

DOCUMENTS REQUESTED FOR BUSINESS VALUATION

Financial statements

1. Annual financial statements (including detailed income statements) for the last 5 years.
2. If valuation date does not correspond with normal year end, then the interim financial statement closest to the valuation date and a comparable interim financial statement for the prior year.
3. Federal income tax returns for the last 5 years.
4. Copies of any forecasts or projections of future periods that may have been prepared.
5. A list of unconsolidated subsidiaries or other businesses in which the subject company has an ownership interest, together with their financial statements.

If CPA Prepared Financial statements with notes are not available:

6. A trial balance for the company, that corresponds to the financial statements, at the valuation date.
7. A list of the bank and investment accounts that make up the cash balance and investment balances shown the balance sheet at the valuation date.
8. An aged list of accounts receivable at the valuation date.
9. A list of items comprising inventory at the valuation date, and information on inventory accounting policies.
10. List of items comprising significant other assets, if any.
11. Accounts payable listing at the valuation date (preferably aged).
12. Terms for significant notes payable and other interest bearing debts, if any.
13. Terms of leases of real estate and significant pieces of equipment, if any.
14. A schedule of life insurance policies owned by and payable to the company with the related cash surrender values, if any.
15. Summarize transactions with parties and companies related to the subject company, along with the dollar value of transactions with each of those related parties in each of the past 5 years.

DOCUMENTS REQUESTED FOR BUSINESS VALUATION

16. Details of any litigation, including pending or threatened lawsuits, if any.
17. Details of any employee benefit plans, including pension plans, profit sharing plans and 401(k) matching commitments, if any.

Other financial information

18. Depreciation schedule or fixed asset register at the valuation date.
19. Schedule or summary of sales by major product or activity for the 5 years.
20. Copies of recent sales, capital expenditure or operating budgets, if any.
21. A copy of any business plans within the past 5 years, if any.
22. A schedule of compensation paid to officers, directors and family of the owners for the past 5 years. (if not included in the Federal Income Tax Returns).
23. Reports of other professionals (if any):
 - a) Appraisals of specific assets
 - b) Real and personal property tax value reports
 - c) Reports of consultants
 - d) Reports of independent auditors

Other Operating Data

24. Brochures, price lists, catalogs, or other information that describes the company's services and products, if any.
25. List of stockholders or partners, showing the percentage of ownership and number of shares or units for each person.
26. Organization chart, or list of key employees and their responsibilities, including a summary of the background and experience of key employees.
27. List of the five largest customers and five largest suppliers (a large customer or supplier accounts for more than 5 percent of sales or materials). List the amount of sales or purchases for each party in each of the past 5 years.

Legal Documents

28. Copies of stockholder or partnership agreements, including stock option agreements and buy-sell agreements, if any.

COMPANY NAME _____

DOCUMENTS REQUESTED FOR BUSINESS VALUATION

29. Minutes of board of director meetings, if such meetings occur and the meetings cover important financial and operational issues.
30. Copies of any recent written offers to purchase or sell stock or units in the business, if any.
31. Copies of employment agreements (if any) with key managers.
32. Details of collective bargaining agreements, if any.
33. Summary of audits of government agencies such as EPA, OSHA, IRS, EEOC (if any).

Other company data

34. Details of any changes in stock or unit ownership during the past 5 years, if any.
35. List of any of the following:
 - a) Patents.
 - b) Copyrights.
 - c) Trademarks.
 - d) Similar intangible assets.
36. Details of any contingent liabilities (such as guarantees, warranties, and letters of credit) if any.

Warren Cline III, CPA/ABV
160 East State Street, Suite 200
Traverse City, MI 49684
231-935-3006 (phone)
616-328-6826 (fax)