

Forecasts and Projections



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The use of prospective financial statements continues to grow as companies require their use to obtain financing and raise capital. Now more than ever, sophisticated investors and bankers want to know what “will” rather than what “did” happen.

Due to the need for more “forward-looking” information, the American Institute of Certified Public Accountants *Codification of Statements on Standards for Attestation Engagements* officially codified *Financial Forecasts and Projections* in January 1989, giving accountants standards to follow when preparing forecasts and projection reports.

Why does the matter to me? For any businesses, prospective financial statements may be needed for a number of reasons including:

1. Obtain bank financing
2. Private or public placement
3. Internal management decisions

Dean Dorton performs forecasts and projections for many scenarios including closely-held businesses’ internal use only and third-party use examination engagements for boards and banks.

In recent years, Dean Dorton has provided forecasts and projections related to the United States Department of Agriculture’s (USDA) Rural Development programing. Most of the USDA related projects require an examination report from an independent accountant on the project’s feasibility. As per the USDA’s *Fiscal Year 2015 Rural Development Progress Report*, the USDA invested \$29.75 billion in nearly 171,000 projects across the nation. Many of those projects have been in Kentucky and Southern Indiana.

Some of our other recent forecasts and projection projects:

- A new hospital patient tower
- New hospital construction to move to all single-occupancy rooms
- New building construction or expansion for college and universities
- Improved debt service requirements with debt restructurings and refinancing

To learn more, contact your Dean Dorton advisor or David Richard at drichard@deandorton.com.