

Ben Franklin Academy Finance Committee Fiscal 2014-2015 Year End Report

Committee Membership:

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

Ending – Roger Nagel (Chair), Ryan Patterson (Vice-Chair), Andy Beggins (Member), Kent Barwind (Member), Patrick Wolf (Financial Manager), Kevin Leverson (Member), Halsley Hoff (Non-voting Member)

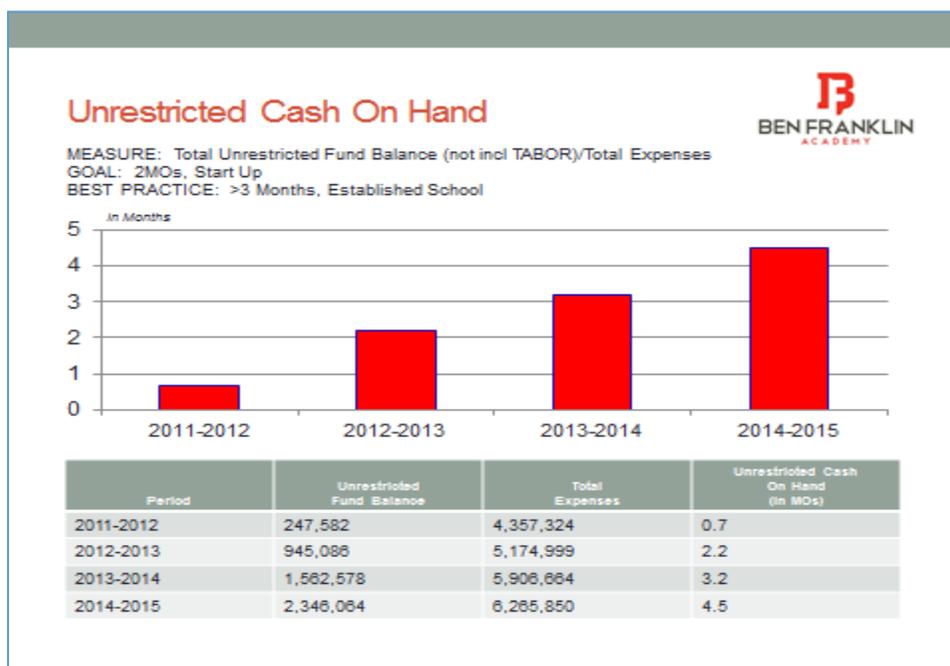
Financial Highlights

BFA began the fiscal year (data as of 6/30/14) with Total Assets of \$2,309,436 and Total Liabilities of \$375,316. By year end (6/30/15), Total Assets have grown by \$846,346, to \$3,155,782 and Total Liabilities have grown by \$108,194, to \$483,510.

The school began with an expense budget of \$6.509M and projected revenues of \$6.983M for expected Net Income of approximately \$474K. In spite of actual funded pupil count coming in 2.9% lower than anticipated, we managed to finish the year with revenue of \$7.113M (1.9% higher than budget). In addition, we finished the year with actual expenses of \$6.213M (4.5% lower than budget). These figures translated into Net Income of \$897K (\$423K higher than budget).

Key Operational Metrics and Trends

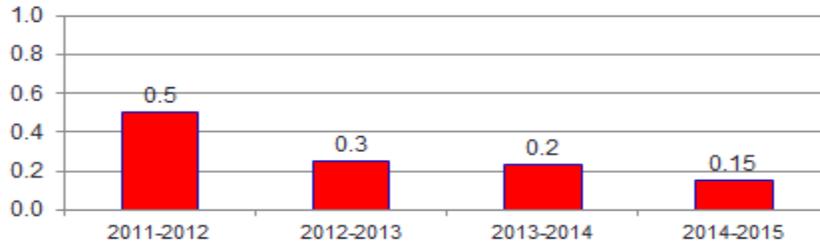
Halsley Hoff has prepared key operational metric charts as a simple gauge for financial health of the school. These values will ultimately be critical to the potential success of purchasing and financing the facility under most favorable terms. Below are some of the key metric trends over the past year.



