



AccountAlytix

Quality of Earnings Report

Southeast Logistics, LLC

Date of Analysis:
09/25/2026

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Introduction

Client

ABC Transportation
4865 N. Main St.
Pleasantville, MD

Target Company

Southeast Logistics, LLC
718 Magnolia St.
Greenville, NC

Purpose

The purpose of this quality of earnings engagement is to assess the sustainability and strength of Southeast Logistics, LLC's earnings and core operations as part of ABC Transportation's due diligence in evaluating the potential acquisition of Southeast Logistics.

To accomplish that, this quality of earnings report relies on company reported financial, customer, vendor, and employee data and uses statistical analysis methods to report on company performance, earnings sustainability, financial position, trends, strengths, and weaknesses.

Limitations

A quality of earnings report is not an audit and therefore does not provide assurance as to the accuracy and completeness of the company's financial statements or its adherence to accounting standards. The condition and quantity of inventory and/or fixed assets such as buildings, equipment and vehicles is not inspected or verified. The fair market value of assets is not estimated. Customer and/or vendor contractual agreements and leases are not reviewed. In addition, this report does not consider the local, regional or national competitive environment of the company, industry wide market trends, barriers to entry, or the regulatory landscape of the business.

Relevant Time Range

This analysis will concentrate on the years from 2021 to 2026(projected).

Procedures

This quality of earnings analysis involves:

1. Researching company history and operations.

2. Collecting financial statements from the company, transaction detail reports, tax forms, and third-party statements, including but not necessarily limited to:
 - a. Income statements.
 - b. Balance sheets.
 - c. Cash flow statements.
 - d. Income tax filings.
 - e. Payroll tax forms.
 - f. Bank statements.
 - g. Loan statements.
3. A preliminary review of the financials:
 - a. Accounting methods used.
 - b. Accounting software program used.
 - c. Statement composition.
 - d. Scanning for errors, omissions, discrepancies, inconsistencies, and inappropriate accounting treatment.
 - e. Interviewing the staff and management of the target company to ask pertinent questions about the financials.
4. Reconciling source documents to the general ledger, such as:
 - a. Latest bank statement to bank account balance on the books.
 - b. Loan statements to GL loan accounts.
 - c. Seeing that payroll filings match the payroll expenses on the books.
 - d. Making sure that tax filings are consistent with the financial statements.
 - i. There are often book-tax differences, but the amounts on the income tax forms should be close to the financial statements in most instances.
5. Normalizing earnings and adjusting financial statements.
 - a. Removing one time and non-recurring transactions such as:
 - i. Gains or losses from selling fixed assets.
 - ii. Write-offs of uncollectible accounts or bad debt.
 - iii. Asset impairments or write-downs.
 - iv. Legal or insurance settlements.
 - v. Inventory write-downs.
 - vi. Discontinued operations.
 - vii. Other unusual gains or losses.
 - b. Also removing or adjusting recurring transactions that are ownership discretionary or not a part of core earnings such as:
 - i. Non-operational income and expenses.
 - ii. Owner specific or personal expenses.
 - iii. Adjustment of excessive compensation for working owners or shareholders, and their family members.
 - iv. Removal of non-working/passive owners and shareholders' salaries.
 - v. Discretionary travel and entertainment expenses.
 1. Personal travel of owners.
 2. Free food and drink for employees.
 3. Office lunches or dinners.
 4. Office parties.
 5. Team events.
 6. Employee vacations.

- vi. Discretionary memberships and subscriptions.
 - 1. Memberships and subscriptions that are not necessary for the company's core operations.
 - vii. Charitable donations.
 - viii. Depreciation and amortization.
 - ix. Interest expense on debt.
 - x. Income taxes.
 - xi. Stock based compensation.
6. Analyzing the financial statements using financial ratios, trend analysis and visualizations.
 7. Forecasting earnings for the next year.
 8. Comparing results to industry averages or benchmarks.
 9. Assessment of revenue sources.
 - a. Revenue streams.
 - b. Seasonality.
 - c. Monthly profitability rate.
 - d. Price volatility.
 - e. Recurring vs one-time sales.
 - f. Bad debt rate.
 10. Review of customer base.
 - a. The number of customers.
 - b. Duration of customer relationships.
 - c. Customer retention rate.
 - d. Customer concentration.
 - i. Revenue percentage breakdown of customers.
 11. Assessment of vendor relationships.
 - a. The number of vendors used.
 - b. Duration of relationships.
 - c. Vendor concentration.
 - i. Cost percentage comparison.
 12. Review of company management and staff.
 - a. Operational structure.
 - b. Management experience and accomplishments.
 - c. Number of employees and positions.
 - d. Employee turnover rate.
 13. Analysis of expenses.
 - a. Percentage of total for each category.
 - b. Cost structure – fixed vs variable.
 - c. Rate of growth.
 14. Cash flow analysis.
 15. Liquidity, profitability, efficiency, and debt ratios.
 16. Listing of revenue producing assets.
 - a. Inventory and fixed assets
 - i. Category
 - ii. Age
 - iii. Book value

Source Documents

All documents used in analyzing the company's quality of earnings can be found in the Appendix section of this report, including financial statements and customer, vendor, and employee related reports.

Executive Summary

Strengths

- Low employee and contractor turnover rate, especially for drivers.
- The company has 2 very experienced managers in charge of transportation and logistics operations.
- Good customer retention rate for their industry.
- Revenue is growing at a good rate.
- Gross profit margin is healthy.
- EBITDA has been growing each year.
- EBITDA margin looks good.
- Monthly net profit rate has been very good.
- Nearly all sales are recurring.
- Bad debt is extremely low.
- Total expenses have risen at a lower rate than income.
- Operating cash flow is strong.
- Excellent cash position.
- Quality of earnings ratio is good.
- Other key ratios:
 - Profitability and liquidity ratios are excellent.
 - Debt ratios are good to excellent.
 - If the buyer will not be assuming the target company's debt, then this can be ignored.
 - Efficiency ratios are good.

Neutral Points

- Vendor concentration is normal.
- There is some seasonality in their operations, with the first of the year being the slowest and the last quarter being the busiest. There are no large peaks or valleys in demand, however.
- Overall, they have a higher percentage of variable costs than fixed expenses.

Weaknesses

- Customer relationship duration is short due to the relative youth of the company.
- Customer concentration is high.
- Vendor relationship duration is short due to the relative youth of the company.
- Their accounting is not fully compliant with generally accepted accounting principles (GAAP).

Conclusion

Earnings are strong and largely sustainable, with growing revenue, recurring sales, good expense management, healthy cash flow, and good liquidity, debt and efficiency ratios. Customer concentration is the primary risk.

Overall earnings quality rating: **High**

We use a 5 point quality rating scale.

- High = exceptionally strong on most factors with few risks.
- Above average = more strengths than weaknesses. Has more risks than a high rating would have.
- Average = a nearly equal level of strengths and weaknesses.
- Below average = slightly more risks than strengths.
- Low = clearly more weaknesses than strengths.

Company Overview

Company History & Key Info

Southeast Logistics, LLC was founded in 2019 by Ron and Linda Morley as a partnership. It was later converted to an LLC and is an S-Corp for tax purposes.

The company is in the transportation and logistics industry, providing over the road freight carrier and brokerage services primarily to retail, medical, and freight forwarding companies. It provides services to customers all along the southeastern coast of the United States.

Southeast is headquartered in Greenville, North Carolina and has only one office.

The couple is looking to sell their business to fund an early retirement.

Company Summary:

Business Name:	Southeast Logistics, LLC
Year Started:	2019
Legal Entity:	Limited liability company
Tax Entity:	S-Corporation
Owners/Shareholders:	Ron Morley Linda Morley
State of Incorporation/Organization:	North Carolina
Headquarters:	718 Magnolia St Greenville, NC
Number of Locations:	One office in Greenville, NC.
Employees:	36 – counting owners, 34 – not counting owners
Industry:	Transportation and Logistics
Services or Products Provided:	Freight carrying and brokering. Over the road transport only. FTL & LTL.
Region Served:	Southeastern coast of the United States.
Primary Customer Base:	Medical supply Retail Freight forwarding & warehousing Industrial supply
Company Age:	In its 8th year.
Reason For Selling:	Early retirement.

Company Structure

Functional organizational structure

- President
 - Transportation Director
 - Fleet managers
 - Maintenance manager
 - Logistics Manager
 - Controller

- IT Manager
- HR manager

Management & Staff

There are 36 employees counting the owners, 34 not counting owners.

Ron Morley holds the president position and Linda Morley holds the HR manager position. Both will be vacating those positions upon selling.

