



CPAs & BUSINESS ADVISORS

FINANCIAL FEASIBILITY STUDIES

Brian Stavenger, CPA, Partner

Ross Manson, Chief Innovation Officer

August 28, 2018

PRESENTATION OVERVIEW

Financial Feasibility Study Components

Challenges in the Application Process

Missteps in the Application Process

Questions and Discussion

These seminar materials are intended to provide the seminar participants with guidance and a better understanding of the financial feasibility study. The materials do not constitute, and should not be treated as professional advice regarding financial feasibility studies. Every effort has been made to assure the accuracy of these materials. Eide Bailly LLP and the author do not assume responsibility for any individual's reliance upon the written or oral information provided during the seminar. Seminar participants should independently verify all statements made before applying them to a particular fact situation, and should independently determine consequences of any particular technique before recommending the technique to a client or implementing it on the client's behalf.

FINANCIAL FEASIBILITY STUDY COMPONENTS

Required for most Significant Debt Issuances

Agreed-Upon Procedures, Compilation, and Examination

Detailed Description and Evaluation of Project and Related Assumptions

Business Plan for Management

Industry Experience and Expertise is Necessary

FINANCIAL FEASIBILITY STUDY COMPONENTS

- Overall summary
- Financial statements
- Description of the organization
- Project description
- Financing plan
- Accounting policies
- Financial assumptions
- Market assumptions
- Sensitivity analysis

FINANCIAL FEASIBILITY STUDY COMPONENTS

Financial Assumptions

- Understanding Financial Statements and Ratios

- Understanding Industry and Revenue Streams

- Understanding Current Economic Conditions and Marketplace

Market Assumptions

- Understanding “Competition”

- Understanding Data Available

- Understanding Future Trends

Management and Governance Evaluation

Sensitivity Analysis

CHALLENGES IN THE APPLICATION PROCESS

Upfront Planning (Lack Thereof)

Client, Architect, Advisors, etc.

Financial Strength of the Applicant

Historical Performance

Project Size and Scope

Balance Facility Needs with Capacity

Understanding Terms

Cash Flow

Non-Project Related Initiatives

Information Technology

Recruitment

MISSTEPS IN THE APPLICATION PROCESS

Preliminary Architectural Feasibility Report

Debt Structure / Test for Other Credit

- Direct vs. Guaranteed

- Terms and Rates

- Existing Debt

Timing and Updates to the Forecast

- Construction Costs

- Interest Rates

- Updated Financial Information

QUESTIONS AND DISCUSSIONS

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.

THANK YOU

Brian Stavenger, CPA, Partner
bstavenger@eidebailly.com
701.239.8518

Ross Manson, Chief Innovation Officer
rmanson@eidebailly.com
701.239.8634



CPAs & BUSINESS ADVISORS



CPAs & BUSINESS ADVISORS