of work and kept **16 cents of every dollar** as gross profit — a touch ahead of your plan. Cash held right around **$1.24M**, and no job is bleeding.

Two things worth your attention: the **Cedar Point** and **Lincoln Elementary** jobs are nearly done and slightly overbilled, so expect cash to tighten a little as they close out. And **Maple Grove** is ramping — it'll be your engine for the back half of the year.

Nothing here needs a fire drill. We've flagged what to watch on the last page. As always, call us before you sign anything big.

THE MONTH IN THREE NUMBERS

Revenue booked in June

$1.44M

▲ 12% vs. May · on plan

Gross margin in June

16.1%

▲ 1.1 pts vs. your 15% target

Signed work still ahead

$9.7M

≈ 7.6 months of revenue

Maya Ellison

Maya Ellison, CPA · Engagement Partner
Plumbline Advisory

Your month at a glance

June 2026 · year-to-date figures in parentheses

Revenue	Gross profit	Net profit	Cash on hand	Backlog
$1.44M	$231K	$66K	$1.24M	$9.7M
YTD $7.62M	16.1% margin	YTD $272K	1.45 current ratio	7 active jobs
▲ On pace for $15.2M	▲ Above 15% target	▲ 3.6% of revenue	◆ ≈ 7.7 mo of overhead	▲ 7.6 months of work

WHAT WENT WELL

- ✓ Margins beat plan on four of seven active jobs.
- ✓ Collected $1.31M — receivables aging stayed clean.
- ✓ Won the Northside Fire Station bid ($2.1M).

WHAT TO KEEP AN EYE ON

- ◆ Two jobs closing out are overbilled — cash will dip.
- ◆ $90K of receivables slipped past 90 days.
- ◆ Backlog covers ~64% of next year — keep bidding.

03 · BUSINESS SCORECARD

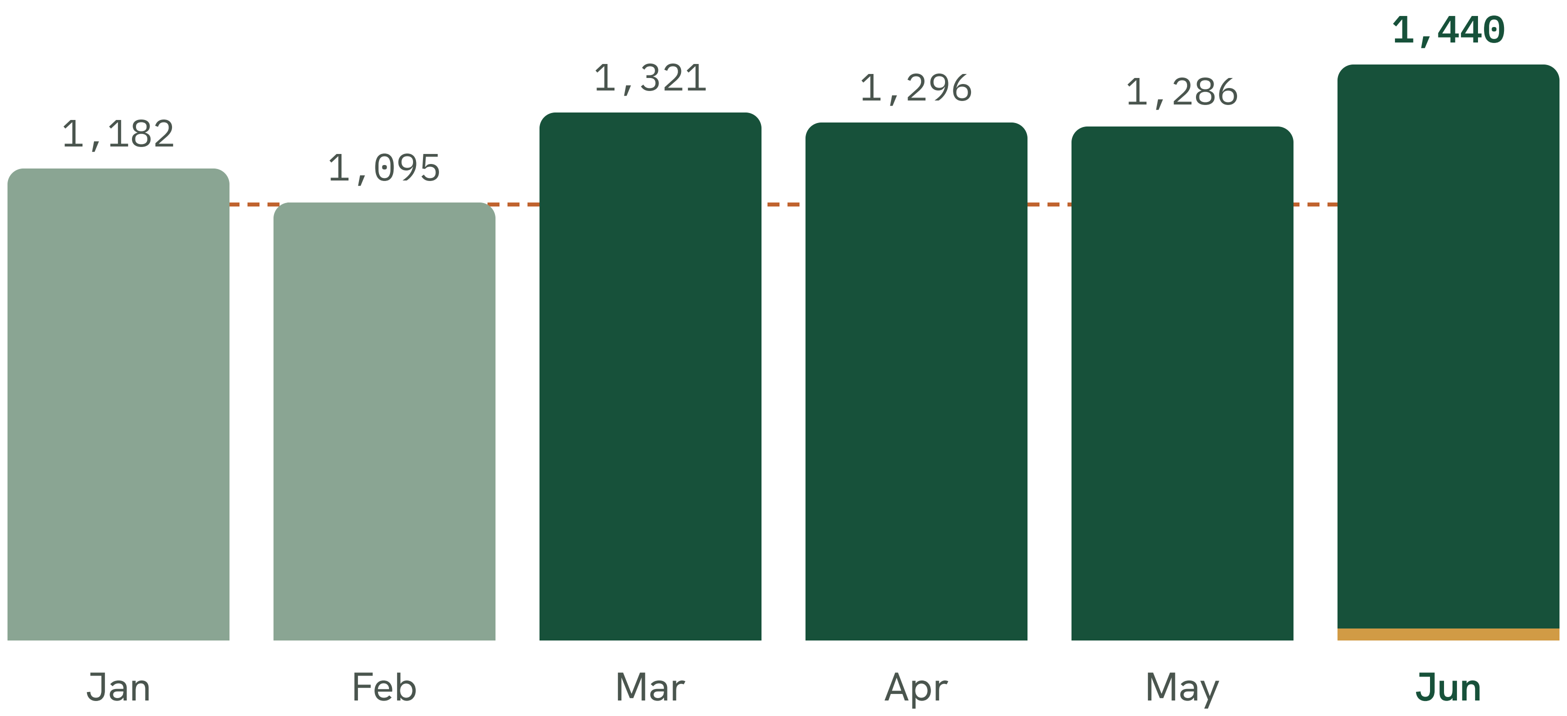
The numbers that matter, in plain English

