

Small Business Sale Document Preparation Guide:

- 1. Corporation:** 3 years of corporate federal tax returns
W-2 s for owners payroll
- Sole Proprietorship:** 3 years Federal tax returns with schedule C
2. A current & 3 year's prior financial statements including Profit & Loss with Balance sheets, and adjusted net cash flow statements for each year.

Note: Please attach a short explanation regarding any intangible assets included on the balance sheet such as royalties, patents, inventions, etc.

3. Copies of all lease obligations- equipment & premise.
4. A list of all equipment used for ongoing business operation and included in sale.

Note: A value will need to be placed on the total of all the equipment (Non-itemized) included in the sale. This value should reflect the replacement cost of the equipment at current fair market value taking into consideration the age & condition of equipment.

5. A list of all trade fixtures included in the sale and a total value based on replacement cost.
6. A list of all leasehold improvements at fair market value included in the sale.
7. A copy of any franchise agreement if applicable.
8. A general list and description of all applicable customer and vendor accounts- Will be kept confidential until appropriate time.
9. An estimate of the acquisition cost of current marketable inventory that will be on hand for the new owner at the close of escrow.

Note: The inventory is generally included in the sales price but can be priced separately. In any event, it is important to provide an accurate estimate of the amount of inventory that will be needed to operate the business at its current level, and will be on hand at the close of escrow.

Please contact me if you have any questions.

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