

**Opportunity:**

Location:

Business Offered At:

Sale Type:

Assets Offered At:

**Trucking / Transportation**

Central Washington

\$500,000

Asset Sale or Equity Sale

\$500,000 or market value

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

819 S. 72nd Ave

Yakima, WA 98908

[www.aaifg.com](http://www.aaifg.com)

# Trucking / Transportation

Central Washington

Confidential

Offering Memorandum

Trucking / Transportation

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Any and all financial records, equipment list, and operating reports received from management and included in this package are assumed to be accurate. While reasonable tests are applied and unusual results queried, the prospective purchaser should verify accuracy of these numbers. Unless stated otherwise, the financial summaries prepared by AAI Real Estate reflect only regrouping of those prepared by management. By accepting this Confidential Memorandum, the recipient acknowledges the responsibility to perform a due diligence review and make its own evaluation and judgment prior to any acquisitions of or mergers with the Client Company.

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:

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The company is an interstate freight carrier based out of central Washington. They are authorized to operate under USDOT. They carry general freight, building materials, machinery, fresh produce, refrigerated goods, paper products, agricultural and farm supplies and construction materials. Customer relationships go back 60 years! There are 8 tractors and 41 trailers for hauling different types of freight. The business is a C corporation. The business is available for \$500,000. The owner is willing to consider both an equity sale and an asset sale. Assets are available in total for another \$500,000 or individually at market value.

Per the tax returns, the business was incorporated in 1977. The founder started trucking in 1955 and reformatted the business after deregulation of interstate routes. The founder died a few years ago and is listed as owner through 2021. The grandson of the founder is the current owner. The mother of the current owner does the bookkeeping and accounts payable / accounts receivable. Both the owner and his mother will depart after the sale.

The business has 5 staff members excluding the current owner and his mother. All of the 5 staff members are drivers. They have been with the company 22, 21, 11, 2 and 1 years and are expected to stay on after the sale. They make approximately \$18.00 per hour plus overtime and bonuses.

The current owner is selling due to a divorce and wanting to spend more time his children. He is willing to negotiate staying on for a period of time to help train and consult through the transition. The mother may also be willing to stay on for a time for transition purposes.

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

## Business Summary

Industry	Trucking / Transportation
Business	Not Disclosed
Location	Not Disclosed Central Washington
Number of Employees	7, 5 drivers will remain with the company
Years in Business	47
Website	<a href="#">Not Disclosed</a>
Type of Sale	Equity or Asset Sale, negotiable
Reason for Selling	Divorce

The Seller is willing to consider either an equity or asset sale.

## Key Numbers

Asking Price, Business	500,000
2021 Sales	1,156,020
2022 Sales	1,066,227
2023 Sales	1,083,951
2024 Sales	1,190,289
2021 Seller's Discretionary Earnings	241,407
2022 Seller's Discretionary Earnings	249,336
2023 Seller's Discretionary Earnings	113,567
2024 Seller's Discretionary Earnings	212,280
Projected Discretionary Annual Earnings	245,000
Net Fixed Assets Included in Sale, Dec. 2024	101,485
A/R - A/P, Dec. 2024	51,370
Inventory, Dec. 2024	0
Long Term + Short Term Debt, Dec. 2024	0

The seller took over operations in 2020 after the founder passed. In 2023, the seller went through a divorce, contributing to the decline in discretionary cash flows. Ongoing cash flows are expected to be similar to 2021 and 2022.

## Suppliers

The business currently works with [PetroCard](#) for fuel, although this can be changed. Otherwise, it has no dedicated suppliers.

## Competitors / Customers

There are several competitors in the area. The business has several long-term relationships, some going back 60 years. Customers continue to stay with the company because of its service and dependability. One customer, Tree Top, is the largest and longest standing customer and represents approximately 75% of sales.

## Employees

The owner currently manages the operations, coordinates sales, prospects for business opportunities, dispatch and maintenance. He is willing to stay on for a negotiated period of time for transition.

The owner's mother is on the payroll at approximately \$40,000 per year and does the bookkeeping, accounts receivable and accounts payable. She works roughly 15-20 hours per week. Her function could be assumed by another employee or the new owner.

