SAMPLE REPORT. The company and every number in it are fictional.

Maple Ridge Cabinetry, Inc. · Prepared Nov 1, 2026 by DealSwirl

Diligence preview

The checks a buyer's accountant runs during due diligence, run on the owner's documents before a sale. Tax returns are treated as the source of truth; bank statements, income statements and balance sheets are checked against them.

Summary

3 years of numbers from tax returns (FY2023–FY2025): revenue up 20% to $2.2M, with adjusted earnings of $284K in FY2025. This year so far (January to September 2026): revenue of $1.7M, on pace for about $2.3M (an estimate). Of the 16 checks, 8 look good, 7 are worth a look and 1 is likely to draw hard questions.

	FY2023	FY2024	FY2025	2026 YTD (9 mo)
Revenue	$1,827,500	$2,005,200	$2,197,800	$1,747,251
Reported EBITDA	$145,100	$143,678	$244,343	$194,253
Add-backs counted	$20,500	$56,000	$39,400	$0
Adjusted EBITDA	$165,600	$199,678	$283,743	$194,253
Seller's discretionary earnings	$305,600	$349,678	$443,743	$321,453

8 Looks good

7 Worth a look

1 Buyers will question

0 Needs documents

Key findings

The results most likely to come up with a buyer, most serious first.

1. “Equipment repair (one-time)” is counted as one-time in 2023 and 2025

Buyers will question this

These one-time add-backs appear in more than one year: Equipment repair (one-time) (2023, 2025).

What to do: Remove them, or be ready to show why each year's cost was different and won't continue.

2. FY2024 add-backs are 39% of reported earnings **Worth a look**

Add-backs make up a large part of your adjusted earnings. Buyers accept them when each is documented, but they test every one.

What to do: Keep a receipt, statement or invoice for every add-back.

3. FY2023 books show $1.7M of revenue; the return shows $1.8M Worth a look

Your books and returns differ more than buyers expect in FY2023. Some difference is normal (cash vs. accrual accounting, depreciation, year-end entries by your CPA).

What to do: Ask your CPA for a short reconciliation of books to return.

4. $210K of debt, 0.7× adjusted earnings; $25,000 owed to owners Worth a look

$210,000 of debt, about 0.7 times adjusted earnings. $25,000 is owed to owners.

What to do: Most sales are cash-free, debt-free: debt is paid from your proceeds at closing. Settle or document owner loans before a sale.

5. Bank balance fell to $21,400 in February 2024 Worth a look

The lowest month-end balance, $21,400 in February 2024, covers about 12% of a typical month's deposits. A thin cushion makes buyers ask how the business handles slow months.

What to do: Build a cash reserve before going to market, and be ready to explain the low points.

10 questions a buyer will ask

Written from the numbers and ranked by how much the answer could move the price.

1. Add-backs of $56,000 are 39% of reported earnings in FY2024. Can you document each one, starting with the largest, Legal settlement - former employee lawsuit ($38,000)? (Add-backs are a reasonable share of earnings)
2. “Equipment repair (one-time)” is added back as a one-time cost in 2023 and 2025. Why should a buyer treat it as one-time rather than a normal cost of running the business? (One-time costs really are one-time)
3. Your FY2023 books show $1,715,500 of revenue, but your tax return shows $1,827,500. What adjustments explain the difference? (Your books agree with your tax returns)
4. What is the $25,000 the business owes its owners? Is there a promissory note, and how will it be settled at closing? (Debt and owner loans)
5. What share of revenue comes from your largest three to five customers, and are any of them under contract?
6. Your bank balance fell to $21,400 at the end of February 2024. How do you cover payroll and bills in tight months, and have you ever used a line of credit or short-term loan to do it? (Cash cushion and slow months)
7. What are these charges in the business account: Hickory Ridge Country Club, Family phone plan, Streaming subscriptions? Are they business or personal? (Personal spending in the business account)
8. Which customers, suppliers and decisions depend on you personally, and how long will you stay on to hand them over?
9. Can you show receipts, invoices or statements for Family phone plan ($2,400)? (Add-backs trace back to documents)
10. Can you provide current payoff statements for the $210,000 of loans and lines of credit, and say which are personally guaranteed? (Debt and owner loans)

