

Considerations for a Well-Written Valuation Report OR How To Improve Your Chances of Passing the CVA Case Study Exam

The writing of the case portion of the CVA exam should be no different than submitting a report to your own client. The underlying thought pattern should be along the lines of, “Is this the type of report I would be pleased to submit to my client?”

BAUMBACH CONSTRUCTION

Historical Balance Sheet Summary

For Year Ended June 30: (in US \$ 000's)	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	209	350	1,005	1,435	1,403
Accounts Receivable (WIP)	290	750	689	714	891
Inventory	25	30	39	45	49
Other Current Assets					
Loans to Stockholders	0	0	0	0	0
Short-term Investments	50	65	514	1,220	2,150
Total Current Assets	574	1,195	2,247	3,414	4,493
Fixed Assets					
Property, Plant & Equipment	450	475	550	675	900
Land	900	900	900	900	900
Other Fixed Assets	12	15	13	18	25
Total Fixed Assets	1,362	1,390	1,463	1,593	1,825
Other Assets					
Deposits	150	150	150	150	150
Other	0	0	0	0	0
Total Other Assets	150	150	150	150	150
Total Assets	2,086	2,735	3,860	5,157	6,468
Liabilities & Equity					
Current Liabilities					
Notes Payable (Short-term)	73	88	111	119	135
Accounts Payable	11	13	15	12	10
Other Current Liabilities	3	5	2	4	3
Total Current Liabilities	87	106	128	135	148
Long-term Liabilities					
Notes Payable	705	830	1,158	1,517	1,831
Other Long-term Liabilities	0	0	0	0	0
Total Long-term Liabilities	705	830	1,158	1,517	1,831
Stockholder's Equity					
Common Stock	55	55	55	55	55
Paid-in Capital	465	465	465	465	465
Retained Earnings	774	1,236	2,054	2,985	3,969
Other Equity					
Dividends	0	43	0	0	0
Total Other Equity	0	43	0	0	0
Total Stockholder's Equity	1,294	1,799	2,574	3,505	4,489
Total Liabilities & Equity	2,086	2,735	3,860	5,157	6,468

