



Value Calculation Terms & Conditions

Business Valuations & Strategies PC (“BVS”) 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. BVS will perform the calculation procedures described below. The calculation procedures will be performed solely for management 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.

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

Calculation Procedures

Market Value Calculation

BVS will use data from actual sales of businesses similar to yours to calculate the value of your business. BVS will calculate value using the following methods: 1) sales of comparable businesses using a percentage of annual sales and a multiple of sellers’ discretionary earnings, and 2) industry rules of thumb.

Business Value Calculation

BVS will summarize the Company’s earnings data for the most recent 3-year period from its business income tax returns. BVS will use data from actual sales of businesses similar to yours, and widely accepted valuation methods to calculate the value of your business. BVS will calculate value using the following methods: 1) sales of comparable businesses using a percentage of annual sales and a multiple of sellers’ discretionary earnings, 2) industry rules of thumb, 3) capitalized cash flow, 4) excess earnings, and 5) adjusted asset value.

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