The other upper management of the company consists of:

- Chris Mason – Transportation Director
 - 14 years of experience in the transportation field.
 - 5 years in managerial roles.
 - Has been with the company since 2024.
 - 22 employee reports. 15 contractor reports.
 - 2 fleet managers
 - 5 fleet coordinators
 - Safety coordinator
 - 10 drivers
 - 15 contract or owner/operator drivers
 - Maintenance manager
 - 3 technicians
- Ed Farnsworth – Logistics Manager
 - 21 years of experience in transportation and logistics.
 - 8 years in managerial roles.
 - Has been with the company since 2020.
 - 8 reports.
 - 2 freight brokers
 - 4 dispatchers
 - 2 logistics coordinators
- Robin Jordan – Controller
 - 9 years of accounting and finance experience.
 - 2.5 years in a managerial role.
 - Has been with the company since 2025.
 - 1 report.
 - Accounting assistant
- Chase Donaldson – IT manager
 - 7 years in information technology roles.
 - 1 year in a managerial role.
 - Has been with the company since 2023.
 - No employees report to him.

Not counting the owners, the employee turnover rate is low at an overall 15%. When drivers are separated out from office employees, the driver turnover rate is higher at 23.08% while the office turnover rate stands at 11%. The contract driver turnover is highest at 28.57% but still low compared to national averages for truck drivers.

Core Operations

Southeast Logistics has two primary revenue streams:

- Freight carrying
- Freight brokering

They are involved only in over the road transport at this time and handle both FTL and LTL shipments.

The company utilizes a combination of employee drivers, contract drivers or owner/operators, and third party or subcontracted transportation companies to fulfill their service contracts.

Customer Analysis

Customer Count

There have been 25 total customer accounts since 2021. 22 of those accounts are currently active. Customer contracts have not been reviewed or summarized.

Retention Rate

88% overall customer retention rate.

Relationship Duration

15 of their 22 active accounts have been clients for 5 years or more. The average client duration is 4.88 years. However, it should be noted that the business is only in its 8th year.

Customer Concentration

Customer concentration is the extent to which individual customers or categories of customers dominate sales. Here we find a high customer concentration, with the top 5 customers accounting for over 60% of total revenue over the last 6 years, and the top customer making up 27% of all income.

Customer	Category	Total	Revenue %	Rank
Apex Health	Medical supply	27,320,000	27.44%	1
Blue Horizon Retailers	Retail	14,449,000	14.51%	2
Crestview Manufacturing Co.	Medical supply	9,692,000	9.73%	3
Summit Industrial Supply	Industrial supply	6,676,000	6.70%	4
Vanguard Distribution Corp	Medical supply	5,320,000	5.34%	5

Customer category concentration is high as well. The medical supply and freight forwarding & warehousing customer industry categories have the largest number of accounts. Medical, retail, freight forwarding, and industrial supply lead in total revenue, with medical supply being significantly more than any other category.

Customer Category	Total Revenue	Count	Rev %
Medical supply	44,787,000	7	44.98%
Retail	14,449,000	1	14.51%
Freight Forwarding & Warehousing	14,079,000	6	14.14%
Industrial supply	10,036,000	2	10.08%
Automotive supply	4,362,000	2	4.38%
Miscellaneous distributor	4,359,000	1	4.38%
Renewable energy	3,384,000	1	3.40%
Paper & packaging distributor	1,865,000	2	1.87%
Grocery distributor	1,169,000	1	1.17%
Chemical supply	730,000	1	0.73%

Electronics supply	352,000	1	0.35%
Grand Total	99,572,000	25	100.00%

Vendor Analysis

Vendor Count

There are 27 active vendor accounts. Vendor contracts have not been reviewed or summarized.

Relationship Duration

18 of those have been vendors for 5 years or longer out of the 8 years the company has existed. The average duration of vendor relationships is 5.19 years.

Vendor Concentration

The following are the top 5 vendors as a percentage of total costs over the past 6 years.

Vendor concentration is the extent to which individual vendors or categories of vendors dominate costs. Individual vendor concentration here is not very pronounced, as cost percentages are relatively evenly distributed.

Expense Category	Primary Vendor / Service Provider	% of Total Costs
Fuel	Love's Travel Stops & Country Stores	8.81%
Benefits	United Healthcare	8.61%
Subcontracted Freight	TQL (Total Quality Logistics)	7.81%
Fuel	Pilot Flying J Fleet Services	7.16%
Insurance	Great American Insurance Group	6.53%

Vendor category concentration is pronounced, but it's to be expected with many businesses. Just 3 expense categories - fuel, subcontracted freight, and maintenance - account for 63.44% of all costs. Those 3 categories are consistently high among many transportation companies and do not reach an unusual or worrisome level.

Expense Category	Count	% of Costs
Fuel	5	27.23%
Subcontracted Freight	6	24.16%
Maintenance	4	12.05%
Benefits	1	8.61%
Insurance	1	6.53%
Payroll Processing	1	5.29%
Rent	1	4.48%
Marketing	1	3.60%
Software	1	3.10%
Interest Expense	1	2.37%
Office	3	2.15%

Legal	1	0.25%
Accounting	1	0.18%
Total	27	100.00%

Revenue Generating Assets

Asset	Qty	Book Value
Tractors		
Mack Trucks	4	98,646
Kenworth Trucks	4	108,402
Volvo Trucks	2	70,461
Trailers		
Wabash	5	43,361
Great Dane	7	70,461
Total	22	391,331

The average age of the company's income generating assets is 10.91 years. When asset categories are considered separately, tractor average age is 10.5 years while trailer average age stands at 11.25 years.

Please note that the condition and quantity of the assets has not been inspected or verified.

The book value of assets is not necessarily the same as the fair market value. In the case of inventory, book value normally represents the purchase amount. For fixed or depreciable assets, the book value is the remaining undepreciated amount in the general ledger.

For the purposes of this report, the fair market value of assets has not been ascertained.

Financial Analysis

Accounting Methods & Software

The company uses Quickbooks for its bookkeeping and ADP for payroll processing.

Currently, the company utilizes a hybrid accrual method whereby revenue and some expenses are recorded when incurred, and some costs are recorded on a cash basis.

They have service contracts with some customers and are subject to contract revenue accounting codes, but they have communicated that they don't always consider contractual agreement terms when booking revenue. This means that their revenue recognition may not be according to generally accepted accounting principles (GAAP).

Since the company does not use a full accrual accounting method, expense recognition isn't to GAAP standards either, as many expense accrual entries are not taking place each month.

They do have prepaid expenses for fuel and supplies and are coding and amortizing it correctly.

At this time, they have no contingent liabilities such as pending lawsuits, or tax and regulatory fines.

They do have related party transactions with one customer (Cascade Food Distributors) that is owned by a family member, but the rates used are in line with those charged to other customers and the customer's share of sales is small to moderate. Their related party transactions have not been separated from other revenue on their financial statements and there are no disclosures identifying them either.

Adjustments to Financial Statements

Normalizing earnings involves adjusting or removing items from the financial statements that can distort core performance. Common items that are removed or adjusted include:

- Removing one time and non-recurring transactions such as:
 - Gains or losses from selling fixed assets.
 - Write-offs of uncollectible accounts or bad debt.
 - Asset impairments or write-downs.
 - Legal or insurance settlements.
 - Inventory write-downs.
 - Discontinued operations.
 - Other unusual gains or losses.
- Removing or adjusting recurring transactions that are ownership discretionary or not a part of core earnings such as:
 - Non-operational income and expenses.
 - Owner specific or personal expenses.
 - Adjustment of excessive compensation for working owners or shareholders, and their family members.
 - Removal of non-working/passive owners and shareholders' salaries.
 - Discretionary travel and entertainment expenses.
 - Personal travel of owners.

- Free food and drink for employees.
- Office lunches or dinners.
- Office parties.
- Team events.
- Employee vacations.
- Discretionary memberships and subscriptions.
 - Memberships and subscriptions that are not necessary for the company's core operations.
- Charitable donations.
- Stock based compensation.

Adjustments made to financial statements:

1. Excessive owner salaries.
 - a. Adjusted to an estimated market rate.
2. Gain on sale of truck.
 - a. A one-time source of revenue not related to core operations.
3. Life insurance paid for owners.
 - a. This is a benefit not provided to other employees.
 - b. It is a personal expense of the owners instead of a legitimate business expense.
4. Fuel for owner's personal vehicle.
 - a. Owner's discretionary expense.
5. Discretionary memberships and subscriptions.
 - a. Not necessary for core operations.
6. Lunches provided to employees and office holiday party costs.
 - a. These are discretionary costs.

