

Business Valuations & Strategies PC

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Value Calculation Agreement

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 information purposes; 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. The indicated fee 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.

Calculation Procedures – Please select one

_____ **Market Value Calculation – \$199**

- Calculate value using data from sales of comparable businesses
 - Percentage of annual sales
 - Multiple of sellers' discretionary earnings
- Report any industry rules of thumb
- Information or documents needed
 - Most recent federal income tax return

_____ **Business Value Calculation – \$499**

- Summarize earnings data from the previous 3 years from federal income tax returns
- 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
- Information or documents needed
 - Federal income tax returns for previous 3 years
 - 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

Payment Method

_____ Check enclosed payable to Business Valuations & Strategies PC

_____ PayPal - PayPal address _____

Delivery Option

_____ Download from our secure website

_____ Email to _____

_____ Mail to _____

_____ Name of Business

Signature

Title

Printed name

Date