

**Opportunity:****Scale Sales / Service**

Location:

Central Washington

Business Offered At:

\$1,200,000

Sale Type:

Equity or Asset Sale

**Offered By:****AAI Real Estate**

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Yakima, WA 98908

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# Scale Sales and Services

Central Washington

Confidential  
Offering Memorandum  
Sales / Service

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Unless stated otherwise, the underlying assets have not been appraised. The cost data provided in the financial statements, before depreciation is deducted, may be used as an approximate replacement cost but should be reviewed in due diligence process. If a value is included on the asset list, that value is the presumed fair market value of an equivalent asset. Additionally, the list was prepared at a specific point in time. The ordinary course of business will cause items to be added and disposed of, so any enclosed list of assets should be viewed as an approximation of the total assets of the business.

Inventory is assumed to be at cost. Management's estimate of value is accepted unless reasons exist to use another value, which will be noted. Real estate values, building leases, rental agreements, equipment leases and other commitments of the company are management's estimate and are assumed to be at market rates unless otherwise noted.

## Confidential Offering Memorandum

Exclusively Offered By: **AAI Real Estate**

Contact:

**Matt Russell**

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## Table of Contents

Business Overview	4-6
Suppliers, Competitors, Employees	7
Financial Information	8-11
Potential Financing Structure	12
Buyer Process	13
About AAI	14

The sales and service business is a privately owned business in Central Washington. The company sells, services and repairs all types of scales ranging from gram scales to truck scales, with a strong focus on the agricultural industry. The business was started in 1973, has always been family owned, and has long standing relationships with its clients. The current owner is only the third owner in its 51 years. The company prides itself on honesty, integrity and client satisfaction.

The business is a dealer for the following manufacturers:

- Mettler Toledo
- Cardinal Scale
- Rice Lake
- Yamato
- Befour Inc
- Matco
- Coti Global Sensors

The business currently has 1 staff member excluding the current owner and his spouse. Wages for employees have varied based on experience. The current owner works for clients in the field with the other employee completing installations and repairs. The spouse runs the office and administration of the business.

A new owner will need a [Weighmaster / Weigher License](#) from the State of Washington.

The current owner is selling to retire. He and his wife are willing to stay on in a consulting capacity. The amount of time and pay is negotiable.

The seller is willing to consider either an asset or equity sale of the business. The business operates out of a shop behind the owner's home. The home and shop are not available for sale or lease.

Complete detailed information about the company is available with a signed non-disclosure agreement.

 Matt Russell

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## Business Summary

Industry	Sales / Service
Business	Not Disclosed
Location	Not Disclosed Central Washington
Number of Employees	1, excluding owner and spouse
Years in Business	51
Website	Not Disclosed
Type of Sale	Asset or Equity will be considered
Reason for Selling	Owner ready to retire

The Seller is willing to consider either an asset or equity sale. All assets including a 2023 Ford F250 truck, 2003 Test Truck, all test weights, parts and inventory are included in the sale.

Current employees are the owner, his spouse (office manager) and a field tech.

## Key Numbers

Asking Price, Business	675,000
2021 Sales	642,152
2022 Sales	664,837
2023 Sales	904,665
2024 Sales	556,199
2021 Seller's Discretionary Earnings	211,065
2022 Seller's Discretionary Earnings	217,867
2023 Seller's Discretionary Earnings	218,485
2024 Seller's Discretionary Earnings	129,718*
Net Fixed Assets Included in Sale Dec. 2024	34,167
A/R - A/P, Jan 31, 2025 Fiscal Year End 2024	61,484
Inventory, Jan 31, 2025 Fiscal Year End 2024	5,230
Long Term + Short Term Debt, Jan 31, 2025	42,058

\*2024 Seller's Discretionary Earnings was down primarily due to seasonality and an employee leaving which put the company behind schedule.

## Suppliers

The business uses several suppliers / vendors. The primary equipment suppliers are:

- Unibridge
- Uitech
- Totalcomp

## Competitors

There are several competitors in the area. The business competes based on long standing relationships, quality service and significant need for this type of business in Washington.

## Employees

The business generally has 4 total staff members: 2 scale techs and an office manager (currently the owner's spouse), plus the owner that is often in the field with the techs. Currently there is one tech. Both the scale tech and the office manager (spouse) make \$24.50 per hour. The owner and the scale techs work for clients in the field completing installations and repairs.