	2021	2022	2023	2024	2025	2026
Adjustments:						
Excessive owner salaries	400,000	450,000	500,000	500,000	600,000	600,000
Gain on sales of truck			(43,000)			
Fuel for owner's personal vehicle	3,000	4,800	5,200	5,400	5,000	5,150
Owners' life insurance	1,850	2,100	2,200	2,350	2,380	2,480
Discretionary memberships and subscriptions		950	1,200	1,200	1,350	1,380
Employee lunches & holiday parties	1,400	2,800	3,100	4,250	5,000	4,900
Total Adjustments	406,250	460,650	468,700	513,200	613,730	613,910

Revenue & Gross Profit

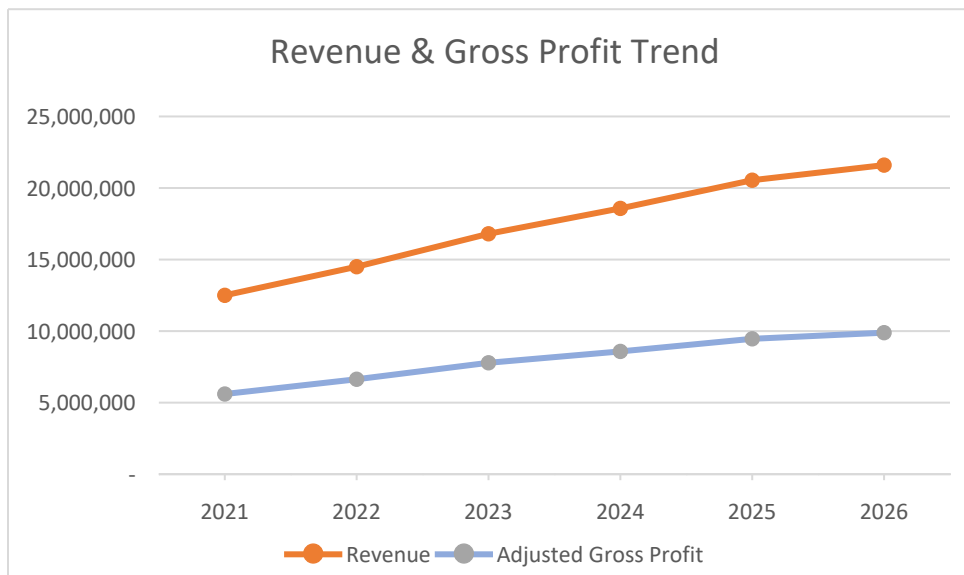
Some of the adjustments listed above are either added to or subtracted from gross profit to arrive at an adjusted gross profit.

	2021	2022	2023	2024	2025	2026
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Revenue	12,500,000	14,500,000	16,800,000	18,575,000	20,546,000	21,601,000
Gross Profit	5,600,000	6,630,000	7,780,000	8,575,000	9,456,000	9,895,000
Adjustments:						
Fuel for owner's personal vehicle	3,000	4,800	5,200	5,400	5,000	5,150
Adjusted Gross Profit	5,603,000	6,634,800	7,785,200	8,580,400	9,461,000	9,889,850

Revenue has grown an average of 11.63% over the last 5 years. The 2026 projected growth is the smallest in our time range. The projection could be off or the company's concentration on selling could have slowed growth strategies. The company's gross profit margin has been consistent and is healthy for their industry, averaging 45.82% a year.

Year	Revenue	Annual Growth	Adjusted Gross Profit	GP Margin
2021	12,500,000	base year	5,603,000	44.82%
2022	14,500,000	16.00%	6,634,800	45.76%
2023	16,800,000	15.86%	7,785,200	46.34%
2024	18,575,000	10.57%	8,580,400	46.19%
2025	20,546,000	10.61%	9,461,000	46.05%
2026	21,601,000	5.13%	9,889,850	45.78%



EBITDA

EBITDA stands for earnings before interest, tax, depreciation, and amortization. Simply put it is a company's net profit with all those costs added back. The reason that these expense items are added back it because they represent the financing and tax planning decisions of current management or ownership, and the non-cash expenses associated with capital budgeting (fixed asset purchasing). Such items can distort actual operational performance.

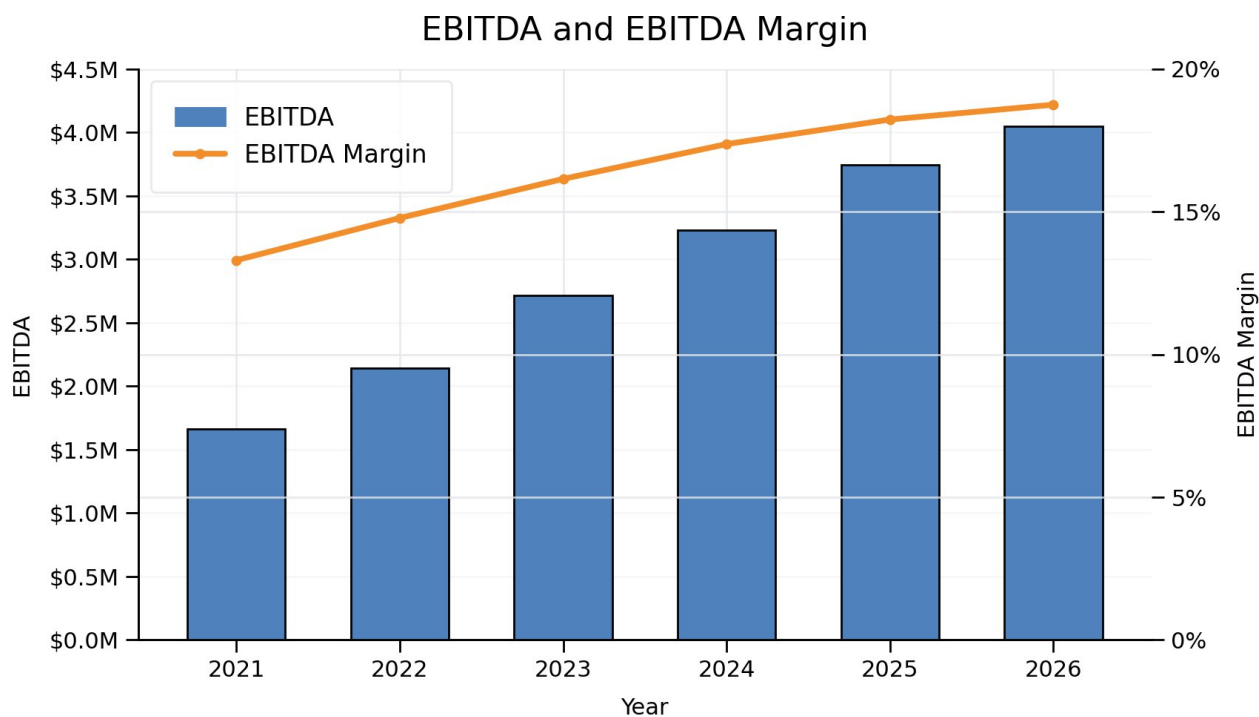
EBITDA is a key metric in mergers & acquisitions (M&A) and for investment decisions because it provides a standardized measure of a company's operational profitability, giving potential buyers and investors a clearer view of the cash generating potential of the company.

The adjustments listed above are either added to or subtracted from EBITDA to reach an adjusted EBITDA.

	2021	2022	2023	2024	2025	2026
Revenue	12,500,000	14,500,000	16,800,000	18,575,000	20,546,000	21,601,000
Unadjusted EBITDA	1,256,000	1,682,000	2,244,000	2,714,000	3,131,000	3,437,000
Adjustments:						
Excessive owner salaries	400,000	450,000	500,000	500,000	600,000	600,000
Gain on sales of truck			(43,000)			
Fuel for owner's personal vehicle	3,000	4,800	5,200	5,400	5,000	5,150
Owners' life insurance	1,850	2,100	2,200	2,350	2,380	2,480
Discretionary memberships and subscriptions		950	1,200	1,200	1,350	1,380
Employee lunches & holiday parties	1,400	2,800	3,100	4,250	5,000	4,900
Total Adjustments	406,250	460,650	468,700	513,200	613,730	613,910
Adjusted EBITDA	1,662,250	2,142,650	2,712,700	3,227,200	3,744,730	4,050,910
EBITDA Margin	13.30%	14.78%	16.15%	17.37%	18.23%	18.75%

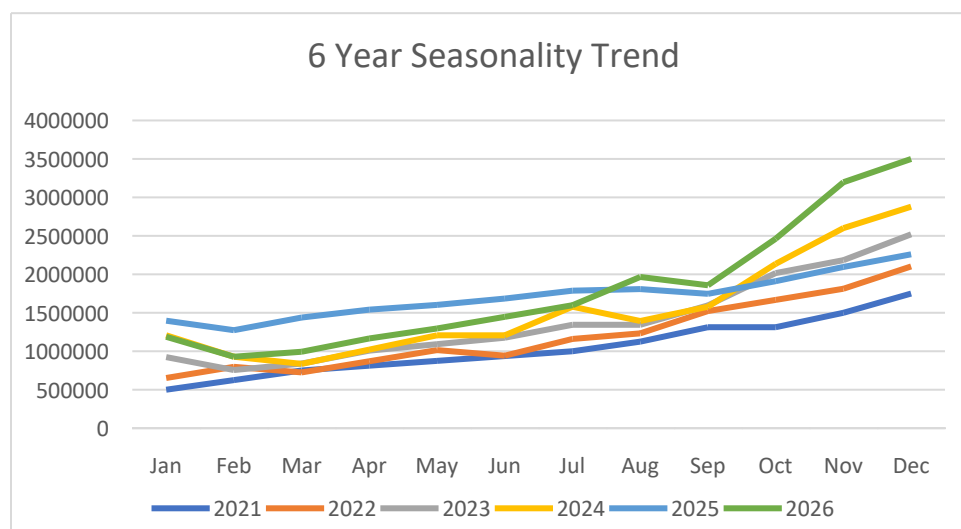
EBITDA has shown annual growth of between 8% and 29% over the past 5 years, with an average of just under 20%. The 2026 projected growth is the smallest in our time range. The projection could be off or the company's concentration on selling could have slowed growth strategies. The EBITDA margin has shown an increase each year between 0.5% and 1.5% as well. On average the EBITDA margin has been 16.43%, which is healthy for their industry.