Trailing 6 months · Jan–Jun 2026

Revenue each month

$000s

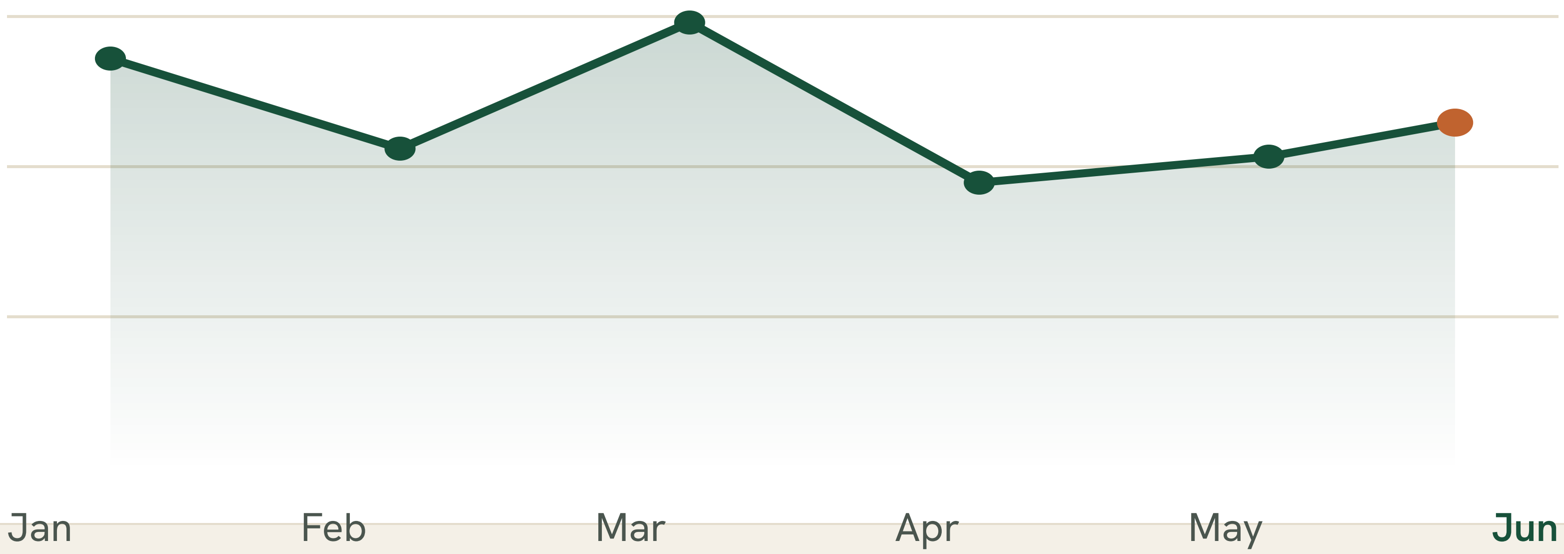
Steady and slightly climbing — the dashed line is your $1.27M monthly target.