What buyers will like

- Bank deposits support FY2024 revenue (within 1%)
- Balance-sheet cash matches the bank
- Nearly all deposits are customer payments
- No add-back is counted twice
- Revenue grew about 10% a year with steady margins
- 2026 on pace for $2.3M of revenue, 6% above FY2025

Room to grow

At its planned 6% growth, the business can pay its owners about 77% of its earnings and still fund that growth from its own cash (it has no bank debt now), without outside money.

Paid to owners	Growth it can fund itself
100% of earnings	0% a year
75% of earnings	7% a year
50% of earnings	14% a year

All 16 checks

Bank deposits tie to revenue	Looks good
Your books agree with your tax returns	Worth a look
Cash on the balance sheet matches the bank	Looks good
Cash cushion and slow months	Worth a look
Money coming in that isn't sales	Looks good
Add-backs are a reasonable share of earnings	Worth a look
Add-backs aren't counted twice	Looks good
One-time costs really are one-time	Buyers will question this
Add-backs trace back to documents	Worth a look
Personal spending in the business account	Worth a look
Revenue and margins are steady	Looks good
This year so far	Looks good
Customers pay on time	Looks good
Debt and owner loans	Worth a look
Total assets agree with your tax return	Looks good
Documents a buyer will ask for	Worth a look

Proof of cash and revenue

Bank deposits tie to revenue Looks good

Customer deposits line up with the revenue on your returns (FY2024 within 1%).

Year	Months	Customer deposits	Revenue (return)	Deposits vs. revenue
FY2025	9 of 12 (estimate)	$2,161,947	$2,197,800	2% lower
FY2024	12 of 12	$2,029,264	$2,005,200	1% higher

What a buyer will ask
Do the bank deposits support the revenue on your tax returns? This is the core of a proof of cash.

What to do
Nothing to fix. Keep these statements handy for the buyer's accountant.

Your books agree with your tax returns Worth a look

Your books and returns differ more than buyers expect in FY2023. Some difference is normal (cash vs. accrual accounting, depreciation, year-end entries by your CPA).

Year	Revenue (return)	Revenue (books)	Net income (return)	Net income (books)	
FY2025	$2,197,800	$2,207,200	$173,443	$179,543	Looks good
FY2024	$2,005,200	$2,005,200	$75,778	$75,778	Looks good
FY2023	$1,827,500	$1,715,500	$80,800	$39,800	Worth a look

What a buyer will ask
Do the income statements from your accounting software match what you filed?

What to do
Ask your CPA for a short reconciliation of books to return.

Cash on the balance sheet matches the bank Looks good

Balance sheet cash matches the bank statement.

As of	Balance sheet cash	Bank ending balance	Difference
Dec 31, 2024	$215,400	$215,400	$0

What a buyer will ask
Is the cash on your balance sheet really in the bank on that date?

What to do
Nothing to fix.

Cash cushion and slow months Worth a look

The lowest month-end balance, $21,400 in February 2024, covers about 12% of a typical month's deposits. A thin cushion makes buyers ask how the business handles slow months.

Measure	Amount
Average month-end balance	$166,067
Lowest month-end balance (February 2024)	$21,400
Typical month of customer deposits	$173,844
Weakest month for deposits (January 2024)	$144,078

What a buyer will ask
Does the business keep enough cash on hand, and how does it get through slow months?

What to do
Build a cash reserve before going to market, and be ready to explain the low points.

Money coming in that isn't sales Looks good

$115,000 of $3,765,724 deposited over 21 months (3%) looks like transfers, loans or owner money rather than customer payments.

What a buyer will ask
Are loans, transfers or owner money being counted as revenue?

What to do
Nothing to fix.

Quality of earnings

Add-backs are a reasonable share of earnings Worth a look

Add-backs make up a large part of your adjusted earnings. Buyers accept them when each is documented, but they test every one.