Year	Adjusted EBITDA	EBITDA Growth	EBITDA Margin
2021	1,662,250	base year	13.30%
2022	2,142,650	28.90%	14.78%
2023	2,712,700	26.60%	16.15%
2024	3,227,200	18.97%	17.37%
2025	3,744,730	16.04%	18.23%
2026	4,048,880	8.12%	18.75%



Seasonality

There is some slight seasonality in the company's operations. The first quarter of the year is the slowest. In quarter 2 and 3 revenue progressively increases. Quarter 4 shows the most demand due to the holiday logistics rush.



Profitability

The first quarter of the year has sometimes shown a net loss, but in the past two years (2024-2025) only February has been unprofitable, while January and March have kept quarter 1 profitable as a whole. In 2026 all months in quarter 1 had positive earnings. Over the course of 2021 to 2026(projected), 87.5% of months display a net profit.

Key profitability ratios:

- Refer to prior sections for gross profit margin and EBITDA margin.
- Return on Assets (ROA)
 - ROA is a measure of how well a company uses its assets to generate income. It reveals how much profit a company generates for every one dollar of assets it holds.
 - $4,050,910 / ((9,576,000 + 12,074,600) / 2) = 37.4\%$
 - Rating: **Excellent**
- Return on Invested Capital (ROIC)
 - ROIC is a measure of the return generated by all sources of capital, both debt and equity.
 - $4,050,910 / (1,363,500 + 9,234,500) = 38.2\%$
 - Rating: **Excellent**

Recurring vs One-Time Sales

There have been only 2 one-time sales out of 4,976 total customer transactions over the relevant time period, meaning that recurring sales make up 99.96% of all income.

Bad Debt

Bad debt has been exceptionally low with a rate of just 0.02% of net sales over the relevant time range.

Cost Analysis

The adjustments listed above are either added to or subtracted from expense to reach adjusted expenses. Depreciation, amortization, and interest have been excluded for consistency with our focus on EBITDA. The company has no tax expense due to being a pass through entity for tax purposes.

The company is heavy on variable costs, which account for slightly over 69% of all expenses. The cost behavior of variable costs is that they go up when sales activity increases and down when sales decrease, keeping margins about the same. Fixed costs, on the other hand, stay steady regardless of activity, causing margins to rise and fall. While fixed costs are advantageous when sales are rising, they are a disadvantage when revenue is decreasing.

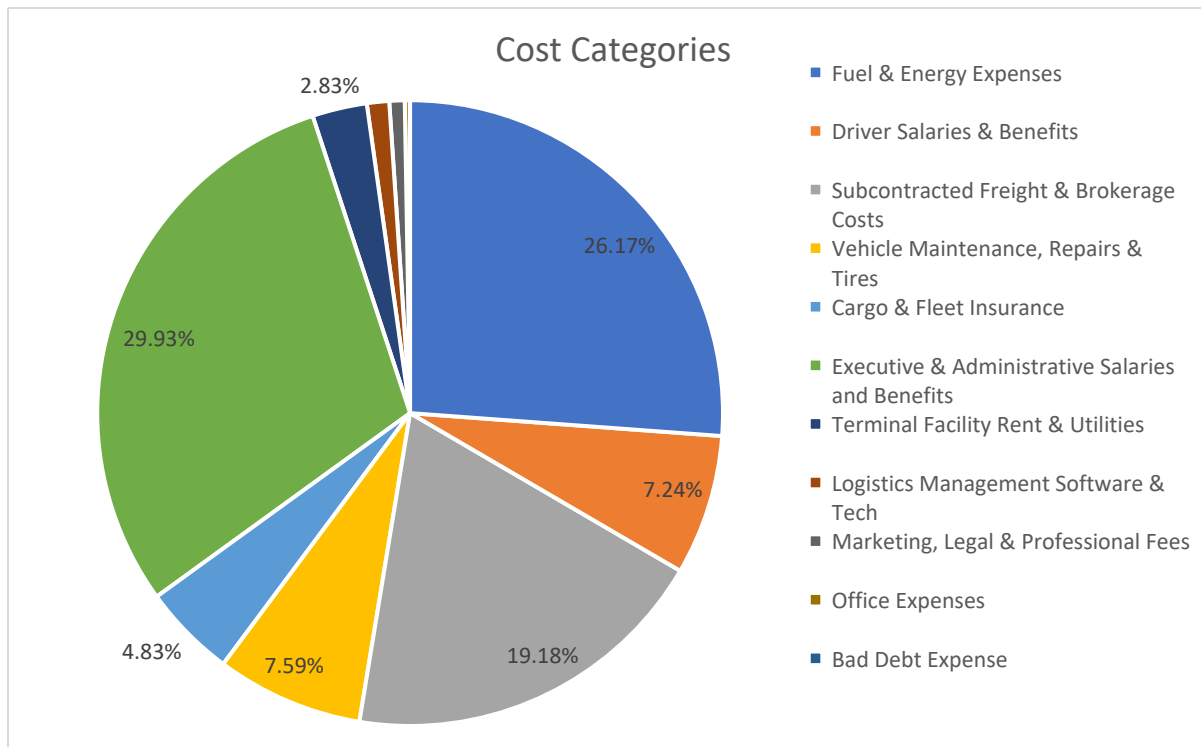
	Unadjusted Expenses	Adjustment	Adjusted Expenses	Cost Share	Fixed	Variable
Fuel & Energy Expenses	22,790,000	28,550	22,761,450	26.17%		26.17%
Driver Salaries & Benefits	6,300,000		6,300,000	7.24%	1.04%	6.20%
Subcontracted Freight & Brokerage Costs	16,685,000		16,685,000	19.18%		19.18%
Vehicle Maintenance, Repairs & Tires	6,606,000		6,606,000	7.59%		7.59%
Cargo & Fleet Insurance	4,205,000		4,205,000	4.83%	4.83%	
Executive & Administrative Salaries and Benefits	29,100,000	3,063,360	26,036,640	29.93%	20.80%	9.13%

Terminal Facility Rent & Utilities	2,460,000		2,460,000	2.83%	2.83%	
Logistics Management Software & Tech	1,000,000		1,000,000	1.15%	1.15%	
Marketing, Legal & Professional Fees	690,000		690,000	0.79%	0.17%	0.62%
Office Expenses	249,000	27,530	221,470	0.25%	0.10%	0.15%
Bad Debt Expense	16,000		16,000	0.02%		0.02%
Total	90,101,000	3,119,440	86,981,560	100.00%	30.93%	69.07%

As a whole expenses have grown at a lower rate than income. When broken down into categories, we see that cost of goods sold has actually slightly outpaced revenue growth most years while operating expenses have grown at a significantly lower rate than income. The reasons for this can be found in the table above. COGS related expenses are variable heavy, meaning they tend to keep pace with revenue, whereas those classified as operating are predominantly fixed expenses that stay the same regardless of income.

Year	Total Adjusted Expenses	Total Annual Growth	Adjusted COGS	COGS Annual Growth	Adjusted OPEX	OPEX Annual Growth
2021	10,837,750	base year	6,897,000	base year	3,940,750	base year
2022	12,357,350	14.02%	7,865,200	14.04%	4,492,150	13.99%
2023	14,087,300	14.00%	9,014,800	14.62%	5,072,500	12.92%
2024	15,347,800	8.95%	9,994,600	10.87%	5,353,200	5.53%
2025	16,801,270	9.47%	11,085,000	10.91%	5,716,270	6.78%
2026	17,550,090	4.46%	11,700,850	5.56%	5,849,240	2.33%

Executive and administrative salaries and benefits, fuel expenses, and subcontracted freight and brokerage costs dominate, together accounting for over 75% of total expenses.



Cash Flow Analysis

98.2% of cash has come from operating activities over the time range. The small remaining amount came from bank loans.

