

OUR METHODS

Boyce & Associates Valuations uses the following methods to value closely held business interests:

ASSET APPROACH

Also known as the "Cost" method, this measure the value of a business's balance sheet, including assets and liabilities

INCOME APPROACH

This measures the businesses' ability to generate income and future cash flow, based on anticipated future earnings. The Income method utilizes one of two approaches, the single period Capitalization Method and the Multiple Period Discount Method.

MARKET APPROACH

This measures the value of the business based on either comparable private market transactions or similar publicly-traded companies. For private market transactions, we use **BizComps**® and **IBA Market Data** databases, and for public transactions, we use the **Guideline Public Company database**.

PROCESS

DISCUSSION

Covering the following topics:

- Nature and Background of the Business, its services and products
- Purpose & Objective for Valuation
- Key employees, customers, considerations
- Significant assets, including inventory, and liabilities
- Executive and owner compensation

DISCOVERY

Collect necessary financial information

- Profit and Loss Statement & Balance Sheet Last 4-5 years
- Tax Returns Last 4-5 years
- Interim Profit and Loss statement/Balance Sheet for current year
- Available Forecasts, Projections, Proforma, Budgets

CONFIRMATION

Of required inputs, information and assumptions

EVALUATION

Make adjustments and evaluate various valuation measures to assess true economic value for the enterprise, using a combination of various methods, including the Asset (Cost), Income, and Market method.

REPORT

Draft the Certified Valuation Report & Letter of Opinion following the comprehensive analysis of the enterprise. The valuation report is drafted under the standards of the **Uniform Standards of Professional Appraisal Practice (USPAP)**.

LEVELS & PURPOSES

FULL SERVICE VALUATION

Prepared to Uniform Standards of Appraisal Practice (USPAP)

PURPOSE

- Detailed Description of what is being valued.
- In the case of a sale, a detailed description of what is, and what is not, for sale.

BACKGROUND

- The entity's legal type and ownership structure, including owners and percentages of ownership.
- A detailed history of the company, crucial for determining value of its liquidity, viability, and solvency. Particularly important in situations where the company has stock or multiple owners.
- Detailed analysis of the industry and the company's market share.
- Detailed analysis of the company's competitive position within the industry, including top competitors and their products and services.
- Demographic analysis of the company's market.

FINANCIAL

- Financial statement analysis, including balance sheets, income statements and cash flow statements, for up to ten years.
- Income and balance sheet analysis for each quarter over the past year.
- Tax returns considered for the past three to five years.
- Analysis of any company financial forecasts for the next two to four years.

LIENS AND LEGAL

- Consideration of any audits or IRS scrutiny.
- Consideration of liens against the business.
- Consideration of any litigation, either as plaintiff or defendant, the company has engaged in over the past five years.
- Attestation to business valuation in court or other legal proceedings, subject to additional fees and expenses.

ORGANIZATIONAL

- Resume reviews of all company owners, officers and top executives.
- Examination of monthly payroll data: employees and their functions.
- Examination of a current organizational chart.
- Consideration of product inventory amounts for the past three years.
- Examination of all current suppliers.
- Examination of customers: from full customer list to top five customers.
- Analysis of customer payment history from up to three years of accounts receivable aging reports.
- Consideration of employee benefit plans and costs.
- Consideration of contracts with top executives and managers.
- Analysis of all obligations for retirement plans, profit-sharing, stock options and bonuses.
- Examination of all intellectual property: including patents, copyrights, trade/service marks and all license agreements.
- Potential consultation with any to all business advisors: including attorneys, CPAs and consultants.
- Consideration of any related contracts and/or retainers.

Boyce & Associates offers CERTIFIED business appraisals. Our team possesses the coveted Certified Valuation Analyst (CVA) credential, which emphasizes the highest level of diligence, rigor and expertise possible.

