



About Financial Reports

Cash Flow Projections:

This statement shows how cash moves through your business in the form of receipts and expenses. This statement needs to be projected for three years. It is based on assumptions of how your business revenues and expenses will increase or decrease throughout the period. Cash Flow Projections should be completed for the current and next two years of business.

Profit and Loss Statement:

This statement measures the result of operations of a business over a given period of time. The Profit and Loss Statement adds up all of the revenues of a business and subtracts all of the operating expenses, providing you with the **profits** (or **loss** if the expenses exceed the revenues). The Profit and Loss Statement should be completed for two years prior to the current year.

Balance Sheet:

This statement provides a "snapshot" of your company's financial position at any given point in time. The Balance Sheet is a list of what the business owns (assets) and what the business owes (liabilities), with the resulting difference being what the business is worth (net worth). The Balance Sheet should be completed for two years prior to the current year.

Break Even Analysis:

This series of calculations allows you to determine the amount of sales and/or number of products that needs to be sold in order for your business to cover its expenses. A Break Even Analysis should be completed for the current year of business.

Sample documents for these reports are available at www.MetroAction.org. MetroAction provides these examples solely to illustrate the information needed to complete the loan application process. MetroAction is not responsible for their use or any claims arising from their use. Your legal counsel, your accountant and other professionals should be consulted in all relevant matters.

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