Operating cash flow has grown yearly. Though the last 2 years have seen lower operating growth, it is still at a very healthy level.

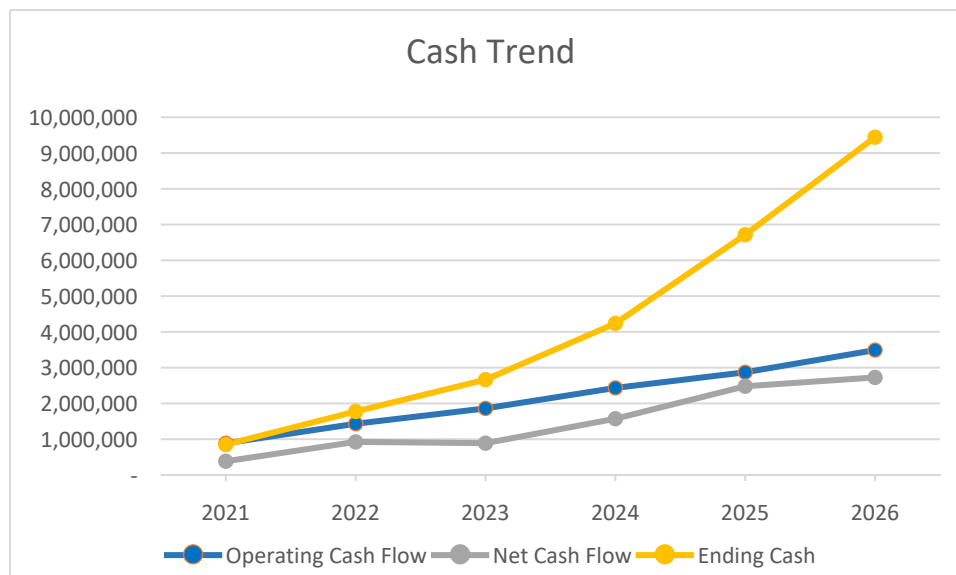
Net cash flow has grown all years except for 2023 due to more investing and financing activities that year.

The company has a very strong cash position and has seen annual cash growth of at least 40% each year. 2024 through 2026 have particularly high cash positions due to less capital expenditures and fewer equity withdrawals.

The cash flow from operations to net income ratio measures how well a company's reported earnings are supported by actual cash generated from its core business activities. It is sometimes called the quality of earning ratio as well. The company's ratio is good and represents a healthy cash flow.

	2021	2022	2023	2024	2025	2026
Beginning Cash Position	\$466,000	\$850,000	\$1,775,000	\$2,664,000	\$4,236,000	\$6,716,000
From Operating Activities	\$886,000	\$1,432,000	\$1,861,000	\$2,434,000	\$2,871,000	\$3,491,400
Operating Annual Growth	base year	61.63%	29.96%	30.79%	17.95%	21.61%
From Investing Activities	(\$52,000)	(\$450,000)	(\$240,000)	(\$84,000)	(\$48,000)	\$0
From Financing Activities	(\$450,000)	(\$57,000)	(\$732,000)	(\$778,000)	(\$343,000)	(\$765,000)
Net Cash Flow	\$384,000	\$925,000	\$889,000	\$1,572,000	\$2,480,000	\$2,726,400

Net Annual Growth	base year	140.89%	-3.89%	76.83%	57.76%	9.94%
Change in Cash	\$384,000	\$925,001	\$889,000	\$1,572,000	\$2,480,000	\$2,726,400
Ending Cash Position	\$850,000	\$1,775,000	\$2,664,000	\$4,236,000	\$6,716,000	\$9,442,400
Cash Annual Growth	82.40%	108.82%	50.08%	59.01%	58.55%	40.60%
Quality of Earnings Ratio	1.31	1.27	1.35	1.26	1.20	1.18



Liquidity

- Current ratio or Working capital ratio
 - The current ratio compares a company's current assets to its current liabilities. It measures the overall ability to cover short-term debts with all current assets.
 - $12,074,600 / 1,851,100 = 6.5$
 - Rating: **Excellent**
- Quick ratio
 - Like the current ratio, the quick ratio measures the ability to pay short-term debts but is a more conservative measure that excludes inventory from current assets, since inventory may not be easily converted to cash. It focuses on the most liquid assets—cash, marketable securities, and accounts receivable.
 - $11,860,600 / 1,851,100 = 6.4$
 - Rating: **Excellent**

Accounts Receivable & Payable

- Days sales outstanding (DSO)
 - DSO is a financial metric that measures the average number of days it takes for a company to collect payment after making a credit sale.
 - Receivable cycles should be consistent with negotiated customer payment terms. Customer agreements should be reviewed when days in receivables is longer than expected.
 - $((2,260,000 + 2,418,200) / 2) / 21,601,000 * 365 = 39.5 \text{ days}$

- Rating: **Good**
 - In general, 30-90 days is preferable.
- Days payable outstanding (DPO)
 - DPO indicates how long a company delays payment of its accounts payable. It reflects the company's ability to manage cash flow, negotiate favorable credit terms, and optimize working capital.
 - Some companies favor a higher DPO because it means they retain cash longer, improving short-term liquidity. But long payable times can indicate inefficient processes or lack of cash, too, and can create strained relations with vendors.
 - Payable cycles should be consistent with negotiated vendor payment terms. Vendor agreements should be reviewed when days in payables is longer than expected.
 - $((1,080,000 + 1,155,600) / 2) / 11,706,000 * 365 = 34.9 \text{ days}$
 - Rating: **Good**

Inventory

Since the company does not carry any sales related inventory, this ratio is not relevant.

- Inventory turnover
 - The company carries only a supply inventory.

Debt

If the buyer will not be assuming the target company's debt, then these metrics can be skipped.

- Debt to assets
 - The debt-to-asset ratio is a financial metric used to assess how much of a company's assets are funded by debt rather than equity.
 - Here, funded debt refers to interest-bearing liabilities such as bonds, term loans, or other borrowings, excluding non-interest liabilities like accounts payable.
 - $1,363,500 / 12,074,600 = 11.3\%$
 - Rating: **Excellent**
- Debt to adjusted EBITDA
 - The debt-to-EBITDA ratio is a financial leverage metric that measures a company's ability to pay off its debt using just its earnings before interest, taxes, depreciation, and amortization (EBITDA).
 - It can also be thought of as how much yearly EBITDA does it take to pay off debt.
 - $1,363,500 / 4,050,910 = 33.7\%$
 - Rating: **Excellent**
- Cash flow coverage
 - This ratio indicates if an organization has sufficient cash flow to pay for scheduled principal and interest payments on its debt.
 - $3,491,400 / 1,363,500 = 2.6$
 - Rating: **Good**

Appendix

Yearly Income Statements

Income Statement

Line Item	2021	2022	2023	2024	2025	2026 Projected	Total
Net Revenue	\$12,500,000	\$14,500,000	\$16,800,000	\$18,575,000	\$20,546,000	\$21,601,000	\$104,522,000
<i>Direct Operating Costs</i>							
Fuel & Energy Expenses	\$2,800,000	\$3,190,000	\$3,650,000	\$4,000,000	\$4,400,000	\$4,750,000	\$22,790,000
Driver Salaries & Benefits	\$850,000	\$920,000	\$1,000,000	\$1,100,000	\$1,200,000	\$1,230,000	\$6,300,000
Subcontracted Freight & Brokerage Costs	\$2,000,000	\$2,300,000	\$2,650,000	\$2,950,000	\$3,300,000	\$3,485,000	\$16,685,000
Vehicle Maintenance, Repairs & Tires	\$750,000	\$880,000	\$1,050,000	\$1,200,000	\$1,350,000	\$1,376,000	\$6,606,000
Cargo & Fleet Insurance	\$500,000	\$580,000	\$670,000	\$750,000	\$840,000	\$865,000	\$4,205,000
Total Cost of Goods Sold (COGS)	\$6,900,000	\$7,870,000	\$9,020,000	\$10,000,000	\$11,090,000	\$11,706,000	\$56,586,000
Gross Profit	\$5,600,000	\$6,630,000	\$7,780,000	\$8,575,000	\$9,456,000	\$9,895,000	\$47,936,000
<i>Gross Margin</i>	<i>44.80%</i>	<i>45.72%</i>	<i>46.31%</i>	<i>46.16%</i>	<i>46.02%</i>	<i>45.81%</i>	
<i>Operating Expenses (SG&A)</i>							
Executive & Administrative Salaries and Benefits	\$3,750,000	\$4,300,000	\$4,850,000	\$5,100,000	\$5,500,000	\$5,600,000	\$29,100,000
Terminal Facility Rent & Utilities	\$350,000	\$370,000	\$400,000	\$420,000	\$450,000	\$470,000	\$2,460,000

