Financial/Operational Feasibility Study

Guidelines

Components and Requirements of a Financial Feasibility Study

Executive Summary
A brief overview of the project, including its objectives, financial goals, and the main conclusions of the study.

Project Description
A detailed explanation of the project.

Resource Plan
Resourcing plan for all school authority positions including, but not limited to:

- recruitment and retention of superintendent, secretary treasurer, school-based administrators, teachers and other key staff (e.g. bus drivers, custodial, food services), and
- teacher/support staff contract considerations (Alberta Teachers Association, Canadian Union of Public Employees etc.).

Operating and Maintenance Costs (including but not limited to)

- Salaries and wages
- Board of Trustees
- Utilities
- Insurance
- Transportation (purchasing and maintenance)
- Technology and IT Support
- Curriculum and Educational Materials
- Teacherage/housing costs
- Equipment and furnishings
- Additional contracted services
- Ongoing plant and building repair and maintenance expenses – (e.g. plumbing, HVAC, leaky roof, gymnasium floor repair upkeep)

Cash Flow Analysis

- Monthly/Annual Cash Flow Projections: These projections will show the expected inflows (Funding Manual, grants, etc.) and outflows (salaries, utilities, etc.) on a month-to-month or yearly basis. This will help determine whether the school will have enough cash to cover operational costs at any given time.
- Working Capital Requirements: These requirements will ensure that there are enough short-term funds to cover immediate expenses as revenue comes in, which may be seasonal or tied to enrollment cycles.
- Long term reserves operating/capital.

Detailed Forecast of Revenue/Expenses (over a 5-year term)

- Other revenue sources
- Revenue forecast based on projected student enrollment
- Fixed expenses
- Variable expenses

Detailed Forecast of Initial Investment/Capital Assets/Financing

- Initial investment – please provide the initial investment dollar amount that would be required to get the proposed education authority started. Is this initial investment a loan that requires repayment, or is it a donation?
  - Initial investment as a loan, including interest rate and time to maturity in years
  - Initial investment as a donation

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- Capital assets planned to purchase over a 5-year term, under the following categories:
  - Inventory & Supplies
  - Furniture & Fixtures
  - Vehicles
  - Equipment
  - Other (specify)
- Any new financing the proposed school authority would plan to undertake, aside from the initial investment loan?
  - Interest rate
  - Terms of loan in years
  - Loan amount

Key Financial Ratios

- Current ratio
- Assets to liabilities
- Revenue growth
- Debt to net assets

Risk Assessment

- Risk Factors: Identifying potential risks that could impact the school's financial viability, such as changes in local demographics, government education policy changes, economic downturns, loss of student enrollment (e.g. impacts of a 5% enrollment decline, 10% enrollment decline, 20% enrollment decline, 30% enrollment decline), or a change in federal government funding expectations.
  - A key factor to highlight here would be the requirement for a new school authority to have representation/support from all Fort Chipewyan communities, including Mikisew Cree First Nation and the non-Indigenous population.
- Mitigation Strategies: Developing plans to address or minimize these risks, such as emergency funding sources and staffing shortages.
- Economies of scale: Information about the viability of the proposed financial model, which would not have the economies of scale of all other provincial public school authorities in the province.

School Operational Plan

- Growth Projections: Provide future growth in student enrollment by completing an enrollment projection survey, and the expansion of the school's services.
- Short-term and long-term considerations on educational viability (e.g. appropriate student and class groupings, teaching assignment considerations, student high school credentialing possibilities, ability to provide education supports to all students).
- Outcomes improvement (consideration of how the proposed education authority will improve student learning outcomes in a way that can be measured against what is currently being offered).
- Hours of instruction school calendar to meet the requirements for the minimum number of hours of instruction.
- Compliance with the *Education Act* and all associated regulations that apply.
- Student Records and Student Information Systems (including but not limited to):
  - Develop and maintain student information/student records.
  - Requirements of handling student information/student records.
  - Develop and maintain IT capacity to operate Power School, Student Information Systems and Provincial Approach to Student Information.

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