

# Financial Reporting Valuations - US GAAP and IFRS

## COMPLEXITY REQUIRES EXPERIENCE

Marshall & Stevens is a respected resource for public and private companies in need of valuations for compliance with financial reporting standards, both domestic (Financial Accounting Standards Board Accounting Standard Codification - *FASB ASC*) and international (International Accounting Standards - *IAS*, or International Financial Reporting Standards - *IFRS*).

Through regular dialogue with audit firms as well as participation in accounting and valuation industry task forces, committees and conferences, our valuation professionals keep up to date on the latest accounting guidance and interpretations while providing cost-effective solutions for our clients.

Each financial reporting assignment begins with a discussion with the client's audit firm in order to make sure our team, our client and the audit firm are working together for the best, most efficient process and results for the client.

The Financial, Real Estate and Equipment valuation specialists at Marshall & Stevens work together to provide a single, integrated solution for clients with needs for multidisciplinary valuations and assignments with assets around the world.



## OVERVIEW OF KEY FINANCIAL REPORTING VALUATION TOPICS

### 1. Purchase Price Allocations: FASB ASC 805 and IFRS 3 – Business Combinations

The consideration paid to acquire an enterprise must be allocated to the underlying assets in order to set the opening balance sheet.

The allocation exercise includes the valuation of the transaction consideration, including any contingent consideration, rollover equity or non-controlling interests, as well as tangible and intangible assets

Engaging Marshall & Stevens, a firm with a proficiency in business combinations as well as the in-house capability to value intangible and tangible assets (real estate and equipment), can save acquirers' time and expense including reducing the time and fee required in audit review.

\* *ASC 954-805 addresses particulars of Not-For-Profit Healthcare Business Combinations.*

**2. Testing for Impairment of Goodwill and Indefinite Lived Assets: FASB ASC 350**  
**Testing for Impairment of Long-Lived Assets: FASB ASC 360**  
**Impairment of Assets: IAS 36**

Marshall & Stevens is a multidisciplinary firm with a great deal of experience valuing equity, intangible assets, real estate and fixed assets for potential impairment.

**3. Valuation of Equity Compensation: FASB ASC 718 (IRC 409A) and IFRS 2**

A valuation for compliance with ASC 718 generally must also comply with Internal Revenue Code 409A, for US tax reporting purposes.

**4. Derivatives and Financial Instrument valuations:**

**ASC 320: Investments - Debt and Equity Securities**

**ASC 815: Derivatives and Hedging**

**ASC 946: Financial Services - Investment Companies**

Complex financial modeling techniques are required to value some of these instruments, including: Black-Scholes Option Pricing Model, Binomial Lattice and Monte Carlo.

Marshall & Stevens has the knowledge and experience required to value the many forms of illiquid investments covered by the guidance listed above.

**5. Fresh Start Accounting Valuation: ASC 852 - Reorganizations**

Financial reporting requirements associated with an emergence from Chapter 11 of the Bankruptcy Code include the restatement of the company's balance sheet, similar to an ASC 805 (purchase price allocation) analysis.

The Financial, Equipment and Real Estate valuation professionals at Marshall & Stevens provide the required valuation of the subject intangible and tangible assets to meet the client's need for a fresh start balance sheet.



**Darleen Armour, ASA**  
 Managing Director  
 Financial Valuation & Consulting  
 213.233.1516  
 darmour@marshall-stevens.com



**John F. Spude, ASA**  
 Principal  
 Financial Valuation & Consulting  
 312.223.8477 x1911  
 jspude@marshall-stevens.com



**David A. Gaynor, II, ASA**  
 Managing Director  
 Healthcare and Financial Valuation  
 212.575.2298  
 dgaynor@marshall-stevens.com



**Ellie Tinoco**  
 Director  
 Financial Valuation & Consulting  
 212.575.2488  
 etinoco@marshall-stevens.com



**James Sieman, ASA**  
 Principal  
 Financial Valuation & Consulting  
 813.345.5308  
 jsieman@marshall-stevens.com



**Matthew R. West, ASA**  
 Principal, Structured Finance  
 Financial and Healthcare Valuation  
 312.223.8477 x1908  
 mwest@marshall-stevens.com