

# **What is a Sources and Uses Statement?**



A Sources and Uses Statement lays out exactly where all the money for a project is coming from (sources) and exactly how that money will be spent (uses). The total Sources must equal Uses.

A well-prepared development budget includes clear equity line items, documentation from the source of that equity, and a pro forma showing the developers contribution relative to debt and subsidies. This document helps you evaluate feasibility – it helps you understand if the project is fully funded, whether the developer is contributing equity, whether costs are reasonable and complete, and whether the financing structure makes sense. A Sources and Uses Statement is usually paired with a development pro forma, a construction budget, evidence of equity, loan term sheets, and grant or subsidy commitments.

