Allen- Cochran Enterprises, Inc
DBA: Center for Educational Excellence, a Charter School
CTDS # 078724000

Financial Sustainability Narrative

The Center for Educational Excellence's Charter School philosophy is to spend what is received on educational programs.

2009-2010 –There was a decrease in our enrollment in the fall of 2010 due to the negative impact on families' economic status with the downfall of Arizona's economy.

Enrollment History:

ADM 2009 290
ADM 2010 267
ADM 2011 312

Here are bullet points summarizing the 2010 negative Retained Earnings of $10,773.

* School had fixed costs in salaries and operational expenses. Conscious decision not to cut educational programs or teachers knowing results could be net loss and negative equity. Maintained high staff morale until advertising, marketing and recruitment could pay off in 2011.

* Cash reserves were adequate to cover net loss

Steps taken to improve financial situation:

- Increased student enrollment by 45 students
- Continuance of student recruitment through consistent advertising and marketing strategies.
- Controlled expenses leading to increased cash reserves.
- Current year positive Retained Earnings projected at $75,000.
- Advisory Board Minutes attached.

Allen-Cochran Enterprises, Inc.
Center for Educational Excellence
1700 E. Elliot Rd. #9
Tempe, AZ 85284

Advisory Board Minutes

April 18, 2011

In Attendance: Cochran, Kingsland, Hopkins, Spears, Tierney-Smith
No Public in attendance.

Meeting called to order: 4:50 P.M

Agenda motioned for approval by Cochran. Seconded by Hopkins. Unanimously approved.

Minutes from meeting 12/30/2010 motioned to approve by Spears, seconded by Hopkins. Unanimously approved.

Claims paid July1, 2010 – March 31, 2011 presented. Tierney-Smith motioned for approval, Kingsland seconded. Unanimous approval.

2010 Audit presented. Spears motioned to accept 2010 audit, Kingsland seconded. Unanimously accepted.

2011-2012 School Calendar presented. Motion to approve by Cochran, seconded by Spears. Unanimous approval.

Cochran presented letter from parent requesting kindergarten tuition scholarship.
Discussion: lack of funds, difficulty setting criteria for issuance.
Hopkins motioned to deny request for kindergarten scholarship, Tierney-Smith seconded. Unanimous vote to deny offering kindergarten scholarships.

Cochran presented letter for Charter contract renewal. CEE is exempt from Academic Performance Plan due to Excelling Status. Required to submit Detailed Business Plan Section. 2010 audit showed negative net assets of $10,773. Enrollment declined in fall of 2009-2010 due to economic downfall in Arizona. Maintained fixed operational costs and did not cut educational programs or teachers. Implemented marketing and advertising strategies to increase enrollment. Board reviewed financial statements. Conclusion: retained earnings from income taxes, Cash reserves were more than sufficient to sustain schools operations.

Current financial sustainability: Increase in student enrollment of 45 students. Continuance of student recruitment with advertising and marketing strategies; school website. Controlled operational expenses, maintained educational programs. Additional teacher added to sustain low teacher- student ratio.
Projected positive retained earnings of $80,000 for 2011.

Hopkins motioned to accept plan of action for renewal process. Spears seconded. Unanimously accepted.

Revision of 2011 budget to include corrected documentation of $301 distribution and decrease in state equalization funds in January 2011.
Cochran motioned to approve revised budget. Hopkins seconded.
Unanimous vote to approve budget revision.

New Business: Teachers awarded letters of intent to secure employment. Contracts will be awarded in June upon Arizona State budget approval.

Call to Public:
None

Meeting adjourned 6.20 P.M.