Debt To Net Worth



MEASURE: Total Liabilities/Net Assets
 GOAL: <1
 BEST PRACTICE: <4.5, Established School



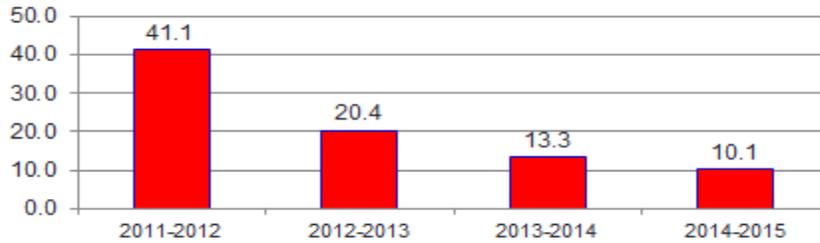
Period	Total Liabilities*	Net Assets	Debt To Net Worth
2011-2012	371,629	759,591	.49
2012-2013	376,219	1,531,865	.25
2013-2014	534,293	2,345,895	.23
2014-2015	466,309	3,086,233	.15

* Not including lease payments

Debt (Incl Lease Payment) To Net Worth



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



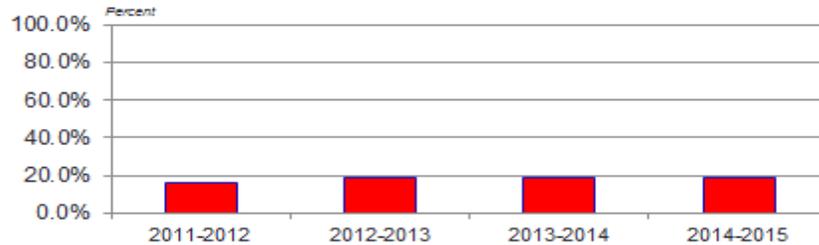
Period	Total Liabilities	Net Assets	Debt To Net Worth
2011-2012	31,182,996	759,591	41.1
2012-2013	31,187,586	1,531,865	20.4
2013-2014	31,142,353	2,345,895	13.3
2014-2015	31,074,369	3,086,233	10.1

* Assumes payment of full 20 years on Facility, Expansion and Ground Lease options at \$30,600,000

Lease Payments as a % of Revenue



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

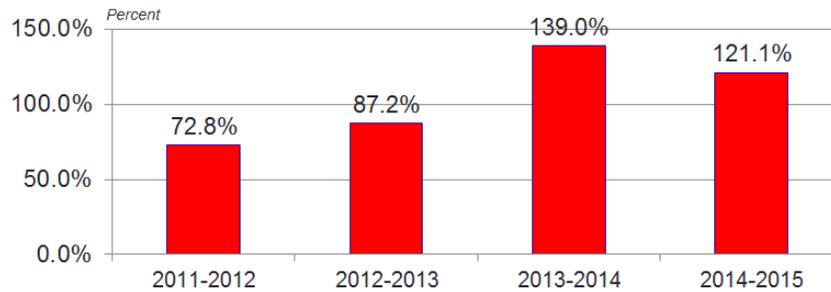


Period	Total Lease Payment	Actual Revenues	Lease Payment % of Revenue
2011-2012	762,946	4,716,745	16.2%
2012-2013	1,135,829	5,942,683	19.1%
2013-2014	1,244,646	6,562,620	19.0%
2014-2015	1,331,942	7,110,597	18.7%

Stable Enrollment



MEASURE: # on Waitlist/Total Enrollment
 GOAL: 75%
 BEST PRACTICE: >10%, Wait list is > 10% of Total Enrollment



Period	Total Enrollment	# On Waitlist	Waitlist as a % of Enrollment
2011-2012	646	470	72.8%
2012-2013	767	669	87.2%
2013-2014	838	1,165	139.0%
2014-2015	875	1,060	121.1%

Future Facility Acquisition / Finance Strategies

During the year, the BFA Board was interested in exploring options for the school to buyout the facility and terminate its facility lease prior to its contractual option date. The Finance Committee interviewed multiple consultants (Russ Caldwell, Lee White, Baird) and underwriters (Zeigler and DA Davidson) who could help with the process of the loan buyout. Although the decision has not been made, the Board will be meeting to make a final decision within the next 30 days. The school will need to determine whether or not to opt out of the lease before the end of the 2015 calendar year.