Cash in the bank

$000s

Held comfortably above $1.1M all year, even while buying equipment and paying down debt.



52 days to get paid (DSO — healthy for a GC)

15.9% gross margin YTD (vs. 15.0% budgeted)

+$160K net overbilled (clients funding the work — good)

04 · INCOME STATEMENT

What you earned and spent

Unaudited · accrual basis
percent-of-completion revenue

LINE ITEM	JUNE	YEAR-TO-DATE	% REV
Contract revenue	1,440,100	7,620,400	100.0%
Cost of construction	(1,208,700)	(6,395,200)	83.9%
Gross profit	**231,400**	**1,225,200**	**16.1%**
OPERATING EXPENSES			
Office salaries & benefits	(91,300)	(548,400)	7.2%
Insurance & bonding	(16,100)	(96,300)	1.3%
Vehicles, equipment & occupancy	(25,400)	(151,800)	2.0%
Professional, office & other G&A	(25,200)	(118,700)	1.6%
Total operating expenses	(158,000)	(915,200)	12.0%
Operating income	73,400	310,000	4.1%
Interest & other, net	(6,900)	(38,000)	0.5%
Net income	**66,500**	**272,000**	**3.6%**

WHERE EACH REVENUE DOLLAR WENT

- Cost to build the work — **84¢**
- Running the office — **12¢**
- Kept as profit — **3.6¢**

Every job carries its share of overhead. For a contractor your size, keeping **3–4¢ of profit** per dollar is a healthy, sustainable result.

How each project is performing

7 active jobs · as of June 30, 2026
overbilled underbilled

PROJECT	CONTRACT	% COMPLETE	MARGIN	OVER / (UNDER) BILLED
Riverside Medical Office	$4,200,000	77%	15.0%	$116,000
Eastgate Distribution Center	$3,800,000	50%	15.0%	($120,000)
Lincoln Elementary Reno	$2,150,000	92%	13.0%	$32,000
Maple Grove Apartments · Ph 1	$2,900,000	30%	15.0%	($60,000)
Cedar Point Retail Center	$1,650,000	95%	13.9%	$32,500
Municipal Water Treatment	$1,320,000	20%	15.2%	($54,000)
Harborview Office TI	$780,000	90%	12.8%	$33,000
Total · 7 active jobs	**$16,800,000**	Weighted 63% complete	**14.6%**	**$160,500 net**

Overbilled = client cash ahead of cost. Good for cash today, but that money is spent building the job later — don't mistake it for profit.

Every job is profitable. Margins run 13–15%. Lincoln & Harborview are tightest — normal for jobs in their final weeks.

What you own and owe

As of June 30, 2026 · unaudited

WHAT YOU OWN — ASSETS

Cash & equivalents	$1,240,000
Accounts receivable	$2,180,000
Retainage receivable	$640,000
Underbillings (costs in excess)	$310,000
Prepaids & other current	$95,000
Property & equipment, net	$1,120,000
Other assets	$85,000
Total assets	**$5,670,000**

WHAT YOU OWE — LIABILITIES & EQUITY

Accounts payable	$1,460,000
Retainage payable	$395,000
Overbillings (billings in excess)	$470,000
Accrued payroll & expenses	$265,000
Line of credit & current debt	$490,000
Long-term debt	$620,000
Total liabilities	**$3,700,000**
Owner's equity	$1,970,000
Total liabilities & equity	**$5,670,000**