The business has 5 drivers that are expected to stay with the company. They have been with the company 22, 21, 11, 2 and 1 years. They make approximately \$18.00 per hour plus overtime and bonuses.

# Financial Information

## Accrual Based Financials: 2019-2024 from Tax Returns

Accounting Method: Accrual	2019	2020	2021	2022	2023	2024
1c Net Reciepts / Sales	1,382,819	1,040,465	1,156,020	1,066,227	1,083,951	1,190,289
2 COGS	-	-	-	-	-	50,535
3 Gross Profit	1,382,819	1,040,465	1,156,020	1,066,227	1,083,951	1,139,754
9 Net Gain Form 4797	-	-	-	22,500	-	-
10 Other Income	23,943	18,043	165	-	-	13,000
<b>11 Total Income (Revenues)</b>	<b>1,406,762</b>	<b>1,058,508</b>	<b>1,156,185</b>	<b>1,088,727</b>	<b>1,083,951</b>	<b>1,152,754</b>
12 Compensation of Officers	-	-	48,000	59,917	39,916	39,917
13 Salaries and wages	476,246	410,855	394,821	263,994	303,081	328,362
14 Repairs and Maintenance	66,824	65,226	38,613	55,105	103,756	90,152
15 Bad debts	24,821	-	-	-	-	-
16 Rents	30,000	24,000	26,000	24,000	26,000	39,500
17 Taxes / Licenses	138,058	116,344	114,580	95,869	104,981	121,059
18 Interest	18,393	1,313	2,163	-	-	-
19 Charitable Contributions	-	-	-	325	-	525
20 Depreciation	18,124	10,039	10,361	85,131	39,539	85,870
22 Advertising	-	920	-	2,898	2,499	264
26 Other Deductions	541,806	360,164	412,468	393,710	469,755	417,218
<b>27 Total Deductions</b>	<b>1,314,272</b>	<b>988,861</b>	<b>1,047,006</b>	<b>980,949</b>	<b>1,089,527</b>	<b>1,122,867</b>
<b>28 Ordinary Business Income</b>	<b>92,490</b>	<b>69,647</b>	<b>109,179</b>	<b>107,778</b>	<b>(5,576)</b>	<b>29,886</b>
EBITDA Income	129,007	80,999	121,703	192,909	33,963	115,756

The business provided tax returns on an accrual basis for the prior six years. Farming income from a cherry orchard was included on a separate schedule in 2019-2021 that is not part of the sale. Some farming items (income and expenses) are included in the information above.



## Additional Detail: 2019-2023 from Tax Returns, 2024 Company Prepared

Other Deduction Expenses	2019	2020	2021	2022	2023	2024
Bank Charges	1,667	1,006	154	141	44	-
Contract Labor	7,778	-	-	-	-	-
Dues & Fees	-	298	144	84	73	38
Equipment Lease	817	108	-	-	-	-
Freight and Postage	58	62	9	-	353	165
Fuel	394,125	251,646	296,122	328,975	362,619	319,605
Insurance	86,017	46,975	48,338	46,645	83,846	34,175
Late Fees	5,077	2,612	290	-	-	-
Leases	9,742	2,516	-	-	-	-
Lumper Fee	-	809	2,649	1,729	243	-
Medical Testing	274	204	345	565	194	-
Miscellaneous	156	100	1,125	1,159	1,766	24,605
Office Expense	2,016	1,345	3,108	1,992	3,032	25,455
Professional Fees	9,588	10,508	14,614	6,464	7,637	6,062
Supplies	5,157	567	32,844	856	1,206	372
Telephone and Internet	10,818	7,364	4,696	2,402	5,171	4,391
Travel	-	-	1,465	-	368	-
Utilities	5,217	4,313	4,398	1,852	2,600	463
50% of meals	-	55	19	180	603	1,887
Farm Misc Deduction	3,299	29,676	2,148	-	-	-
Auto Expenses	-	-	-	666	-	-
<b>Total Other Deductions</b>	<b>541,806</b>	<b>360,164</b>	<b>412,468</b>	<b>393,710</b>	<b>469,755</b>	<b>417,218</b>

Additional details are provided for convenience and transparency. Some expenses were combined for space.

