

**Ben Franklin Academy Finance Committee**  
**Fiscal 2013-2014 Year End Report**

**Committee Membership:**

Beginning – Ward Cerny (Chair), Andy Beggins (Vice Chair), Ryan Patterson (Financial Director), Patrick Wolf (Financial Manager), Kent Barwind (Member), Brenda Sepan (Non-voting Member)

Ending – Andy Beggins (Chair), Kent Barwind (Vice Chair), Ryan Patterson (Financial Director), Patrick Wolf (Financial Manager), Steve Hansen (Member), Brenda Sepan (Non-voting Member)

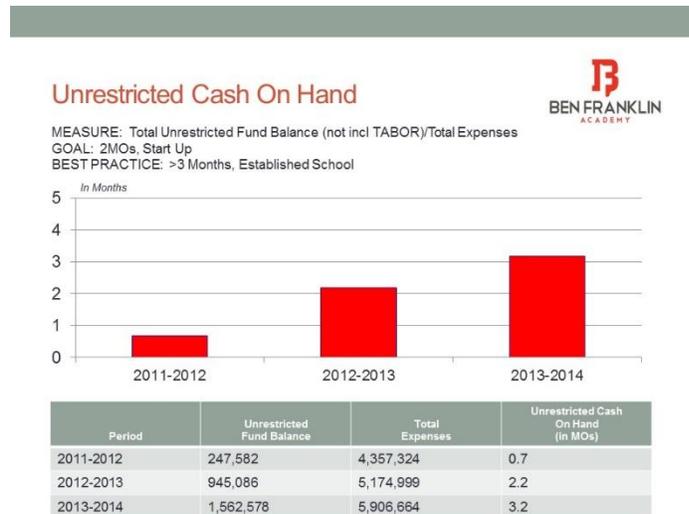
**Financial Highlights**

BFA began the fiscal year (data as of 6/30/13) with Total Assets of \$1,549,730 and Total Liabilities of \$369,396. By year end (6/30/14), Total Assets have grown by \$759,706, to \$2,309,436 and Total Liabilities remained nearly static at \$375,316.

The school began with an expense budget of \$6.123M and projected revenues of \$6.431M for expected Net Income of approximately \$308K. In spite of actual funded pupil count coming in 3% lower than anticipated, we managed to finish the year with revenue of \$6.563M (2% higher than forecast). In addition, we finished the year with actual expenses of \$6.123M (6.2% lower than budget). These figures translated into Net Income of \$819K (\$512K higher than budgeted).

**Key Operational Metrics and Trends**

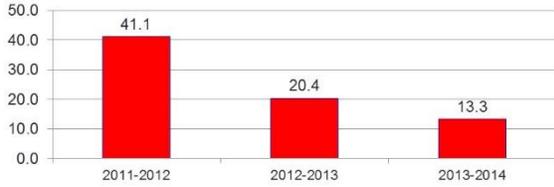
Brenda Sepan has been preparing key operational metrics as a simple gauge for financial health of the school. These values will ultimately be critical to the potential success of purchasing and financing the facility under most favorable terms. Below are some of the key metric trends over the past year.



## Debt (Incl Lease Payment) To Net Worth



MEASURE: Total Liabilities Incl Lease Payments/Net Assets  
 GOAL: <4.5  
 BEST PRACTICE: <4.5, Established School



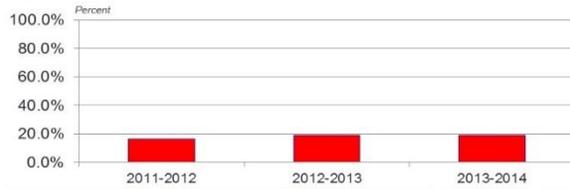
Period	Total Liabilities	Net Assets	Debt To Net Worth
2011-2012	31,182,996	759,591	41.1
2012-2013	31,187,586	1,531,865	20.4
2013-2014	2345895	2,345,895	13.3

\* Assumes payment of full 20 years on Facility, Expansion and Ground Leases options at \$30,000,000

## Lease Payments as a % of Revenue



MEASURE: Total Lease Payment/Total Revenue  
 GOAL: <20%  
 BEST PRACTICE: <20%

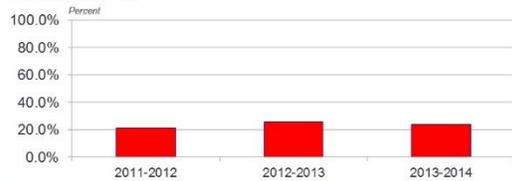


Period	Total Lease Payment	Actual Revenues	Lease Payment % of Revenue
2011-2012	762,946	4,716,745	16.2%
2012-2013	1,135,829	5,942,683	19.1%
2013-2014	1,244,646	6,562,620	19.0%

## Debt Burden as a % of PPR



MEASURE: Total Lease Payment/Total PPR Revenue  
 GOAL: 16%  
 BEST PRACTICE: <12%



Period	Total Lease Payments	Actual PPR	Lease Payment % of PPR
2011-2012	762,946	3,627,398	21.0%
2012-2013	1,135,829	4,444,470	25.6%
2013-2014	1,244,646	5,182,613	24.0%

### **Future Facility Acquisition / Finance Strategies**

During the year, Highmark made a proposal to BFA offering to allow BFA to buyout the facility and terminate its facility lease prior to its contractual option date. In exchange, BFA would finance the buyout using Highmark's financial partner. The Finance Committee is still considering this proposal although it believes other options may ultimately be more economically favorable for the school. In the coming year the committee will be continuing to explore its options with the goal of developing a much clearer road map by the end of the calendar year.