Working capital
$1.39M
short-term cushion

Current ratio
1.45
above 1.2 comfort line

Debt-to-equity
0.56
conservative leverage

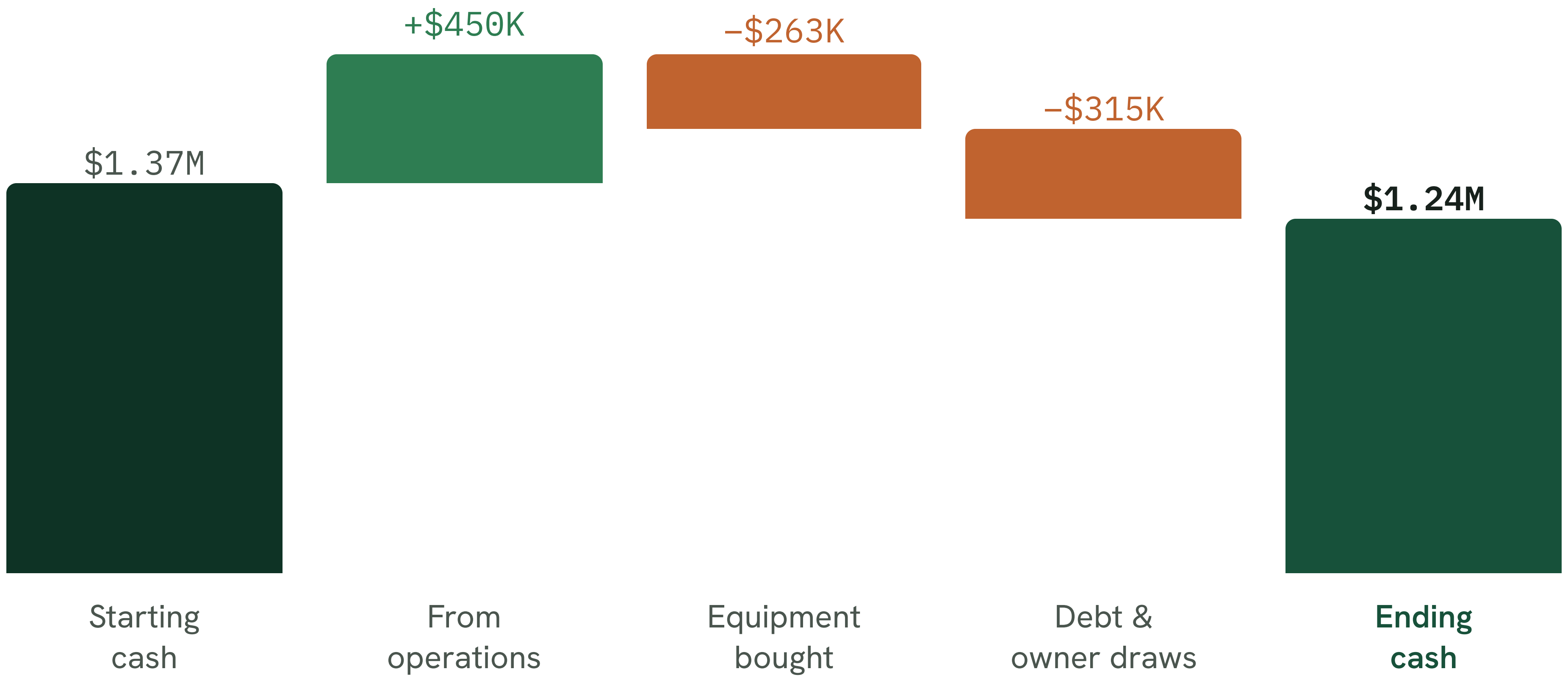
Equity vs. Dec
+$152K
retained earnings, net distributions

Where your cash went this year

Year-to-date · Jan–Jun 2026

The year in one picture

You started with $1.37M, the business generated cash, then you reinvested and paid down debt.



OPERATING ACTIVITIES

Net income	$272,000
Depreciation (non-cash)	$118,000
Change in receivables & retainage	($335,000)
Change in payables & billings	$395,000
Cash from operations	**$450,000**

INVESTING

Equipment purchases, net of sales	($263,000)

FINANCING

Debt repayment, net	($195,000)
Distributions to owners	($120,000)
Net change in cash	**($128,000)**

Cash dipped $128K — but by choice. You invested **$263K in equipment** and returned **$120K to owners.** The core business threw off $450K.

08 · RECEIVABLES & PAYABLES

Who owes you, and who you owe

As of June 30, 2026 · excludes retainage

Money owed to you — $2.18M

96% is current or under 60 days — very healthy collections.

Current (0–30 days)	$1,380,000
31–60 days	$520,000
61–90 days	$190,000
Over 90 days — chase these	$90,000

Money you owe others — $1.46M

Nearly all current — you're paying subs and suppliers on time.