BASIC VALUATION

Prepared to Uniform Standards of Appraisal Practice (USPAP)

PURPOSE

- Detailed Description of what is being valued.
- In the case of a sale, a detailed description of what is, and what is not, for sale.

BACKGROUND

- The entity's legal type & ownership structure, including owners and percentages of ownership.
- A brief history of the company to help value of its liquidity, viability, and solvency.
- Analysis of the industry and the company's market share and competitive position.

FINANCIAL

- Financial statement analysis, including balance sheets, income statements and cash flow statements, for up to five years.
- Year-to-date income and balance sheet analysis for current year.
- Tax returns considered for the past three to five years.
- Analysis of any company financial forecast for the next year.

LIENS AND LEGAL

- Consideration of any audits or IRS scrutiny.
- Consideration of liens against the business.
- Consideration of any litigation, either as plaintiff or defendant, the company has engaged in over the past five years.

ORGANIZATIONAL

- Examination of customers: from full customer list to top five customers.
- Consideration of employee benefit plans and costs.
- Consideration of contracts with top executives and managers.
- Analysis of all obligations for retirement plans, profit-sharing, stock options and bonuses.
- Examination of all intellectual property: including patents, copyrights, trademarks, service marks and all license agreements.

CALCULATION OF VALUE

Prepared to Uniform Standards of Appraisal Practice (USPAP)

PURPOSE

- Detailed Description of what is being valued.

BACKGROUND

- The entity's legal type and ownership structure, including owners and percentages of ownership.
- A brief history of the company to help value of its liquidity, viability, and solvency.

FINANCIAL

- Financial statement analysis, including balance sheets, income statements and cash flow statements, for up to five years.
- Year-to-date income and balance sheet analysis for current year.
- Tax returns considered for the past three to five years.

LIENS AND LEGAL

- Consideration of liens against the business.

ORGANIZATIONAL

- Analysis of all obligations for retirement plans, profit-sharing, stock options and bonuses.

Whether you are needing to know the value of your business for a sale, loan, or for a buy sell agreement, Boyce & Associates Valuations will be able to help.

There are many reasons for business owners to need a certified valuation of their business. The most common are in the case of a business sale, equity offering, Buy/Sell agreement or in the case of a divorce, or business divorce.

Boyce & Associates Business Valuations has a highly trained staff of business valuation experts with over 50 years of combined experience in business valuation and security analysis.

One of our core beliefs at Boyce & Associates Business Valuations is that certified business valuations do not need to be extremely expensive. We have several levels of business valuation that will be able to fit your unique valuation need without breaking the bank.

- ✓ Simple & Complex Valuations
- ✓ Help with Buy or Sell
- ✓ Experienced Staff
- ✓ Priced for Value

Business valuation is a process and a set of procedures used to estimate the economic value of an owner's interest in a business. An accurate valuation of a closely held business is an essential tool for a business owner to assess opportunities and opportunity costs as he or she plans for future growth & transition. It provides either a point-in-time assessment of relative value for an owner, or the price a buyer would be willing to pay to acquire the business.

