

Preliminary Documents and Information Checklist for Business Valuation of Typical Business

Financial Statements for Typical Business

- Balance sheets, income statements, statements of changes in cash flow, and statements of stockholders' equity for the last five fiscal years or economic cycle
- Income tax returns for the same years
- Latest interim statements and interim statements for comparable period(s) of previous year

Other Financial Data

- Summary property, plant, and equipment list, depreciation schedule, and capital budget
- Aged accounts receivable summary
- Aged accounts payable summary
- List of marketable securities and prepaid expenses
- Inventory summary, with any necessary information on inventory accounting policies

- Synopsis of leases for facilities or equipment lease or rental contracts
- Any other existing contracts (employment agreements, covenants not to compete, supplier agreements, customer agreements, royalty agreements, loan agreements, labor contracts, employee benefit plans, etc.)
- List of stockholders, with number of shares owned by each
- Schedule of insurance in force (key person life, property and casualty, liability)
- Budgets or projections, for a minimum of five years, business, or strategic plan, if available
- List of subsidiaries and/or financial interests in other companies
- Key personnel compensation schedule, including benefits and personal expenses
- Details of any transactions with related parties

Company Documents

- Articles of incorporation, bylaws, and any amendments to either (or equivalent documents for a limited liability company or partnership)
- Any existing Shareholder (owner) agreements; buy-sell agreements, options to purchase stock/ownership interests, or rights of first refusal
- Franchise or operating agreements, if any

Other Information

- Brief history, including how long in business and details of any changes in ownership and/or any bona fide offers recently received
- Brief description of the business, including position relative to competition and any factors that make the business unique
- Marketing literature (product catalogs, brochures, advertisements, etc.)
- List of locations where company operates, with size and recent appraisals
- List of competitors, with location, relative size, and any relevant factors
- Organization chart listing positions and names of heads of functional departments
- Résumés of key personnel, with age, position, compensation, length of service, education, and prior experience

- Personnel profile: number of employees by functional groupings (production, sales, engineering/R&D, personnel and accounting, customer service/field support, etc.)
- Trade associations to which the company belongs or would be eligible for membership
- Relevant trade or government publications (especially market forecasts)
- Any existing indicators of asset values, including latest property tax assessments and any appraisals that have been performed
- List of customer relationships, supplier relationships, contracts, patents, copyrights, trademarks, and other intangible assets
- Any contingent or off-balance sheet liabilities (pending lawsuits, compliance requirements, warranty, or other product liabilities, estimate of medical benefits for retirees, etc.)
- Any filings or correspondence with regulatory agencies
- Information on prior transactions in the stock/ownership interests or any related party transactions