

Business Valuation of Veterinary Practice: Initial Information Needs List (Needs to be Made Specific to Unique Issues of Actual Entity)



For Questions Regarding this List Contact:
BANISTER FINANCIAL, INC.
1338 Harding Place, Suite 200, Charlotte, NC 28204
Web Site: businessvalue.com

Contact: George Hawkins, President, ASA, ABV, CFA
phone: (704) 499-9009 (direct dial)
e-mail: ghawkins@businessvalue.com

Practice:

Valuation Date (Value as of):

1. Detailed annual financial statements (accrual, if available) for the last seven years leading up to and including the valuation date, including balance sheets, income statements, schedules, statement of cash flows, accompanying accountant notes to statements.
2. Federal corporation (partnership for LLCs) income tax returns (including all schedules), last seven years leading up to and including the valuation date. Include copies of all amended returns.
3. Latest interim and year-to-date financial statements to on or prior to the valuation date, including detailed balance sheet and income statements, and for same year-to-date period of prior year
4. Current detailed accounts receivable aging as of valuation date
5. Gross charges and collections by veterinarian by year, each of last three years, leading up to valuation date.
6. Gross charges and collections by type, latest year leading up to valuation date. Revenues by product and service line, latest year leading up to the valuation date.
7. Budgets, forecasts or business plans or projections of any kind, if any.
8. Compensation paid each officer, director, manager, shareholder, member and each of their respective family members by the Company, by year, for each of the last five fiscal years leading up to the valuation date. Copies of form W2s and 1099s for each for the same periods.
9. Compensation by professional, each year, each of the last five fiscal years leading up to the valuation date. Copies of form W2s and 1099s for each for the same period periods. Calculation of compensation per any compensation formulas used during those periods. Information on any compensation amounts foregone as a part of any buyin to ownership.
10. Copies of all existing contracts of any kind, including but not limited to the following:
 - Employment agreements
 - Covenants-not-to-compete
 - Lease on premises, if any
 - Loan agreements with banks and other financial institutions
11. Schedule of life insurance in force on officers, shareholders/owners/members, with the following information on policies covering shareholders or officers, including:
 - Face amount of policy
 - Ownership of policy
 - Beneficiary
 - Cash value, if any, at the valuation date
 - Amount of annual premiums paid by the Practice

Business Valuation of Veterinary Practice: Initial Information Needs List (Needs to be Made Specific to Unique Issues of Actual Entity)

12. Practice corporation documents, including:
 - Articles of incorporation, bylaws, and any amendments (Operating Agreement, Articles of Organization, and associated amendments if an LLC, partnership agreement and any amendments if a partnership)
 - Corporate minutes, last five years.
 - Shareholder or buy/sell agreements
13. Ownership as of the valuation date. Copies of documents evidencing ownership by each shareholder/member/partner as of the valuation date.
14. Information on all prior transactions in Practice shares/membership interests/partnership interests, including terms, purchase price, any written contracts. Copies of the calculation of any prices or valuations associated with any of these transactions. Copies of any valuations of the Practice prepared for any reason.
15. Information on any past, current or potential future offers, plans, or consideration given to buy or sell part or all of the Practice's shares/membership interests/partnership interests or assets, even if general, or highly preliminary, currently or historically. Discussions with any possible buyer and information on any offers received. Copies of any offering memoranda, marketing information or other documents provided to solicit buyers of the Practice, for undertaking a public or private offering of the Practice's ownership interests or assets, or to raise venture capital or financing of any kind. Copies of any and all business plans prepared.
16. Information on any related party transactions. Copies of any leases with related parties.
17. Information on any and present, pending or past malpractice claims. Amount of malpractice liability coverage and copy of policy.
18. Any contingent or off-balance sheet assets or liabilities of any kind whatsoever as of the valuation date, such as:
 - Pending or threatened lawsuits.
 - Regulatory compliance requirements.
 - Malpractice claims.
 - Hazardous waste/environmental.
 - ERISA claims or problems.
 - OSHA problems.
 - Letter of credit liabilities.
 - Liens or judgments of any kind.
 - Guarantees by Practice of any obligations.
 - Off balance-sheet assets or liabilities of any kind not showing on the Practice's balance sheet as of the valuation date.
19. Information on:
 - Any recent, pending or possible future loss of a Practice professional or other factor which might materially impact the business
 - Any recent, pending or possible future addition of a Practice professional or other factor which might materially impact the business
 - The recent loss of key employees that might harm the business, whether through a loss of revenues, result in the establishment of a competing practice, or any other material impact on the business

Business Valuation of Veterinary Practice: Initial Information Needs List (Needs to be Made Specific to Unique Issues of Actual Entity)

- Pending or possible acquisitions or purchases of other companies or assets, product lines, etc.
20. Copies of any existing indicators of asset values as of or near the valuation date, including latest property tax assessments and any appraisals that have been prepared including real and personal property appraisals of assets owned by the Practice. Copies of any appraisals of the Practice or its shares/membership interests/partnership interests that have been prepared.
 21. List of all assets/liabilities not used in the day-to-day business as of the valuation date. This might include, among other items, marketable securities, cash value of life insurance, investment or excess real estate, assets held for sale or for personal use. Provide market value information as of the valuation date.
 22. Information on any compensation paid to individuals not working in the business on a daily basis for each of the last five fiscal years leading up to the valuation date. Provide amounts by each by year.
 23. Information on any unusual or non-recurring income or expense items in the last five years leading up to the valuation date.
 24. Any on any other material factor impacting (or potentially impacting) the Practice, its results or value as of the valuation date.
 25. Copies of any patents, tradements, copyrights held by the Practice. Copies of any licensing or royalty agreements between the Practice and any other party.
 26. Resumes of all Practice professionals employed as of the valuation date.
 27. Information on any pending or planned buy-in arrangements into ownership as of the valuation date.
 28. Information on any planned addition of new professionals to the Practice.
 29. List of employees as of the valuation date, including name, position, start date, responsibility, salary.
 30. Appraisals of real estate owned as of the valuation date as prepared by state licensed and certified appraisers. Appraisal of the market value of rent for any property leased by the Practice from a related party.
 31. List of revenues for the last year leading up to the valuation date by payor, including the gross charge amount and the collected amount.