# Financial Information

2019-2024 from Tax Returns. Fiscal Year Feb 1 - Jan 31

Accounting Method: Accrual	2019	2020	2021	2022	2023	2024
1c Net Reciepts / Sales	629,928	544,303	642,152	664,837	904,665	556,199
2 COGS	324,989	255,654	317,562	290,909	328,633	141,963
3 Gross Profit	304,939	288,649	324,590	373,928	576,032	414,236
5 Interest	-	-	-	55	266	-
10 Other Income	-	-	14,459	-	30,488	1,768
<b>11 Total Income (Revenues)</b>	<b>304,939</b>	<b>288,649</b>	<b>339,049</b>	<b>373,983</b>	<b>606,786</b>	<b>416,004</b>
12 Compensation of Officers	100,880	100,880	100,880	96,084	93,732	102,160
13 Salaries and wages	2,090	-	-	21,262	110,745	128,062
14 Repairs and Maintenance	1,556	2,898	5,697	19,019	20,438	32,898
15 Bad debts	3,769	-	189	-	-	-
16 Rents	14,400	14,400	14,400	14,400	14,400	14,400
17 Taxes / Licenses	22,169	23,510	36,952	32,422	49,632	41,104
18 Interest	2,077	28,167	1,947	1,407	2,892	2,780
20 Depreciation	31,604	-	49,294	4,000	15,725	31,215
22 Advertising	8,661	1,661	537	1,919	4,705	3,378
24 Employee Benefits	13,438	1,287	15,674	37,004	29,521	28,680
26 Other Deductions	66,418	65,306	84,489	70,342	195,191	72,551
<b>27 Total Deductions</b>	<b>267,062</b>	<b>238,109</b>	<b>310,059</b>	<b>297,859</b>	<b>536,981</b>	<b>457,228</b>
<b>28 Ordinary Business Income</b>	<b>37,877</b>	<b>50,540</b>	<b>28,990</b>	<b>76,124</b>	<b>69,805</b>	<b>(41,224)</b>
Tax (for information only)	7,954	10,613	6,088	15,986	14,659	-
<b>EBITDA / Discretionary Income</b>	<b>71,558</b>	<b>78,707</b>	<b>80,231</b>	<b>81,531</b>	<b>88,422</b>	<b>(7,229)</b>

The business provided tax returns on an accrual basis for the prior five years as well as company prepared financials. The difference between operating cash flows based on changes in balance sheet items and EBITDA is negligible other than A/P going to 0 in 2022 and remaining there. Also, the balance sheet may be managed differently by new owners. Therefore, EBITDA is used in the analysis to represent discretionary income. Sales increased in 2023 due to increased sales of scales. Rents are paid to the owner for use of the home / shop. 2024 is down due to seasonality and one employee resigned, which put the company behind.

 Matt Russell

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## Additional Detail: 2019-2024 from Tax Returns

					2.08	1.24
Other Deduction Expenses	2019	2020	2021	2022	2023	2024
Accounting	-	-	4,100	3,355	-	-
Auto and Truck	21,624	18,397	11,731	18,451	20,027	16,582
Bank Charges	3,267	1,494	1,090	589	1,932	1,435
Brochures	231	-	90	100	-	-
Collection Fees	-	-	243	57	496	-
Delivery and Freight	1,662	2,931	-	251	389	-
Insurance	9,000	8,615	8,259	7,953	8,828	9,068
Legal and Professional	6,050	5,485	-	-	9,961	2,964
Miscellaneous	899	2,817	2,599	8,177	3,347	9,990
Office Expense	6,942	5,223	3,794	8,015	7,183	7,879
Outside Services	942	-	40,196	4,666	122,025	420
Postage	548	541	719	876	1,062	1,745
Subscriptions	1,635	4,439	1,970	-	2,347	1,424
Supplies	487	2,557	998	5,554	6,929	8,399
Telephone	4,651	1,738	1,632	1,778	1,689	2,101
Travel	3,089	6,200	1,203	2,785	1,545	4,763
Utilities	5,391	4,869	5,865	7,735	7,431	5,781
<b>Total Other Deductions</b>	<b>66,418</b>	<b>65,306</b>	<b>84,489</b>	<b>70,342</b>	<b>195,191</b>	<b>72,551</b>

Additional expense detail is provided for information purposes. Insurance is adjusted to recategorize health insurance as employee benefits in 2021. Outside services include subcontractor costs, which are necessary for larger projects. Utilities costs were labeled as Subscriptions in the tax returns and adjusted here.

