










LISTING OPPORTUNITY

Iconic Russian River Store, Featuring Candy, Toys, River Play Needs, and Much More

Consistent Average \$437,000 in Sales and \$95,997 SDE in 2021



SPECIFICATIONS

 Price: \$399,000	 Revenue: \$437,092 (3-Year Avg)	 Cash Flow: \$72,676 (3-Year Avg)
 Location: Guerneville, CA	 Service Area: Guerneville & Russian River Area	 Inventory Included: \$134,000 (approx.)
 Employees: 1 FT & 1 PT + 2 PT Owners	 Reason for Sale: Sellers are Retiring	 Goodwill: 73 Yr. Reputation

BUSINESS SUMMARY

Year Established: 1949 (current owners 17 years)

Products Offered: Nostalgic candy, toys, inflatable boats, floaties, river shoes, flip flops, hobby items, art supplies, greeting cards, and more.

Equipment: \$21,000 FF&E Included (list to be provided)

Personnel: 2 Part Time Owners, 1 Full Time Employee, and 1 Part Time Employee, who becomes Full Time During the Summer

Clients: Locals and Tourists Alike

Lease: 1152 Square Foot Facility. Current Rent \$1,741 Per Month

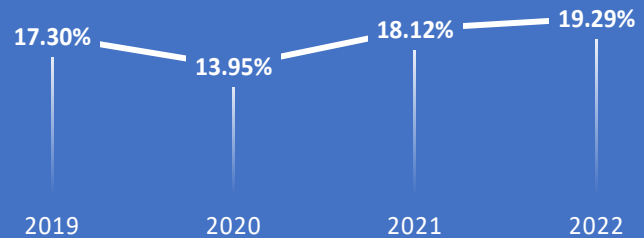
Up for sale is a colorful and unique component of Russian River history, THE GUERNEVILLE 5 & 10. For 73 years, this fun store has served the visitors of this resort destination and surrounding area. No trip to this beautiful region is complete without visiting this traditional "Five & Dime" store.

The natural beauty of this area which includes redwood forests and the Russian River, have made this summertime haven such a desirable location. Those who enter are pleasantly surprised to find, in addition to common 5&10 items, a great selection of nostalgic candies, upscale toys, games, art supplies, craft materials, greeting cards, souvenirs, and of course, a treasure trove of inflatable boats, floaties, beach towels, sunscreen, attire, etc. to enjoy the river. This well-loved store is known for its friendly, helpful staff and their involvement with local community events.

VALUE PROPOSITION

- 73 years of Established Reputation
- Exceptional Customer Reviews
- Priced Below Market for Quick Sale
- Located in a Prime Vacation Area
- Booming Local Economy

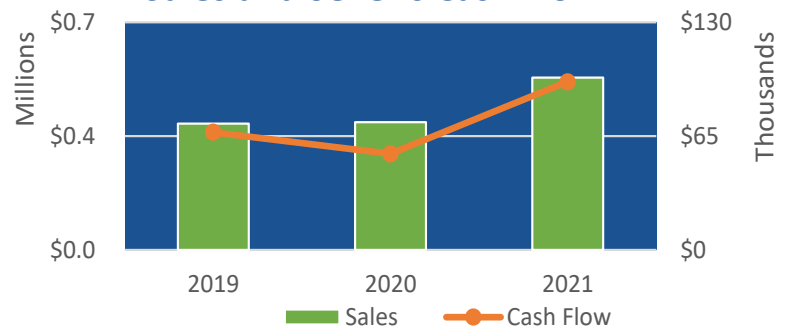
PROFIT MARGIN



FINANCIAL HIGHLIGHTS

- Listing Price: \$399,000 Includes Inventory
- 2021 Cashflow (SDE): \$95,997
- 2021 Sales \$529,764
- 2021 Year-End Inventory \$134,000

Sales and Seller's Cash Flow



CASHFLOW ANALYSIS

Financial Statement Source	Tax Return	Tax Return	Tax Return	YTD
	2019	2020	2021	2022
Sales	\$388,188	\$393,324	\$529,764	\$550,000
<i>Less</i> Cost of Sales	\$200,026	\$203,025	\$277,230	\$280,000
<i>Less</i> Operating Expenses	\$144,223	\$141,087	\$252,533	\$270,000
<i>Equals</i> Net Income Before Taxes	\$43,939	\$49,212	\$88,551	\$100,000
<i>Plus</i> Depreciation	\$7,008	\$1,468	\$1,583	\$0
<i>Plus</i> Amortization	\$5,841	\$984	\$0	\$0
<i>Plus</i> Interest on Loans to Business	\$0	\$0	\$208	\$0
<i>Plus</i> Officer/Owner's Salary				
<i>Plus</i> Payroll Taxes on Officer/Owner's Salary				
<i>Equals</i> Preliminary Seller's Discretionary Earnings	\$56,788	\$51,664	\$90,342	\$100,000
Addbacks:				
Contributions	2,821		\$2,894	\$3,000
Auto Expenses for Owner's Benefit	\$5,046	\$2,512	\$2,188	\$2,500
Insurance Premium - Working Family Member				
Travel	\$2,043			
Non-Business Phone, Internet & Cell Phone Expenses	\$447	\$708	\$553	\$600
Sum of Addbacks:	\$10,357	\$5,672	\$5,635	\$6,100
Total Seller's Discretionary Earnings (SDE)	\$67,146	\$54,884	\$95,997	\$106,100
Profit Margin	17.30%	13.95%	18.12%	19.29%

Notes: Addbacks for 3/31/2021 are prorated based on expenses from 2020.

ASKING PRICE

The asking price is determined using a cash flow methodology. Cash flow is the sum of net income from the business plus any non-cash expenses, non-recurring items and any seller's personal expenses. A multi-factor multiplier is applied to the cash flow based on the condition of the business.

For this business, a three-year average cash flow is applied making the business price more favorable to the buyer. The multiplier applied in this case is 4.16x, below the market in favor of the buyer.

CASHFLOW X PRESCRIBED MULTIPLE = FAIR MARKET VALUE

With this information, the computation is as follows:

$$\underline{\$95,997 \times 4.16 = \$399,000}$$

The fair market value found above positions the listing price as:

\$399,000

FUNDING EXAMPLE

Purchase Price: \$399,000

20% Buyer Down Payment	\$79,800	Buyer's equity
80% Bank Loan	\$319,200	10-Year term at a rate of 5.50% = Monthly loan payment of \$3,464.14

- Cash Flow (SDE in 2021): \$95,997
- Annual Payment to Bank: \$41,570
- Net Profit (After Expenses and loan payment): \$54,427

Numbers above
result in an **68 %**
return on cash in the
first year.

A lender is usually required to have a
1.25 coverage ratio for a business
loan extended.

At a proposed purchase price of
\$399,000 with the terms listed
above, the coverage ratio is 2.31.

* Please note that the decision of whether to extend a loan on any sale belongs to the bank, and this document does not guarantee specific terms or verify that financing is available.