Farm Misc Deduction was included in the main business as an expense, not on the farming schedule.

## Accrual Based Financials: 2019-2024 from Tax Returns

Balance Sheet	2019	2020	2021	2022	2023	2024
1 Cash	39,664	56,630	114,378	207,079	37,326	103,071
2b Net Accounts Receivable	-	-	-	-	-	51,370
6 Other Current Assets	57,995	56,893	51,719	51,519	74,959	71,754
7 Loans to Shareholders	2,500	-	-	-	-	-
10a Buildings and other depr. Assets	686,030	686,030	708,530	749,530	925,624	965,224
10b Accumulated Depreciation	666,799	676,838	687,199	738,330	777,869	863,739
10c Net Buildings / Fixed Assets	19,231	9,192	21,331	11,200	147,755	101,485
<b>15 Total Assets</b>	<b>119,390</b>	<b>122,715</b>	<b>187,428</b>	<b>269,798</b>	<b>260,040</b>	<b>327,680</b>
16 Accounts Payable	16,435	12,934	743	-	370	-
17 Mortgages/Notes/Bonds < 1 year	76,197	-	-	-	-	-
18 Other Current Liab.	32,099	12,401	15,762	15,030	13,010	16,350
19 Loans from Shareholders	-	-	-	-	-	44,000
20 Mortgages/Notes/Bonds > 1 year	12,015	9,598	-	-	-	-
22 Capital Stock	14,002	14,002	14,002	14,002	14,002	14,002
24 Retained Earnings	(31,358)	73,780	156,921	240,766	232,658	253,328
<b>27 Total Liabilities and Equity</b>	<b>119,390</b>	<b>122,715</b>	<b>187,428</b>	<b>269,798</b>	<b>260,040</b>	<b>327,680</b>

## Accrual Based Financials: 2019-2024 from Tax Returns

Cash Flow from Operations	2019	2020	2021	2022	2023	2024
Net Income	92,490	69,647	109,179	107,778	(5,576)	29,886
Depreciation	18,124	10,039	10,361	51,131	39,539	85,870
Changes in Net Accounts Receivable	-	-	-	-	-	(51,370)
Changes in Other Current Assets	13,548	1,102	5,174	200	(23,440)	3,205
Changes in Accounts Payable	5,521	(3,501)	(12,191)	(743)	370	(370)
Changes in Other Current Liab.	5,687	(19,698)	3,361	(732)	(2,020)	3,340
<b>Cash Flow from Operations</b>	<b>135,370</b>	<b>57,589</b>	<b>115,884</b>	<b>157,634</b>	<b>8,873</b>	<b>70,561</b>

## Discretionary Cash Flow: 2019-2023 from Tax Returns, 2024 Company Prepared

Accounting Method: Cash	2019	2020	2021	2022	2023	2024
Operating Cash Flow	135,370	57,589	115,884	157,634	8,873	70,561
<b>Adjustments for non-cash, non-recurring and owner's expenses</b>						
Interest Expense	18,393	1,313	2,163	-	-	-
Owner's Compensation	-	-	48,000	20,000	-	-
Billing Person	39,917	39,917	39,917	39,917	39,916	39,917
Kids Wages	-	-	-	-	-	32,000
Estimated Payroll Tax (7.65%)	3,054	3,054	6,726	4,584	3,054	5,502
Gross Farm Income	(18,195)	(16,937)	-	-	-	-
Farm Wages	24,161	18,981	5,633	-	-	-
Farm Misc Deduction	3,299	29,676	2,148	-	-	-
Personal Expenses (consolidated)	-	-	20,937	27,201	61,725	64,300
<b>Total Adjustments</b>	<b>70,628</b>	<b>76,003</b>	<b>125,523</b>	<b>91,702</b>	<b>104,695</b>	<b>141,719</b>
<b>Discretionary Cash Flow</b>	<b>205,998</b>	<b>133,592</b>	<b>241,407</b>	<b>249,336</b>	<b>113,567</b>	<b>212,280</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. Verbally the mother's compensation (billing person) was provided as \$40k per year each year. The exact amount was provided in 2022-2024 in the tax returns. The 2022 amount was used for each prior year. The owner started paying their kids in 2024. Farm related income and expenses were adjusted.

