

Alma Del Valle Day Care Operations:

The Alma Del Valle Day Care Operation is a standalone activity being managed by the District. It was originally set up to provide a day care option for district employees. There are no provisions in NM Statutes for a District to operate a day care facility in public schools nor is there any license recognized under the NM PED regulations. The day care is an operation that must generate enough revenues to cover the related costs. The District's available funds cannot be used to operate the day care.

Financial Status as of 6-5-13:

Beginning Cash Balance 7-1-12:	\$ 45,932.70
Estimated revenues for 2012-13:	<u>\$ 79,338.22</u>
Available Resources:	<u>\$125,270.92</u>
Estimated Expenditures for 2012-13	<u>(\$125,270.92)</u>
Projected Cash Balance 6-30-13	<u>\$ -0-</u>

Projected Expenditures for next year based on current levels of enrollment and staffing would be approximately \$138,000. Based on the 2012-13 projected revenues, the rates would have to increase 80-85%. An increase of 80% would be required to cover existing expenditures plus operating supplies. The increase does not provide any funds to cover the cost of Administrative Support, Liability Insurance, Facility Maintenance or Utilities. In addition, any business entity should have an adequate cash balance on hand to cover any contingencies, which this activity does not have anymore.

Increasing the rates at Alma Del Valle would most likely force a portion of the current participants to seek day care services elsewhere, further decreasing revenues. The current structure of the operation does not take into consideration the changes in levels of service which create additional expenditures based on the adult to child ratios required by the CYFD regulations regarding the operation of day care facilities.

It is no longer feasible for the District to continue this operation as there are no other sources of funding available to the District to support the day care operation. It is the recommendation that the day care operations cease at the end of the 2012-13 school year. This will allow the current participants to locate other day care options before the 2013-14 school year begins.