B&A BOYCE & ASSOCIATES BUSINESS VALUATIONS

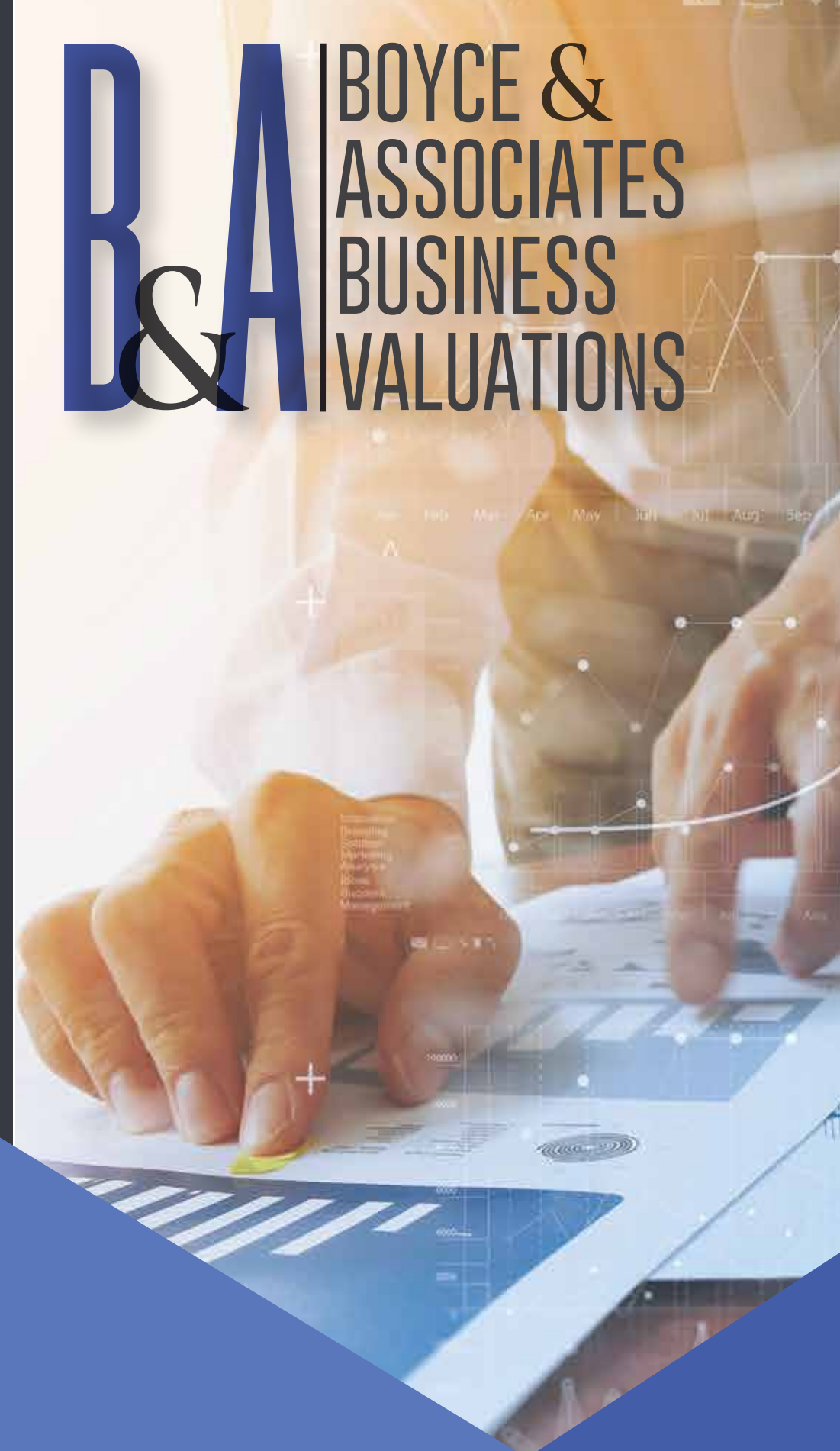
WWW.BOYCEVALUATIONS.COM
3109 KENAI DRIVE, STE. 107 | CEDAR PARK, TX 78613



FOR MORE INFORMATION OR TO SCHEDULE
A BUSINESS APPRAISAL, CONTACT
ERIC C. BOYCE, CFA, CHIEF EXECUTIVE OFFICER
512.522.4838 | ERIC@BOYCEWEALTH.COM



B&A BOYCE & ASSOCIATES BUSINESS VALUATIONS



ERIC C. BOYCE, CFA MSF NQPA AND
THOMAS E. KEMLER, CFA CVA ARE
PROUD MEMBERS OF THE NATIONAL
ASSOCIATION OF CERTIFIED
VALUATORS AND ANALYSTS

