

QUALIFICATION ANALYSIS

APPLYING FOR:	
DATE	
COMPANY NAME:	
ENTITY TYPE:	
SOURCE OF INFORMATION :	

BALANCE SHEET & FINANCIAL SPREAD				
	AS OF FISCAL YEAR END 12/31/____	ADJUSTMENTS		POST- LOAN PROFORMA _/_/____
		DEBIT	CREDIT	
ASSETS (<i>increases are entered on debit side, decreases on credit side</i>)				
Cash	\$	\$	\$	\$
Trade Notes and Accounts Receivable less allowance for bad debts	\$	\$	\$	\$
Inventories	\$	\$	\$	\$
Stocks, Bonds, Marketable Securities	\$	\$	\$	\$
Other Current Assets, specify:	\$	\$	\$	\$
TOTAL CURRENT ASSETS	\$	\$	\$	\$
Loans to shareholders/owners	\$	\$	\$	\$
Receivable: Mortgage and Real Estate Loans	\$	\$	\$	\$
Other Investments, specify:	\$	\$	\$	\$
Buildings, Real Estate and other depreciable assets (net of depreciation)	\$	\$	\$	\$
Depletable Assets (net of depletion)	\$	\$	\$	\$
Land (net of any amortization)	\$	\$	\$	\$

Intangible Assets	\$	\$	\$	\$
Other Assets, specify:	\$	\$	\$	\$
TOTAL ASSETS	\$	\$	\$	\$
LIABILITIES & NET WORTH OF SHAREHOLDERS' EQUITY (<i>increases are entered on credit side, decreases on debit side</i>)				
		DEBIT	CREDIT	
Accounts Payable	\$	\$	\$	\$
Mortgages / Deeds of Trust Payable in < 1 year	\$	\$	\$	\$
Notes, Bonds Payable in < 1 year	\$	\$	\$	\$
Other current liabilities, specify:	\$	\$	\$	\$
TOTAL CURRENT LIABILITIES	\$	\$	\$	\$
Loans from shareholders	\$	\$	\$	\$
Mortgages / Deeds of Trust Payable in > 1 year	\$	\$	\$	\$
Notes, Bonds Payable in > 1 year	\$	\$	\$	\$
Taxes Payable	\$	\$	\$	\$
Deficiencies, liens, claims, litigations	\$	\$	\$	\$
Contingent Liabilities	\$	\$	\$	\$
Other Liabilities or SBA, specify:	\$	\$	\$	\$
TOTAL LIABILITIES	\$	\$	\$	\$
Capital Stock	\$	\$	\$	\$
Additional paid-in capital	\$	\$	\$	\$
Retained Earnings	\$	\$	\$	\$
Adjustment to Shareholders' Equity	\$	\$	\$	\$
Less Cost of treasury stock	\$	\$	\$	\$
SHAREHOLDERS' EQUITY=BOOK VALUE=NET WORTH	\$	\$	\$	\$
TOTAL LIABILITIES & NET WORTH OF	\$	\$	\$	\$

SHAREHOLDERS' EQUITY				
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STATEMENT OF INCOME AND EXPENSE					
	ACTUAL YEAR ANNUALIZED	ACTUAL YEAR TO DATE	MOST RECENT 3 YEARS		
		01/01/200_ through ___/___/___	12-month period 1 year ago	12-month period 2 years ago	12-month period 3 years ago
GROSS SALES OR REVENUE less returns and allowances	\$	\$	\$	\$	\$
MINUS: COST OF GOODS SOLD	\$	\$	\$	\$	\$
GROSS PROFIT	\$	\$	\$	\$	\$
NET GAIN/LOSS from form 4797, part II, line 18, OR OTHER, specify:	\$	\$	\$	\$	\$
OTHER INCOME (LOSS), specify:	\$	\$	\$	\$	\$
TOTAL INCOME (LOSS)	\$	\$	\$	\$	\$
TOTAL OPERATING EXPENSE DEDUCTIONS on or for federal tax return*	\$	\$	\$	\$	\$
NET OPERATING INCOME (LOSS) = NET PRE-TAX PROFIT = EBT (EARNINGS BEFORE TAXES)	\$	\$	\$	\$	\$
GROSS PROFIT MARGIN, %			\$	\$	\$
% OF OPERATING COST/SALES			\$	\$	\$
% OF NET OPERATING INCOME/SALES			\$	\$	\$
<p>*Compensation of officers, Salaries and wages less employment credits, Repairs and maintenance, Bad debts, Rents, Taxes and licenses, Interest, Depreciation, Depletion, Advertising, Pension, profit-sharing, plans, Employee benefit programs, Other deductions.</p>					

OWNER'S DISCRETIONARY CASH FLOW

**(DISCRETIONARY CASH FLOW ADDBACKS
AVAILABLE FOR THIS NEW FINANCING, (for period
__/__/__ through __/__/__ (year to date preferred) as will be on tax
return or audited or certified statements)**

1. Net Operating Pre-Tax Income (Loss) = EBT (Earnings Before Taxes)=Net Profit Before Taxes	
ADDBACKS :	
2. Rent add back portion or all previous rent overcharges that won't be paid after this financing, or subtract for undercharge or no charge amount that will be paid in rent after this new financing) Explain:	
3. Interest Expense	
4. Depreciation Expense	
5. Amortization Expense	
6. Extraordinary Expense / Non Recurring, explain:	
7. Other Expenses (Describe):	
8. Current Owner / Management / Principal(s) Salaries, Perks, Benefits (discretionary or obsolete):	
A. Owner's Salary	
B. Other Family Salaries	
C. Owner's Vehicle	
D. Owner's Insurance	
E. Owner's Medical	
F. Owner's Payroll Taxes	
G. Owner's Travel and Entertainment	
H. Non-Essential Telephone	
I. Non-Essential Utilities	
J. Non-Essential Legal	
K. Non-Essential Accounting	
L. Donations, charitable contributions	
M. Other Building Repairs	
8. Total Owner Add Backs (sum of A thru M)	
9. Total Net Add Backs to add to Pre-Tax Profit (sum 2 thru 8)	

10. EBIDTA, APPLICANT'S DISCRETIONARY CASH FLOW (sum of 1 plus 9). <i>THIS IS THE ACTUAL NET AVAILABLE FOR DEBT SERVICE EBIDTA = EARNINGS BEFORE INTEREST, DEPRECIATION, TAXES, AMORTIZATION, EXTRAORDINARY & DISCRETIONARY OPERATING EXPENSES</i>	
ANNUALIZED EBIDTA:	

Owner's / Seller's Discretionary Cash Flow may include: net Operating Pre-Tax Profit or (Loss) plus/minus Verifiable Non-Cash Expenses (Depreciation and/or Amortization); Owner's Salary and Benefits; One Time Non-Recurring or Unusual Expenses; and Non-Essential Expenses. Assume that the business will be sold or transferred to a new owner who may not incur the same discretionary expenses (example: insurance for owner and family members, interest and insurance on non-essential vehicles, convention trips, travel and entertainment, donations, and other non-essential expenses). An Owner's/Seller's Discretionary Cash Flow Analysis should be completed for the last three years and the most recent interim period. If the company is growing dynamically, projections may need to be provided. If you or the business own the facilities housing the business, a rent adjustment should be made if the rent will increase or decrease after this financing. Rent should be comparable to lease rates for comparable space and location.