Blueprint Education Financial Performance Response

Blueprint Education's Financial Performance Framework represents FY13 data. Blueprint Education's fiscal 2014 audit provides relevant information to the sustainability indicators. The audit was submitted to the Arizona State Board for Charter Schools on November 4, 2014. Blueprint Education now "Meets" on five out of the six near-term and sustainability indicators. Using FY 14 data, Blueprint Education moves from "Does Not Meet" to "Meets" for the indicators of Net Income and Fixed Charge Coverage Ratio. For the more long term measure of Cash Flow, Blueprint does not meet, however, the 3 year trend is positive.

Net Income ($153,500) – Does Not Meet

Net Income $113,949 – Meets (FY14)

Significant operational changes have been made since FY 12 resulting in a much stronger financial outlook. The trend in net income from FY 12 to FY 14 is positive. According to audited financial statements for FY 14, **Blueprint earned a positive net income of $113,949.** With this new information, Blueprint meets the ASBCS financial performance expectations for the sustainability indicator of net income.

Fixed Charge Coverage Ratio (.79) – Does Not Meet

Fixed Charge Coverage Ratio (1.26) – Meets (FY14)

The Fixed Charge Coverage Ratio does not meet the standard because of the net loss in FY 13. **The Fixed Charge Coverage Ratio for FY 14 is 1.26.** With a FY 14 net income of $113,949, depreciation charges of $37,806, amortization and interest expense of $3,960, and lease expense of $581,400. The organization has no long-term debt and depreciation and lease expenses are within manageable levels.

Fixed Charge Coverage Ratio FY 14		**1.26**
Change in Net Assets	$	113,949
Depreciation	$	37,806
Amortization	$	-
Interest Expense	$	3,960
Lease Expense	$	581,400
CPOLTD and Capital Leases	$	-

Cash Flow ($890,558) – Does Not Meet

Cash Flow ($488,124) – Does Not Meet (FY14)

Blueprint Education has increased revenue and reduced expenses resulting in a **$402,434 positive cash flow in FY14.** The cash flow (3-year Cumulative) result in FY 14 is ($488,124). It is the firm commitment from Blueprint Education's board and staff to maintain this positive momentum. Systemic changes will ensure that revenue projections follow conservative principles. The FY 15 budget projects a 6% margin which equals a net income of $212,000. This projection is in line with a continued strengthening of the cash flow metric. In fact, it would move the measure in 2016 to a meets.

Although the Cash Flow indicator combines cash flow for three years, it is enlightening to review the organizations change in Cash and Equivalents balance over the same timeframe. The chart below reveals that Blueprint is in a better position at the end of FY 14 than at year end in FY 12.

Blueprint Education Cash and Equivalents Balance FY 12 – FY 14

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
Cash and Equivalents at Year end	$750,694	$521,023	$923,457

Blueprint Education's cash reserves at FYE 2014 were $643,888 excluding restricted Classroom Site Fund Carryover. Although it is the firm commitment from board and staff to make sure Blueprint does not suffer another deficit year, the organization has sufficient reserves to fund cash deficiencies for the foreseeable future.

Blueprint Education Cash Reserves FYE 2014

Cash and cash equivalents	$923,457
CSF carryover balance	$279,569
Net Balance	$643,888