

Required Information for Business Valuation

- 1) Last Three (3) to Five (5) years of Business Tax Returns with all statements and schedules including Asset Depreciation Schedule
- 2) Last Three (3) to Five (5) years fiscal year end Business Financial Statements (balance sheet and income statement. Unless your business is a C Corporation, the fiscal year end date is December 31 of each year.
- 3) Identify any one-time (non-recurring), discretionary, and/or personal expenses and/or personal benefits (i.e. perquisites “perks”) for each year for which financial information is provided.
- 4) Most current interim Business Financial Statement (balance sheet and year-to-date income statement)
- 5) List of Assets –
 - a. Provide copy of most current Asset Depreciation schedule (from business tax returns)
 - b. Identify any assets listed on current balance sheet / depreciation schedule that is no longer owned by the company.
 - c. Identify any assets that will not transfer in a sale.
 - d. Identify any non-operating assets. For example, assets no longer used by the company or assets not required in the operation of the company (e.g., excess/obsolete equipment, owner’s vehicle / boat, excess cash, etc.).
 - e. What is your estimate of the Fair Market Value for each asset owned by your business?
- 6) In your opinion, how much revenue will your company generate for each of the next five years? Forecast should be reasonable/supportable - not speculative.
- 7) If your business leases the real estate and building, please provide copy of lease agreement.
- 8) If real estate is owned by the business, provide details on mortgages / related notes (current balance, interest rate, term in months, interest paid in each year for which financial information is provided per # 1, above).
- 9) Provide Pictures of Facilities & Major Equipment Items (digital if available).
- 10) Provide Accounts Receivable (A/R) & Accounts Payable (A/P) Aging Reports as of each fiscal year end.
- 11) Provide W-2 for compensation paid to shareholders/members/officers/other family members whether active or not active in the business for each year for which financial information is provided per 1, above.
 - a. What is the amount of compensation needed to replace shareholders/members/ officers/family members that are active in the business?
- 12) Identify key managers/employees (including owners) that may be difficult to replace – provide a description of their function and reason they are key to the business, years in industry and years with the Company.

If Available, please provide the following:

- 1) Shareholder’s Agreement / Operating Agreement /Shareholder’s Buy/Sell Agreement
- 2) Any business appraisals / machinery & equipment appraisals performed in prior years and / or transaction data for prior sales of business and / or prior sales of stock.
- 3) Business plans, budgets or financial projections, and organizational chart.
- 4) Brochures, photographs, price lists, key contracts, purchase agreements.
- 5) Local and regional economic information, as well as, current industry forecast.
- 6) Copies of leases (or schedule of debt) related to vehicles, equipment, furniture or fixtures.

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