Personal items were run through the business and are consolidated above. The information is from general ledger entries for 2021-2023 when the current owner took over. Prior to that, information was kept in paper form and separating personal items from business items is challenging. Personal expenses include household goods, food, lodging, travel, transportation, equipment, fuel, and additional expenses.

# Financial Information

## TRACTORS

TRUCK #	YEAR	MAKE	MODEL	VALUATION
9155	1996	FREIGHTLINER	FLD	\$32,500
14	1995	FREIGHTLINER	CLASSIC XL	\$15,000
56	1999	FREIGHTLINER	CLASSIC XL	\$40,000
12	2000	FREIGHTLINER	CLASSIC	\$65,000
45	2000	PETERBUILT	387	\$45,000
211	2001	FREIGHTLINER	FLD	\$25,000
22	2000	FREIGHTLINER	FLD	\$25,000
21	2001	FREIGHTLINER	CLASSIC XL	\$40,000
<b>TOTAL</b>				<b>\$287,500</b>

## TRAILERS

TRAILER#	YEAR	MAKE	MODEL	VALUATION
5301	1997	WESTERN	FLATBED	\$20,000
5302	1998	WESTERN	FLATBED	\$22,500
CVR	2000	WESTERN	CURTAIN	\$25,000
F5	1995	ALLOY	FLATBED	\$10,000
P5	1995	ALLOY	FLATBED	\$10,000
F4	1974	ALLOY	FLATBED	\$7,500
P4	1974	BROWN	DOLLY	\$7,500
F6	1980	UTILITY	FLATBED	\$10,000
P6	1980	TRAILMOBILE	FLATBED	\$10,000
F11	1981	ALLOY	FLATBED	\$7,500
P11	1974	ALLOY	FLATBED	\$7,500
5305	2006	WILSON	FLATBED	\$35,000
	1974	BROWN	FLATBED	\$5,000
F12	1974	COMET	FLATBED	\$7,500
P12	1984	STTL	FLATBED	\$7,500
	1977	STAR	FLATBED	\$5,000
	1990	JETCO	HOPPER	\$7,500
HL3	1976	STAR	HOPPER	\$7,500
	1980	EXCELL	HOPPER	\$7,500
	1980	STAR	HOPPER	\$7,500
	1980	STAR	HOPPER	\$7,500
HL5	1982	STAR	HOPPER	\$7,500

## TRAILERS

TRAILER#	YEAR	MAKE	MODEL	VALUATION
HP5	1981	STAR	HOPPER	\$7,500
	1995	STAR	HOPPER	\$7,500
	1995	STAR	HOPPER	\$7,500
	1990	JETCO	HOPPER	\$7,500
	1973	HAINES	HOPPER	\$7,500
	1979	KNIGHT	PULL	\$7,500
	1977	STAR	PULL	\$7,500
	1998	UTILITY	REEFER	\$10,000
561	1999	GREAT DANE	REEFER	\$15,000
536	2000	GREAT DANE	REEFER	\$15,000
501	2001	UTILITY	REEFER	\$15,000
0.3	2002	UTILITY	REEFER	\$12,500
	2003	UTILITY	REEFER	\$12,500
	2003	UTILITY	REEFER	\$12,500
0.5	2005	WABASH	REEFER	\$10,000
0.06	2006	UTILITY	REEFER	\$15,000
0.6	2007	UTILITY	REEFER	\$15,000
0.8	2007	UTILITY	REEFER	\$12,500
0.08	2008	UTILITY	REEFER	\$15,000
<b>TOTAL</b>				<b>\$455,000</b>

## MISC. EQUIPMENT

YEAR	MAKE	MODEL	VALUATION
1988	FORD	F350	\$4,000
<b>TOTAL</b>			<b>\$4,000</b>

## TOTAL EQUIPMENT VALUATION

<b>TOTAL ASSET VALUATION</b>	<b>\$746,500</b>
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Valuations were provided by the seller. Some are based on a recent insurance appraisal, some on average market values. All assets are available in total for \$500,000 or individually at market value.

 Matt Russell

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The business is located in Chelan County, WA. The property is owed by the uncle of the owner and leased to the business. The lease is a handshake deal. The property is available for the new owner to lease. Terms would need to be negotiated.

