

Status of Alma Del Valle Day Care Operations:

Financial Status:

|   |                       |
|---|-----------------------|
| Beginning Cash Balance 7-1-12:          | \$ 45,932.70          |
| Current year revenues received to date: | <u>\$ 67,711.65</u>   |
| Available Resources:                    | <u>\$113,644.35</u>   |
| Estimated Expenditures for 2012-13      | <u>(\$121,200.11)</u> |
| Projected Net Loss as of 5-14-13        | <u>(\$ 7,555.76)</u>  |

As of May 14, 2013 there is a projected loss which cannot be supported by the District's available State or Federal Funds. There are outstanding claims for reimbursement from CYFD which may cover the loss in addition there are still days of operation for which revenues may be received however they will not be enough to replace the cash balance.

Any increase in fees would have to be enough to generate an additional \$52,000. Based on the current revenues this would mean the fees would have to increase almost 100% in order to generate enough funds to cover current salary costs. This does not take into account any increase in salary amounts or mandatory benefit rate increases.

District staff not paid from the revenues are providing oversight and support to the operation as well, which is not being reimbursed from the day care operations. Supplies for instructional type materials have been paid from other District sources in the past.

Attached is the rate schedule for Alma Del Valle and two area day care centers that would be accessible. These schedules indicate that most rates at the two centers are less than the current rates at Alma Del Valle. Increasing the rates at Alma Del Valle would make the gap in rates larger which would most likely force participants to seek day care services elsewhere further decreasing revenues.

It is no longer feasible for the District to continue this operation as there are no other sources of funding 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 operations before the 2013-14 school year begins.