## Discretionary Cash Flow: 2019-2024 from Tax Return

	2019	2020	2021	2022	2023	2024
Ordinary Business Income	37,877	50,540	28,990	76,124	69,805	(41,224)
<b>Adjustments for non-cash, non-recurring and owner's expenses</b>						
Interest, Depreciation, Amortization	33,681	28,167	51,241	5,407	18,617	33,995
Other Income Not Ongoing	-	-	-	-	-	(1,768)
Officer's Compensation	100,880	100,880	100,880	96,084	93,732	102,160
Owner's Payroll Taxes	7,717	7,717	7,717	7,350	7,170	7,815
Officer Employee Benefits	6,719	644	7,837	18,502	14,761	14,340
Rent	14,400	14,400	14,400	14,400	14,400	14,400
<b>Total Adjustments</b>	<b>163,397</b>	<b>151,808</b>	<b>182,075</b>	<b>141,743</b>	<b>148,680</b>	<b>170,942</b>
<b>Discretionary Cash Flow</b>	<b>201,274</b>	<b>202,348</b>	<b>211,065</b>	<b>217,867</b>	<b>218,485</b>	<b>129,718</b>

Adjustments are made to eliminate non-cash expenses, non-recurring items and owner's expenses that were run through the company and may be different for the new owner. Rent was added back, as it was an expense the owner paid to himself.


# Financial Information

2019-2024 from Tax Returns. Fiscal Year Feb 1 - Jan 31

Balance Sheet	2019	2020	2021	2022	2023	2024
1 Cash	94,260	155,292	139,649	199,633	205,513	138,673
2b Net Accounts Receivable	53,168	36,178	53,675	56,884	51,384	62,175
3 Inventories	5,230	5,230	5,230	5,230	5,230	5,230
6 Other Current Assets	-	-	5,411	1,890	11,211	14,800
10a Buildings and other depr. Assets	-	186,700	235,994	239,994	302,891	320,970
10b Accumulated Depreciation	-	186,569	235,863	239,863	255,588	286,803
10c Net Buildings / Fixed Assets	-	131	131	131	47,303	34,167
<b>15 Total Assets</b>	<b>152,658</b>	<b>196,831</b>	<b>204,096</b>	<b>263,768</b>	<b>320,641</b>	<b>255,045</b>
16 Accounts Payable	25,661	31,303	28,888	-	-	691
17 Mortgages/Notes/Bonds < 1 year	10,000	10,000	-	-	-	-
18 Other Current Liab.	11,109	4,961	2,222	8,940	8,859	3,178
20 Mortgages/Notes/Bonds > 1 year	16,151	33,959	34,426	24,372	53,680	42,058
22 Capital Stock	500	500	500	500	500	500
23 Additional Paid In Capital	8,482	8,482	8,482	37,216	37,216	37,216
24 Retained Earnings	80,755	120,677	129,578	192,740	220,386	171,402
25 Adjustments to Equity	-	(13,051)	-	-	-	-
<b>27 Total Liabilities and Equity</b>	<b>152,658</b>	<b>196,831</b>	<b>204,096</b>	<b>263,768</b>	<b>320,641</b>	<b>255,045</b>

The owner works out of their home / shop. There is a separate pole barn with 768 square feet for the operation of the business. The property is not available for sale or lease.

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Scale Sales and Service

# Potential Financing Structure

## Financing Options

Seller Financing Offered?	TBD
Financing Amount Offered	TBD

Broker is willing to provide assistance with exploring funding options specific to buyer needs and qualifications

The seller may be willing to provide seller financing depending on the offer and circumstances.

## Example Loan

<b>Business Offer</b>	<b>675,000</b>
Potential Loan to Value	90.00%
Loan Amount	607,500
Down Payment	67,500
Potential Rate / Months	9.50% / 120
Monthly Payment	7,861
2023 Discretionary Cash Flow	218,485
Annual Payment, Above Financing Example	94,331
Debt Service Coverage	2.32
Remaining Cash Flow	124,154
Cash / Cash Return with Loan Scenario	183.93%
Cash / Cash Return, All Cash Offer	32.37%

The financing example assumes the buyer utilizes an SBA loan.

Contact Broker,  
Express Interest

Complete NDA &  
Buyer Profile

Receive Confidential  
Information Memorandum  
& Supplementary  
Documentation

Meet with  
Business Broker

Meet with Business  
Seller

Prepare Offer,  
Put Down Deposit

Offer Accepted by  
Seller

Complete Due  
Diligence

Finalize Financing &  
Lease

Fund  
&  
Close!

AAI Financial Group (AAIFG) is our dedicated capital advisory arm that specializes in assisting clients to obtain financing for commercial properties. We are committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We utilize our relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, and agency lenders to provide our clients with a wide range of financing options.

Our dedicated, knowledgeable advisors work to understand you and your goals, gather all of the documents required, provide advice and manage the process from beginning to end while overcoming the challenges of financing.

## Team

Dedicated back-office support team to focus on real estate and financing transactions.

## Capital Access

Access to local, regional and nationwide lenders

## Efficiency

Company wide operating system servicing real estate and financing utilizing the same team of members throughout the transaction.