Logistics Management Software & Tech	\$120,000	\$140,000	\$160,000	\$180,000	\$200,000	\$200,000	\$1,000,000
Marketing, Legal & Professional Fees	\$90,000	\$100,000	\$110,000	\$120,000	\$130,000	\$140,000	\$690,000
Office Expenses	\$34,000	\$38,000	\$43,000	\$41,000	\$45,000	\$48,000	\$249,000
Bad Debt Expense	\$0	\$0	\$16,000	\$0	\$0	\$0	\$16,000
Depreciation & Amortization	\$400,000	\$400,000	\$600,000	\$600,000	\$600,000	\$600,000	\$3,200,000
Total Operating Expenses (OPEX)	\$4,744,000	\$5,348,000	\$6,179,000	\$6,461,000	\$6,925,000	\$7,058,000	\$36,715,000
Operating Income (EBIT)	\$856,000	\$1,282,000	\$1,601,000	\$2,114,000	\$2,531,000	\$2,837,000	\$11,221,000
Gain on Sale of Asset			\$43,000				\$43,000
EBITDA	\$1,256,000	\$1,682,000	\$2,244,000	\$2,714,000	\$3,131,000	\$3,437,000	\$14,464,000
Interest Expense	(\$180,000)	(\$150,000)	(\$220,000)	(\$180,000)	(\$140,000)	(\$130,000)	\$1,000,000
Net Income	\$676,000	\$1,132,000	\$1,381,000	\$1,934,000	\$2,391,000	\$2,967,000	\$10,481,000

Monthly Income Statements

2021 Monthly Income Statement													
Line Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Net Revenue	\$500,000	\$625,000	\$750,000	\$812,500	\$875,000	\$937,500	\$1,000,000	\$1,125,000	\$1,312,500	\$1,312,500	\$1,500,000	\$1,750,000	\$12,500,000
COGS	\$469,200	\$427,800	\$483,000	\$517,500	\$538,200	\$565,800	\$600,300	\$607,200	\$586,500	\$641,700	\$703,800	\$759,000	\$6,900,000
Gross Profit	\$380,800	\$347,200	\$392,000	\$420,000	\$436,800	\$459,200	\$487,200	\$492,800	\$476,000	\$520,800	\$571,200	\$616,000	\$5,600,000
OPEX	\$395,333	\$395,333	\$395,333	\$395,333	\$395,333	\$395,333	\$395,333	\$395,333	\$395,333	\$395,333	\$395,333	\$395,333	\$4,744,000
EBIT	(\$14,533)	(\$48,133)	(\$3,333)	\$24,667	\$41,467	\$63,867	\$91,867	\$97,467	\$80,667	\$125,467	\$175,867	\$220,667	\$856,000
Interest Expense	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$180,000)
Net Income	(\$29,533)	(\$63,133)	(\$18,333)	\$9,667	\$26,467	\$48,867	\$76,867	\$82,467	\$65,667	\$110,467	\$160,867	\$205,667	\$676,000

2022 Monthly Income Statement													
Line Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Net Revenue	\$652,500	\$797,500	\$725,000	\$870,000	\$1,015,000	\$942,500	\$1,160,000	\$1,232,500	\$1,522,500	\$1,667,500	\$1,812,500	\$2,102,500	\$14,500,000
COGS	\$535,160	\$487,940	\$550,900	\$590,250	\$613,860	\$645,340	\$684,690	\$692,560	\$668,950	\$731,910	\$802,740	\$865,700	\$7,870,000
Gross Profit	\$450,840	\$411,060	\$464,100	\$497,250	\$517,140	\$543,660	\$576,810	\$583,440	\$563,550	\$616,590	\$676,260	\$729,300	\$6,630,000
OPEX	\$445,667	\$445,667	\$445,667	\$445,667	\$445,667	\$445,667	\$445,667	\$445,667	\$445,667	\$445,667	\$445,667	\$445,667	\$5,348,000
EBIT	\$5,173	(\$34,607)	\$18,433	\$51,583	\$71,473	\$97,993	\$131,143	\$137,773	\$117,883	\$170,923	\$230,593	\$283,633	\$1,282,000
Interest Expense	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$150,000)
Net Income	(\$7,327)	(\$47,107)	\$5,933	\$39,083	\$58,973	\$85,493	\$118,643	\$125,273	\$105,383	\$158,423	\$218,093	\$271,133	\$1,132,000

2023 Monthly Income Statement													
Line Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Net Revenue	\$924,000	\$756,000	\$840,000	\$1,008,000	\$1,092,000	\$1,176,000	\$1,344,000	\$1,344,000	\$1,596,000	\$2,016,000	\$2,184,000	\$2,520,000	\$16,800,000
COGS	\$613,360	\$559,240	\$631,400	\$676,500	\$703,560	\$739,640	\$784,740	\$793,760	\$766,700	\$838,860	\$920,040	\$992,200	\$9,020,000
Gross Profit	\$529,040	\$482,360	\$544,600	\$583,500	\$606,840	\$637,960	\$676,860	\$684,640	\$661,300	\$723,540	\$793,560	\$855,800	\$7,780,000
OPEX	\$514,917	\$514,917	\$514,917	\$514,917	\$514,917	\$514,917	\$514,917	\$514,917	\$514,917	\$514,917	\$514,917	\$514,917	\$6,179,000
EBIT	\$14,123	(\$32,557)	\$29,683	\$68,583	\$91,923	\$123,043	\$161,943	\$169,723	\$146,383	\$208,623	\$278,643	\$340,883	\$1,601,000
Interest Expense	(\$18,333)	(\$18,333)	(\$18,333)	(\$18,333)	(\$18,333)	(\$18,333)	(\$18,333)	(\$18,333)	(\$18,333)	(\$18,333)	(\$18,333)	(\$18,333)	(\$220,000)
Net Income	(\$4,210)	(\$50,890)	\$11,350	\$50,250	\$73,590	\$104,710	\$143,610	\$151,390	\$128,050	\$190,290	\$260,310	\$322,550	\$1,381,000

2024 Monthly Income Statement													
Line Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Net Revenue	\$1,207,375	\$928,750	\$835,875	\$1,021,625	\$1,207,375	\$1,207,375	\$1,578,875	\$1,393,125	\$1,578,875	\$2,136,125	\$2,600,500	\$2,879,125	\$18,575,000
COGS	\$680,000	\$620,000	\$700,000	\$750,000	\$780,000	\$820,000	\$870,000	\$880,000	\$850,000	\$930,000	\$1,020,000	\$1,100,000	\$10,000,000
Gross Profit	\$583,100	\$531,650	\$600,250	\$643,125	\$668,850	\$703,150	\$746,025	\$754,600	\$728,875	\$797,475	\$874,650	\$943,250	\$8,575,000
OPEX	\$538,417	\$538,417	\$538,417	\$538,417	\$538,417	\$538,417	\$538,417	\$538,417	\$538,417	\$538,417	\$538,417	\$538,417	\$6,461,000
EBIT	\$44,683	(\$6,767)	\$61,833	\$104,708	\$130,433	\$164,733	\$207,608	\$216,183	\$190,458	\$259,058	\$336,233	\$404,833	\$2,114,000
Interest Expense	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$180,000)
Net Income	\$29,683	(\$21,767)	\$46,833	\$89,708	\$115,433	\$149,733	\$192,608	\$201,183	\$175,458	\$244,058	\$321,233	\$389,833	\$1,934,000

2025 Monthly Income Statement													
Line Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Net Revenue	\$1,397,128	\$1,273,852	\$1,438,220	\$1,540,950	\$1,602,588	\$1,684,772	\$1,787,502	\$1,808,048	\$1,746,410	\$1,910,778	\$2,095,692	\$2,260,060	\$20,546,000
COGS	\$754,120	\$687,580	\$776,300	\$831,750	\$865,020	\$909,380	\$964,830	\$975,920	\$942,650	\$1,031,370	\$1,131,180	\$1,219,900	\$11,090,000
Gross Profit	\$643,008	\$586,272	\$661,920	\$709,200	\$737,568	\$775,392	\$822,672	\$832,128	\$803,760	\$879,408	\$964,512	\$1,040,160	\$9,456,000
OPEX	\$577,083	\$577,083	\$577,083	\$577,083	\$577,083	\$577,083	\$577,083	\$577,083	\$577,083	\$577,083	\$577,083	\$577,083	\$6,925,000
EBIT	\$65,925	\$9,189	\$84,837	\$132,117	\$160,485	\$198,309	\$245,589	\$255,045	\$226,677	\$302,325	\$387,429	\$463,077	\$2,531,000
Interest Expense	(\$11,667)	(\$11,667)	(\$11,667)	(\$11,667)	(\$11,667)	(\$11,667)	(\$11,667)	(\$11,667)	(\$11,667)	(\$11,667)	(\$11,667)	(\$11,667)	(\$140,000)
Net Income	\$54,258	(\$2,478)	\$73,170	\$120,450	\$148,818	\$186,642	\$233,922	\$243,378	\$215,010	\$290,658	\$375,762	\$451,410	\$2,391,000