Current (0–30 days)	$1,010,000
31–60 days	$310,000
61–90 days	$95,000
Over 90 days	$45,000

52 days average time to collect (DSO)

$1.04M retainage held on both sides, released at closeout

+$720K net owed to you — a positive working position

09 · BACKLOG & PIPELINE

The work ahead

As of June 30, 2026

Signed & in progress	Awarded, not started	Total backlog
$6.3M	$3.4M	$9.7M
remaining on 7 active jobs	2 new projects signed	≈ 7.6 months of revenue

Bids outstanding — your pipeline

$14.2M of proposals are on the street. At your typical 1-in-3 win rate, that's roughly $4.7M of new work.

Northgate Logistics Park	$5.4M
Westside Medical Expansion	$3.8M
County Roads Maintenance Facility	$2.9M
5 smaller bids & TIs	$2.1M

Backlog covers this much of the next 12 months

64%

A strong base. Winning **2–3 of the open bids** keeps crews fully booked through mid-2027.

What the next 12 months could look like

Projection · Jul 2026 – Jun 2027
management estimate, not a guarantee

Projected revenue

$15.6M

▲ 3% vs. this year's pace

Projected net profit

$560K

≈ 3.6% margin held

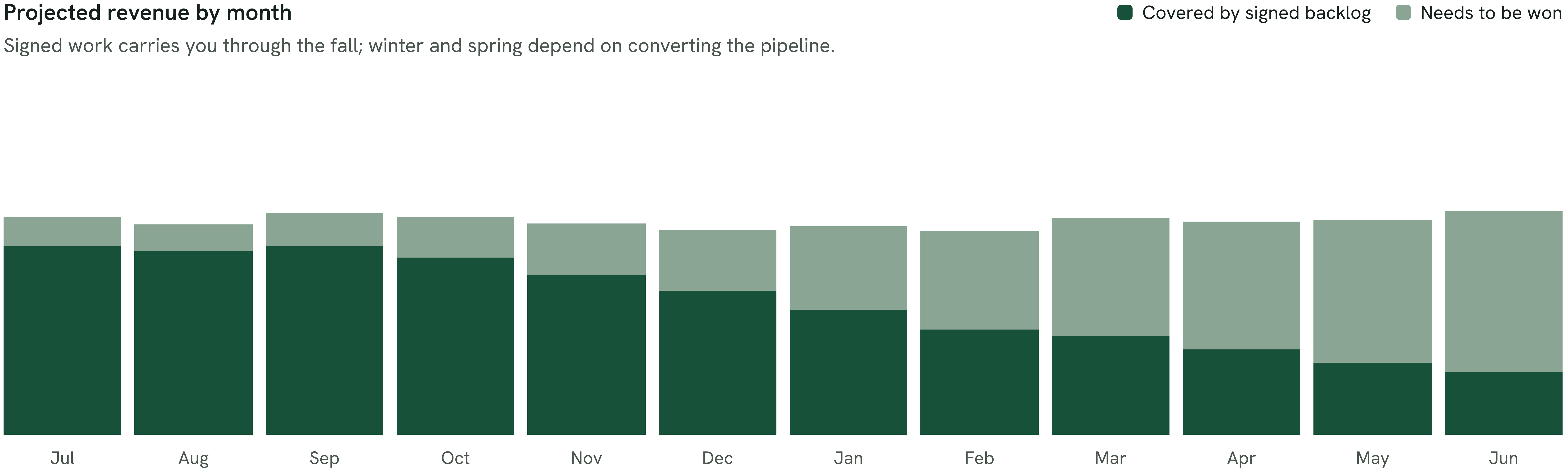
Projected year-end cash

$1.45M

▲ rebuilds after Q3 dip

Projected revenue by month

Signed work carries you through the fall; winter and spring depend on converting the pipeline.



What we're watching next month

01

Cash through closeout

Cedar Point & Lincoln finish soon and are overbilled. Expect a short cash dip in Q3 — we'll help you time draws around it.

02

The $90K past 90 days

One retail tenant is slow to pay. We'll send a statement and, if needed, prep a lien notice before the deadline.

03

Keep the pipeline full

Backlog is strong but thins after the fall. Winning 2–3 open bids keeps 2027 booked. Let's review bid margins together.

Plumbline Advisory
Accounting for builders.

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Questions? We'd rather hear from you early than late.