Financial Performance Response Evaluation Instrument

Charter Holder Name: Blueprint Education, Inc.
Charter Holder Entity ID: 81041

Required for: Failing School Designation
Audit Year: 2013

Arizona State Board for Charter Schools (Board) staff completed the Financial Performance Response Evaluation Instrument for the Board in its consideration of applicable requests made by the charter holder. "Not Acceptable" answers may adversely affect the Board's decision regarding a charter holder's request.

Measure	Reason(s) for "Not Acceptable" Rating
1a. Going Concern Acceptable ☐ Not Acceptable ☐ Not Applicable ☒	
1b. Unrestricted Days Liquidity Acceptable ☐ Not Acceptable ☐ Not Applicable ☒	
1c. Default Acceptable ☐ Not Acceptable ☐ Not Applicable ☒	
2a. Net Income Acceptable ☐ Not Acceptable ☒ Not Applicable ☐	The response does not explain the reasons for Blueprint's negative net income in fiscal year 2013 as required by Appendix C of the Board's financial framework. Blueprint asserts that "significant operational changes have been made since FY 12 resulting in a much stronger financial outlook". While Blueprint indicates that it had positive net income in fiscal year 2014, which is supported by the audit, the response does not include information and analysis that explains the "operational changes" made by the charter holder to achieve positive net income as required by the framework's Appendix C.

Measure	Reason(s) for "Not Acceptable" Rating
2b. Cash Flow Acceptable ☐ Not Acceptable ☒ Not Applicable ☐	The response does not explain the reasons for Blueprint's negative three-year cumulative cash flow in fiscal year 2013 as required by Appendix C of the Board's financial framework. Blueprint asserts that the positive cash flow in fiscal year 2014 is due to increased revenue and reduced expenses. Blueprint's audits support increased revenue, but show consistent total expenses of approximately $3.7 million with a slight increase occurring between fiscal year 2013 and fiscal year 2014. Blueprint does not support the assertion related to reduced expenses. Blueprint does not support the assertion that its fiscal year 2015 budget projects a 6% margin which equals a net income of $212,000.
2c. Fixed Charge Coverage Ratio Acceptable ☒ Not Acceptable ☐ Not Applicable ☐	