The property is near Wenatchee. Per CoStar: In 2024, we expect the Wenatchee economy to grow by 2.2%, following a growth rate of 3.5% in 2023. Over the next five years, we forecast that GDP will grow by an average of 1.8% per year. This outlook indicates weaker growth compared to the national economy, which is projected to grow by 1.9% annually through 2028. Total employment growth in Wenatchee is anticipated to exceed the national average during this period. After a 3.8% increase in 2023, we estimate that job numbers will rise by 1.4% annually from 2024 to 2028.

In 2022, the Wenatchee metro area had a population of 124,000 and employed approximately 48,000 people. The metro economy generated \$8.4 billion in GDP in 2022, with primary, utilities, and transport being the largest sector. From 2015 to 2019, Wenatchee outpaced the US with GDP growth averaging 2.7% per year, 0.2 percentage points higher than the national rate. The finance & real estate and construction sectors made the largest contributions to this growth. Total employment also increased during this period, with the hospitality & other services sector seeing the strongest job creation.

Looking ahead, we forecast that Wenatchee will experience average annual GDP growth of 1.8% over the next five years, trailing the national economy. The finance & real estate and wholesale & retail sectors are expected to be the primary drivers of economic growth. Employment in Wenatchee is projected to grow by 1.4% per year on average from 2024 to 2028, driven mainly by the government and hospitality & other services sectors. We anticipate the unemployment rate in Wenatchee to be 4.6% in 2028.

Between 2015 and 2019, the population of Wenatchee grew by an average of 1.1% annually. As of 2022, the metro area's population stood at 124,000. We estimate a population increase of 600 in 2023, and foresee an average annual growth rate of 0.6% from 2024 to 2028, driven by net inward migration totaling approximately 3,300 people.

Average wage levels in Wenatchee currently sit below the US average. Over the five-year period to 2028, we expect average wage growth of 3.7% per year, with the professional services sector boasting the metro's highest average wages.

Unemployment in Chelan County, which includes Orondo, in May 2024 was 4.2%. Unemployment in the State of Washington was 4.9%, and unemployment in the US was 4.0%.

# Market Overview

## Population

	2 mile	5 mile	10 mile
2010 Population	236	1,819	4,938
2023 Population	306	2,216	6,189
2028 Population Projection	319	2,317	6,462
Annual Growth 2010-2023	2.3%	1.7%	1.9%
Annual Growth 2023-2028	0.9%	0.9%	0.9%
Median Age	41.6	42.4	41.8
Bachelor's Degree or Higher	17%	17%	18%
U.S. Armed Forces	0	0	0

## Households

	2 mile	5 mile	10 mile
2010 Households	79	675	1,832
2023 Households	104	825	2,268
2028 Household Projection	109	864	2,364
Annual Growth 2010-2023	0.7%	1.1%	1.0%
Annual Growth 2023-2028	1.0%	0.9%	0.8%
Owner Occupied Households	68	601	1,614
Renter Occupied Households	40	263	750
Avg Household Size	3	2.7	2.7
Avg Household Vehicles	2	2	2
Total Specified Consumer Spending...	\$3.7M	\$28.7M	\$79.2M

## Housing

	2 mile	5 mile	10 mile
Median Home Value	\$408,333	\$283,841	\$287,589
Median Year Built	1990	1987	1987

## Income

	2 mile	5 mile	10 mile
Avg Household Income	\$87,803	\$80,029	\$81,248
Median Household Income	\$67,500	\$63,587	\$63,576



# Potential Financing Structure

## Financing Options

Seller Financing Offered?	TBD
Financing Amount Offered	Negotiable

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>500,000</b>
Potential Loan to Value	90.00%
Loan Amount	450,000
Down Payment	50,000
Potential Rate / Months	10.50% / 120
Monthly Payment	6,072
Expected Ongoing Discretionary Cash Flow	245,000
Annual Payment, Above Financing Example	72,865
Debt Service Coverage	3.36
Remaining Cash Flow	172,135
Cash / Cash Return with Loan Scenario	344.27%
Cash / Cash Return, All Cash Offer	49.00%

The financing example assumes the buyer purchases the business and the assets in total, and 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.