Year	Reported EBITDA	Add-backs counted	Share of reported	Adjusted EBITDA
FY2025	$244,343	$39,400	16%	$283,743
FY2024	$143,678	$56,000	39%	$199,678
FY2023	$145,100	$20,500	14%	$165,600

What a buyer will ask
How much of the profit you're selling comes from adjustments rather than the books?

What to do
Keep a receipt, statement or invoice for every add-back.

Add-backs aren't counted twice Looks good

No two counted add-backs look like the same expense.

What a buyer will ask
Is any expense added back twice because it showed up in more than one document?

What to do
Nothing to fix.

One-time costs really are one-time Buyers will question this

These one-time add-backs appear in more than one year: Equipment repair (one-time) (2023, 2025).

What a buyer will ask
If a 'one-time' cost shows up every year, is it really a normal cost of doing business?

What to do
Remove them, or be ready to show why each year's cost was different and won't continue.

Add-backs trace back to documents Worth a look

1 add-back worth $2,400 was typed in rather than found in a document.

What a buyer will ask
Can you prove each add-back?

What to do
Gather a receipt, invoice or statement for each before buyers ask.

Personal spending in the business account Worth a look

3 charges that look personal, about $8,940 a year: Hickory Ridge Country Club, Family phone plan, Streaming subscriptions.

What a buyer will ask
Are personal and business money kept apart?

What to do
Count the real ones as add-backs (with proof), and run personal costs through a personal account from now on.

Trends and balance sheet

Revenue and margins are steady Looks good

Revenue grew about 10% a year and margins held steady.

Year	Revenue	Gross margin
FY2023	$1,827,500	45.0%
FY2024	$2,005,200	45.6%
FY2025	$2,197,800	46.3%

What a buyer will ask
Is the business growing, and are margins consistent from year to year?

What to do
Nothing to fix.

This year so far Looks good

January to September 2026: revenue of $1,747,251, on pace for about $2.3M for the year (6% above FY2025). An estimate from 9 months: busy and slow seasons can move it.

	Revenue	Reported EBITDA	Gross margin
2026 year to date (9 mo)	$1,747,251	$194,253	46.3%
Full year at this pace (estimate)	$2,329,668	$259,004	–
FY2025	$2,197,800	$244,343	46.3%

What a buyer will ask
How is this year going compared with last year? Buyers ask for this year's numbers to date.

What to do
Update it each quarter while the business is for sale.

Customers pay on time Looks good

Customers pay in about 34 days.

Measure	As of Dec 31, 2024
Days to get paid (receivables)	34 days
Days of inventory on hand	32 days
Days to pay suppliers (payables)	24 days

What a buyer will ask
How long do customers take to pay, and how much cash is tied up in inventory?

What to do
Nothing to fix.

Debt and owner loans Worth a look

$210,000 of debt, about 0.7 times adjusted earnings. $25,000 is owed to owners.

What a buyer will ask
What debt comes off the price at closing, and are there loans between you and the business?

What to do
Most sales are cash-free, debt-free: debt is paid from your proceeds at closing. Settle or document owner loans before a sale.

Total assets agree with your tax return Looks good

Total assets on your balance sheet match your return closely.

As of	Tax return	Balance sheet	Difference
Dec 31, 2024	$948,000	$909,650	-$38,350

What a buyer will ask
Does the balance sheet you show them match the one on your return?

What to do
Nothing to fix.

Readiness

Documents a buyer will ask for Worth a look

2 documents missing from the standard three-year set.

Year	Tax return	Income statement	Balance sheet	Bank statements
2025	Yes	Yes	Missing	9 months
2024	Yes	Yes	Yes	12 months
2023	Yes	Yes	Missing	None

What a buyer will ask
Three years of returns, income statements and balance sheets, plus recent bank statements.

What to do
Fill in the missing years on the Upload financials step.

This preview runs common due-diligence checks on the documents provided. It is not an audit, a review, or a quality-of-earnings report, and it is not accounting, tax or legal advice. A buyer's accountant will do their own work.