

ELEMENTS OF FINANCIAL FEASIBILITY REPORTS

FINANCIAL FEASIBILITY ANALYSIS	
<p>The following is a guide of the minimum items to be addressed in the preparation of the financial feasibility analysis. The level of effort required to prepare the report and the depth of analysis within the report are proportional to the size and complexity of the proposed project. The preparer is expected to fully disclose and analyze all significant factors that may have favorable or adverse effect on the financial success of the proposed facility.</p>	
Existing facility	Explain current capacities; rates or usage; activities; suitability for continued use; alternate usage; deficiencies in servicing; staffing or physical conditions; and any other pertinent information.
Proposed facility	Description of construction and renovation by component parts including capacity of each component part and physical limiting factors.
Need for facility	Explain and document the need for the facility. Include comments regarding: <ul style="list-style-type: none">• Service area• Population trends• Similar facilities and services in the area• Usage trends• Community support• Regulatory agency approval• Economy in the service area• Analysis of staff and consultants
Financial information	Explain all assumptions, underlying and expected demand, use, and projections of financial data, such as: <ul style="list-style-type: none">• Changes in usage• All income and expenses• Rate structure• Allowance for collectible accounts• Depreciation life and method• Description of long-term debts
Financial statements	The following financial statements must be prepared reflecting 5 years' projections: <ul style="list-style-type: none">• Balance sheet for all funds• Statement of income and expense• Statement of cash flow (cash receipts and disbursements)• Comparison data for facilities in similar industry or service (most recent year only)
Qualifications	Provide a resume or statement of qualifications of the preparer of the financial feasibility analysis