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Business-Valuation-Expert.com

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## Business Value Calculation Terms & Conditions

We will perform a calculation engagement, as that term is defined in the Statement on Standards for Valuation Services (SSVS) of the American Institute of Certified Public Accountants. We will perform the calculation procedures described below. The calculation procedures will be performed solely for the purpose(s) indicated below; the resulting calculations of value should not be used for any other purpose or by any other party for any purpose. This calculation engagement will be conducted in accordance with the SSVS. The estimates of value that result from a calculation engagement are expressed as calculated values.

In a calculation engagement, the valuation analyst and the client agree on the specific valuation approaches and methods to be used and the extent of valuation procedures to be performed. A calculation engagement does not include all of the procedures required in a valuation engagement, as that term is defined in the SSVS. A valuation engagement might produce different results.

We will present and explain the results of each calculation to you in a written report. We assume no responsibility for a seller or buyer's inability to obtain a sales or purchase contract at the calculated values. We will be relying on the accuracy and reliability of the financial data provided to us. We will not audit, review, or compile your financial data, and we will not express an opinion or any form of assurance on them.

### Fee

Our fee is \$499 and is payable upon acceptance (in advance). We will not start working on the value calculation until we have received: this signed letter, the correct fee, and any required information. Our fee is for the calculation procedures indicated and our report and does not include any services that may be required defending our report in audit or litigation, including conferences, depositions, court appearances, and testimony.

### Calculation Procedures

We will perform the following procedures:

- Summarize earnings data from the previous 3 years from federal income tax returns or financial statements
- Calculate value using
  - Data from sales of comparable businesses
    - Percentage of annual sales
    - Multiple of sellers' discretionary earnings
  - Capitalized cash flow
  - Excess earnings
  - Adjusted asset value, if balance sheet data is provided
- Report any industry rules of thumb

### Required Information

We need the following information or documents:

- Federal income tax returns for previous 3 years
- If you wish to include current year information, we need the most recent year-to-date income statement (profit & loss) and balance sheet
- List of assets or balance sheet data at the end of each year, if not shown on tax returns
- List of any non-recurring or non-operating (non-essential or personal) expenses deducted during the 3-year period

Please submit all documents using the contact information shown below. We prefer that all documents be submitted in electronic format (PDF, Word or Excel) by email or uploaded to our secure website. Indicate below if you wish to use our secure website, so we can set up a folder for you. We will send an email to the address shown below containing a link to the folder.

Please return the signed agreement using the contact information shown below. If you pay by check please mail it to the address below. We also accept PayPal. If you wish to use PayPal, please check below and give us your email address so we can send you a request for payment.

**Mail:**

Business Valuations & Strategies PC  
6059 Allentown Blvd #589, Harrisburg, PA 17112

**Fax:** 866-482-3097

**Email:** dave@bv-expert.com



David E. Coffman CPA/ABV/CFF, CVA  
President & CEO

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**Agreement and Acknowledgment:**

This letter correctly sets forth our understanding of the terms of the engagement:

\_\_\_\_\_  
Name of Business

\_\_\_\_\_  
Purpose of (reason for) the Business Value Calculation

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Signature	Title	Printed name	Date
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\_\_\_\_\_ Send a request for payment using PayPal

\_\_\_\_\_ Set up a folder on your secure website and send link

My email address \_\_\_\_\_