2026 Projected Monthly Income Statement													
Line Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Net Revenue	\$1,188,055	\$928,843	\$993,646	\$1,166,454	\$1,296,060	\$1,447,267	\$1,598,474	\$1,965,691	\$1,857,686	\$2,462,514	\$3,196,948	\$3,499,362	\$21,601,000
COGS	\$643,830	\$503,358	\$538,476	\$632,124	\$702,360	\$784,302	\$866,244	\$1,065,246	\$1,006,716	\$1,334,484	\$1,732,488	\$1,896,372	\$11,706,000
Gross Profit	\$544,225	\$425,485	\$455,170	\$534,330	\$593,700	\$662,965	\$732,230	\$900,445	\$850,970	\$1,128,030	\$1,464,460	\$1,602,990	\$9,895,000
OPEX	\$388,190	\$303,494	\$324,668	\$381,132	\$423,480	\$472,886	\$522,292	\$642,278	\$606,988	\$804,612	\$1,044,584	\$1,143,396	\$7,058,000
EBIT	\$156,035	\$121,991	\$130,502	\$153,198	\$170,220	\$190,079	\$209,938	\$258,167	\$243,982	\$323,418	\$419,876	\$459,594	\$2,837,000
Interest Expense	(\$7,150)	(\$5,590)	(\$5,980)	(\$7,020)	(\$7,800)	(\$8,710)	(\$9,620)	(\$11,830)	(\$11,180)	(\$14,820)	(\$19,240)	(\$21,060)	(\$130,000)
Net Income	\$163,185	\$127,581	\$136,482	\$160,218	\$178,020	\$198,789	\$219,558	\$269,997	\$255,162	\$338,238	\$439,116	\$480,654	\$2,967,000

Yearly Balance Sheets

Balance Sheet

Line Item	2021	2022	2023	2024	2025	2026 Projected
ASSETS						
<i>Current Assets</i>						
Cash & Cash Equivalents	\$850,000	\$1,775,000	\$2,664,000	\$4,236,000	\$6,716,000	\$9,442,400
Accounts Receivable	\$1,350,000	\$1,560,000	\$1,810,000	\$2,020,000	\$2,260,000	\$2,418,200
Prepaid Fuel & Supplies Inventory	\$120,000	\$140,000	\$160,000	\$180,000	\$200,000	\$214,000
Total Current Assets	\$2,320,000	\$3,475,000	\$4,634,000	\$6,436,000	\$9,176,000	\$12,074,600
<i>Property, Plant & Equipment (PP&E)</i>						
Fleet Tractors & Trailers (Gross)	\$1,954,070	\$1,954,070	\$2,934,991	\$2,934,991	\$2,934,991	\$2,934,991
Office Furniture & Equipment	\$45,930	\$45,930	\$65,009	\$65,009	\$65,009	\$65,009
Less: Accumulated Depreciation	(\$400,000)	(\$800,000)	(\$1,400,000)	(\$2,000,000)	(\$2,600,000)	(\$3,000,000)
Net Property, Plant & Equipment	\$1,600,000	\$1,200,000	\$1,600,000	\$1,000,000	\$400,000	\$0

TOTAL ASSETS	\$3,920,000	\$4,675,000	\$6,234,000	\$7,436,000	\$9,576,000	\$12,074,600
LIABILITIES & EQUITY						
<i>Current Liabilities</i>						
Accounts Payable	\$650,000	\$750,000	\$870,000	\$970,000	\$1,080,000	\$1,155,600
Accrued Driver Wages & Expenses	\$180,000	\$210,000	\$240,000	\$270,000	\$300,000	\$321,000
Current Portion of Long-Term Debt	\$300,000	\$300,000	\$350,000	\$350,000	\$350,000	\$374,500
Total Current Liabilities	\$1,130,000	\$1,260,000	\$1,460,000	\$1,590,000	\$1,730,000	\$1,851,100
<i>Long-Term Liabilities</i>						
Equipment Debt (Less Current Portion)	\$1,200,000	\$900,000	\$1,200,000	\$850,000	\$1,041,000	\$989,000
Total Liabilities	\$2,330,000	\$2,160,000	\$2,660,000	\$2,440,000	\$2,771,000	\$2,840,100
<i>Stockholders' Equity</i>						
Common Stock & Paid-in Capital	\$1,030,000	\$1,030,000	\$1,030,000	\$1,030,000	\$1,030,000	\$1,030,000
Retained Earnings	\$561,000	\$1,485,000	\$2,544,000	\$3,966,000	\$5,775,000	\$8,204,500
Total Stockholders' Equity	\$1,590,000	\$2,515,000	\$3,574,000	\$4,996,000	\$6,805,000	\$9,234,500
TOTAL LIABILITIES & EQUITY	\$3,920,000	\$4,675,000	\$6,234,000	\$7,436,000	\$9,576,000	\$12,074,600

Yearly Cash Flow Statements

Statement of Cash Flows

Line Item	2021	2022	2023	2024	2025	2026 Projected
CASH FLOW FROM OPERATING ACTIVITIES						
Net Income	\$676,000	\$1,132,000	\$1,381,000	\$1,934,000	\$2,391,000	\$2,967,000
<i>Adjustments to reconcile Net Income:</i>						
Depreciation & Amortization	\$400,000	\$400,000	\$600,000	\$600,000	\$600,000	\$600,000
<i>(Increase) / Decrease in Accounts Receivable</i>	(\$350,000)	(\$210,000)	(\$250,000)	(\$210,000)	(\$240,000)	(\$158,200)
<i>(Increase) / Decrease in Inventory/Prepays</i>	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$14,000)
<i>Increase / (Decrease) in Accounts Payable</i>	\$150,000	\$100,000	\$120,000	\$100,000	\$110,000	\$75,600
<i>Increase / (Decrease) in Accrued Liabilities</i>	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$21,000
Net Cash Provided by Operating Activities	\$886,000	\$1,432,000	\$1,861,000	\$2,434,000	\$2,871,000	\$3,491,400
CASH FLOW FROM INVESTING ACTIVITIES						
Fleet & Equipment Purchases (CapEx)	(\$52,000)	(\$450,000)	(\$240,000)	(\$84,000)	(\$48,000)	\$0
Net Cash Used in Investing Activities	(\$52,000)	(\$450,000)	(\$240,000)	(\$84,000)	(\$48,000)	\$0
CASH FLOW FROM FINANCING ACTIVITIES						
Capital Inflow/Outflow (Equity)	\$0	\$0	(\$432,000)	(\$428,000)	\$0	(\$400,000)
Debt Financing Received	\$0	\$243,000	\$0	\$0	\$0	\$0
Principal Repayments on Debt	(\$450,000)	(\$300,000)	(\$300,000)	(\$350,000)	(\$343,000)	(\$365,000)
Net Cash Provided by / (Used in) Financing	(\$450,000)	(\$57,000)	(\$732,000)	(\$778,000)	(\$343,000)	(\$765,000)
NET INCREASE IN CASH	\$384,000	\$925,000	\$889,000	\$1,572,000	\$2,480,000	\$2,726,400
Cash Balance at Beginning of Year	\$466,000	\$850,000	\$1,775,000	\$2,664,000	\$4,236,000	\$6,716,000
CASH BALANCE AT END OF YEAR	\$850,000	\$1,775,000	\$2,664,000	\$4,236,000	\$6,716,000	\$9,442,400

Customer Detail

Income by Customer Summary Report													
Customer	Category	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (partial)	Total	No. of Invoices	Last Inv Date	Revenue %	Rank	Duration (years)
Apex Health	Medical supply	\$4,150,000	\$2,538,000	\$4,291,000	\$4,243,000	\$7,170,000	\$4,928,000	\$27,320,000	1344	Sep-26	27.44%	1	6
Blue Horizon Retailers	Retail	\$2,928,000	\$2,083,000	\$3,237,000	\$2,603,000	\$1,552,000	\$2,046,000	\$14,449,000	744	Sep-26	14.51%	2	7
Crestview Manufacturing Co.	Medical supply	\$1,402,000	\$1,256,000	\$2,133,000	\$2,161,000	\$1,339,000	\$1,401,000	\$9,692,000	497	Sep-26	9.73%	3	8
Summit Industrial Supply	Industrial supply	\$804,000	\$1,040,000	\$1,201,000	\$1,733,000	\$1,060,000	\$838,000	\$6,676,000	350	Sep-26	6.70%	4	8
Vanguard Distribution Corp	Medical supply	\$748,000	\$911,000	\$793,000	\$1,192,000	\$1,003,000	\$673,000	\$5,320,000	279	Sep-26	5.34%	5	6
Pinnacle Freight Partners	Freight Forwarding & Warehousing	\$568,000	\$872,000	\$654,000	\$958,000	\$895,000	\$788,000	\$4,735,000	237	Sep-26	4.76%	6	6
Omni Global Trading	Miscellaneous distributor	\$565,000	\$779,000	\$632,000	\$679,000	\$891,000	\$813,000	\$4,359,000	213	Sep-26	4.38%	7	7
Midwest Storage Inc.	Freight Forwarding & Warehousing	\$366,000	\$704,000	\$535,000	\$580,000	\$776,000	\$658,000	\$3,619,000	178	Sep-26	3.63%	8	6
Atlas Energy Resources	Renewable energy	\$262,000	\$691,000	\$516,000	\$519,000	\$774,000	\$622,000	\$3,384,000	166	Sep-26	3.40%	9	8
Beacon Building Products	Industrial supply	\$262,000	\$690,000	\$466,000	\$515,000	\$724,000	\$703,000	\$3,360,000	159	Sep-26	3.37%	10	6
Coastal Cargo Services	Freight Forwarding & Warehousing	\$228,000	\$612,000	\$371,000	\$492,000	\$602,000	\$518,000	\$2,823,000	138	Aug-26	2.84%	11	6
Titan Parts	Automotive supply	\$217,000	\$601,000	\$345,000	\$386,000	\$581,000	\$433,000	\$2,563,000	128	Sep-26	2.57%	12	7
Keystone Express Logistics	Freight Forwarding & Warehousing	\$0	\$587,000	\$303,000	\$366,000	\$423,000	\$371,000	\$2,050,000	101	Sep-26	2.06%	13	5
Redwood Paper & Packaging	Paper & packaging distributor	\$0	\$585,000	\$283,000	\$348,000	\$346,000	\$289,000	\$1,851,000	94	Aug-26	1.86%	14	5
Ironclad Automotive Parts	Automotive supply	\$0	\$551,000	\$273,000	\$340,000	\$331,000	\$304,000	\$1,799,000	90	Sep-26	1.81%	15	5
Southeast Medical Supply	Medical supply	\$0	\$0	\$261,000	\$324,000	\$328,000	\$268,000	\$1,181,000	55	Sep-26	1.19%	16	4
Cascade Food Distributors	Grocery distributor	\$0	\$0	\$255,000	\$319,000	\$321,000	\$274,000	\$1,169,000	54	Sep-26	1.17%	17	4
Northern Line Freight	Freight Forwarding & Warehousing	\$0	\$0	\$251,000	\$285,000	\$270,000	\$26,000	\$832,000	48	Apr-26	0.84%	18	4
Highland Chemical Supply	Chemical supply	\$0	\$0	\$0	\$281,000	\$249,000	\$200,000	\$730,000	32	Sep-26	0.73%	19	3
Liberty Warehousing Co.	Freight Forwarding & Warehousing	\$0	\$0	\$0	\$20,000	\$0	\$0	\$20,000	1	Apr-24	0.02%	24	1
Pioneer Medical Supply	Medical supply	\$0	\$0	\$0	\$231,000	\$240,000	\$164,000	\$635,000	28	Sep-26	0.64%	20	3
Silverline Medical Express	Medical supply	\$0	\$0	\$0	\$0	\$227,000	\$117,000	\$344,000	14	Sep-26	0.35%	22	2
Trident Packaging	Paper & packaging distributor	\$0	\$0	\$0	\$0	\$14,000	\$0	\$14,000	1	Jun-25	0.01%	25	1
Tri State Medical Supply	Medical supply	\$0	\$0	\$0	\$0	\$223,000	\$72,000	\$295,000	13	Sep-26	0.30%	23	2
Zenith Electronics Supply	Electronics supply	\$0	\$0	\$0	\$0	\$207,000	\$145,000	\$352,000	12	Sep-26	0.35%	21	2
TOTAL		\$12,500,000	\$14,500,000	\$16,800,000	\$18,575,000	\$20,546,000	\$16,651,000	\$99,572,000	4,976				

Vendor Detail

Expense Category (P&L)	Primary Vendor / Service Provider	% of Total Costs	Relationship	
			Duration (years)	
Fuel	Love's Travel Stops & Country Stores	8.81%	8	
Benefits	United Healthcare	8.61%	5	
Subcontracted Freight	TQL (Total Quality Logistics)	7.81%	5	
Fuel	Pilot Flying J Fleet Services	7.16%	7	
Insurance	Great American Insurance Group	6.53%	8	
Subcontracted Freight	C.H. Robinson Worldwide	6.06%	7	
Payroll Processing	ADP Payroll Solutions	5.29%	6	
Rent	Prologis Property Management	4.48%	5	
Fuel	TA Petro Fleet Solutions	4.41%	5	
Fuel	WEX Inc.	4.20%	6	
Subcontracted Freight	Coyote Logistics	3.90%	4	
Maintenance	Goodyear Commercial Tire & Service	3.75%	8	
Marketing	HubSpot Marketing Solutions	3.60%	3	
Maintenance	FleetPride Heavy Duty Parts	3.40%	4	
Software	Samsara Fleet Management	3.10%	2	
Subcontracted Freight	Landstar System	2.67%	6	
Fuel	Shell Commercial Fleet	2.65%	4	
Maintenance	Rogers Fleet Maintenance	2.55%	5	
Subcontracted Freight	Echo Global Logistics	2.38%	3	
Interest Expense	JPMorgan Chase Commercial Capital	2.37%	6	
Maintenance	Rush Truck Centers	2.35%	6	
Office	Dell Business Direct	1.78%	5	
Subcontracted Freight	RXO Logistics	1.34%	2	
Office	Pitney Bowes	0.26%	3	
Legal	Littler Mendelson P.C.	0.25%	4	
Accounting	KPMG LLP (Accounting & Audit Firm)	0.18%	5	
Office	Staples Advantage	0.11%	8	
		100.00%		

Employee List

Name	Status	Type	Function
Chris Mason	Active	Employee	Office
Frank Cole	Active	Contractor	Driver
Caleb Turner	Inactive	Employee	Office
Linda Morley	Active	Owner	Office
Ron Morley	Active	Owner	Office
Jimmy Grant	Active	Contractor	Driver
Gavin Holt	Active	Employee	Driver
Hannah Briggs	Active	Employee	Office
Ed Farnsworth	Active	Employee	Office
Jenna Cross	Active	Employee	Office
Kyle Benton	Active	Contractor	Driver
Lena Foster	Inactive	Employee	Office
Mason Clarke	Active	Employee	Driver
Robin Jordan	Active	Employee	Office
Owen Barrett	Active	Employee	Driver
Paige Harmon	Active	Employee	Office
Chase Donaldson	Active	Employee	Office
Riley Maddox	Active	Contractor	Driver
Sophie Lang	Active	Employee	Office
Trent Dawson	Active	Employee	Driver
Uma Keller	Inactive	Contractor	Driver
Vince Carver	Active	Employee	Office
Dave Sharpe	Active	Contractor	Driver
Xavier Boone	Inactive	Employee	Driver
Yara Collins	Active	Employee	Office
Zane Ridley	Active	Contractor	Driver
Abigail Pierce	Active	Employee	Office
Brandon Steele	Active	Employee	Office
Carmen Doyle	Active	Contractor	Driver
Derek Vaughn	Inactive	Contractor	Driver
Elise Monroe	Active	Employee	Office

Felix Harmon	Active	Employee	Driver
Grace Talbot	Inactive	Contractor	Driver
Hudson Lee	Active	Employee	Driver
Isla Merritt	Active	Contractor	Driver
Jack Renner	Inactive	Employee	Driver
Kara Dempsey	Active	Employee	Office
Liam Sutter	Active	Contractor	Driver
Mira Dalton	Inactive	Employee	Office
Noah Briggs	Active	Employee	Office
James Crane	Active	Contractor	Driver
Parker Shields	Inactive	Contractor	Driver
Quincy Hale	Active	Employee	Driver
Raven Ellis	Active	Employee	Office
Sawyer Kent	Inactive	Contractor	Driver
Talia Brooks	Active	Employee	Driver
Ulysses Ward	Active	Contractor	Driver
Vera Stanton	Active	Employee	Office
Wesley Grant	Active	Employee	Office
John Price	Active	Contractor	Driver
Yosef Garner	Inactive	Employee	Driver
Zara Benton	Active	Employee	Office
Aiden Cross	Active	Employee	Office
Brielle Mason	Active	Employee	Office
Colton Reeves	Active	Employee	Driver
Delaney Frost	Active	Contractor	Driver
Emmett Vaughn	Active	Employee	Driver
Freya Collins	Active	Employee	Office
Gideon Marks	Active	Employee	Office
Harper Sloan	Inactive	Contractor	Driver
Isabel Trent	Active	Employee	Office
Jonas Pike	Active	Contractor	Driver
Ray McManus	Active	Contractor	Driver