

Kids Are First
400 West Pena Street
Carrizo Springs, Texas 78834
Board of Directors Meeting
October 25, 2022

Ms. Asalia Casares call the KAF, Inc. Board of Director's Meeting for the month of October 25, 2022 to order at 6:11 PM

ROLL CALL:

Asalia Casares – Present
Sonia Guerrero – Perez – Present
Alfredo Padilla – Absent
Dora A. Velázquez – Present
Member At Large - Vacant
Melissa Cortes, Policy Council President – Transitioning out, New President to New Policy Council

OTHERS:

Aniceto Colunga Jr, Chief Executive Officer - Present
Velma McNeil, Director of Operations - Present
Karl Eck, Chief Financial Consultant – Present

A quorum was established with three out of the five board members present and the Policy Council President, serving as Liaison who was absent. There is currently one vacancy on the KAF, Inc. Board of Directors.

APPROVAL: AGENDA

- Ms. Sonia Guerrero-Pérez moved to approve the agenda of October 25, 2022 meeting.
- Ms. Dora Velazquez-Garza, 2nd the motion.
- Motion carried.

APPROVALS: October 25th, 2022 MINUTES

- Ms. Sonia Guerrero-Pérez moved to approve the Minutes as presented without amendments for the meeting of October 25th, 2022.
- Ms. Dora Velazquez-Garza 2nd the motion.
- Motion carried.

REPORTS:

CEO, Aniceto Colunga Jr – Reported on September 2022 CEO Report to Board of Directors:

- CEO/Head Start Director Report to the Board of Directors
 - The CEO/Head Start Director's reported to the Board of Directors the following:
 - Discussed the disabilities enrollment report for September 2022. There are (25) HS children who have an approved IEP enrolled in the program and there are (30) EHS children with approved IFSP's enrolled in the program. With almost six weeks from

- the start of the program, KAF, Inc. has identified (55) children with diagnosed disabilities enrolled in the program and staff is working with another (36) children who have been referred for potential disabilities' services.
- Discussed was the HS/EHS Enrollment numbers for the program ending August 31, 2022. In Head Start, the program had (465) children, enrolled and attending school. In Early Head Start, the program had (174) children, enrolled and attending school. The program as of September 30, 2022 was three children short from being fully enrolled with (639) children enrolled in both HS/EHS programs.
 - Discussed was the program's In-Kind Report for September 30, 2022. As of September 30, 2022, the program had collected \$129,305.07 for the month and YTD, the HS/EHS program had collected \$952,435.98. With the approved Non-Federal Share Waiver and a revised in-kind goal of \$1,144,009, the program has an in-kind balance of \$191,573.93 to collect in the next two months, October & November 30, 2022 to comply with the terms and conditions in the federal grant for FY 2021-22. For the next two months, the HS/EHS programs needs to collect approximately \$95,786.97 per month to meet the required collection of in-kind.
 - The Board of Directors was given the Staff Covid-19 report, in for September 2022, the program had seven staff who had tested positive for the virus. Although the communities are moving towards not using a mask, disregarding social distancing, disinfecting, etc. there is still a dangerous virus that is still hospitalizing and cases, killing members of our community.
 - In the Center Bulletin Board, Las Colonias center celebrated el 16 de septiembre 2022; Rosita Valley center was the only center to celebrate "Indigenous People's Day"; Pearsall Center celebrated community helper's day and stop bullying day; Carrizo Springs center celebrated "hope for a cure" day and anti-bullying month; LBJ center celebrated el 16 de septiembre; as did Seco Mines center; and finally, Cotulla Center also celebrated 16 de septiembre.
 - This was the sum of the CEO Report to the Board of Directors, including the reports and documents presented to them.

Wipfli Consultant, Mr. Karl Eck – Reported on July 2022 Financial Statements:

- September, 2022 - Financial Reports (September 2022):
 - Balance Sheet (Ending 09.30.2022) - \$3,503,294.09.
 - Revenue and Expenses by Fund (Spent YTD) - \$5,558,137.65 or 77.43% of the overall HS & EHS budget spent. The YTD balance of funds available was \$1,621,032.35 or 22.57% of unspent fund of remaining. Therefore, based on the current rate of expenditures for the year, we are on track to expend the entire HS & EHS budget and don't anticipate to have balance of funds.
 - TTA Funds: HS has spent \$67,657.71 with an over expenditure of \$16,526.71 and EHS has spent \$11,845.19 with a remaining balance of \$31,655.81. Overall, the combined TTA budget has an unspent balance of \$15,129.10.
 - Administrative Expenses - \$868,836.72 which constitutes 13.3% of the TOTAL expenditure of the grant, therefore the grant expenditures for administrative costs is in compliance with federal regulations because it remains below the 15% Administration Cost Limitation.
- September 30, 2022 – Financial Reports (CRRSA & American Rescue Plan)

- American Rescue Plan Funds: As of September 30, 2022, the program spent \$723,316.81, with a remaining balance of \$116,626.19 or 13.88% of the funds remaining as unspent.
- CRRSA Funds (Ending September 30, 2022– Spent \$211,280.00, with a remaining balance of \$0.00 or 0% of the funds remaining as unspent. The CRRSA funds have been fully spent and the remaining balance in this CRRSA Fund is \$0.00.
- CACFP Reimbursements: September 30, 2022 Reimbursement was \$76,425.38, plus there were funds from ARP and CRRSA in the amount of \$15,000 allocated to subsidize the over expense in the CACFP program. Overall, Head Start & Early Head Start have appropriated approximately \$91,425.38 to offset the costs of the food program and the CACFP has reimbursed KAF, Inc. a YTD total of \$439,260.63. The CACFP expenses through September 30, 2022 exceed the CACFP reimbursements by \$91,425.38. For September 30, 2022, the program prepared 9,356 Breakfasts; 9,407 Lunches; and 8,922 PM Supplements;
- The Budget Comparison Report was presented to the Board members so they could see our YTD expenditures and projecting out the remainder of the two months of services to children, this will give the program funds to finish out the year by order some educational materials and finalize playground projects that are in process.
- September 30, 2022 - Credit Card reports: Reviewed all the Credit Card Reports for period ending September 30, 2022 – Credit card reports included expenditures for AMEX which has a monthly unpaid balance of \$18,012.23, Valero, our gasoline vendor and we have a monthly unpaid balance of \$1,656.39, Walmart, which has a monthly unpaid balance of \$6,413.16 and HEB, which has a monthly unpaid balance of \$1,501.02. The Directors had no questions after the review of the statements regarding the credit card report. All credit cards continue to be paid on time with no questioned costs.
- In Kind: September 30, 2022 – The YTD in-kind collected was \$951,435.00 for the nine-month period with a balance remaining of \$192,762.46 from the total in-kind budget of \$1,144,009. For the month of September 30, 2022, the program collected \$129,305.07 as in-kind. The CEO/Head Start Director submitted previously to the KAF, Inc. Board of Directors, a request and was approved to acquire a waiver for an in-kind the amount of approximately \$601,954 to ACF Regional Office VI in Dallas, TX for their review and/or approval. Our waiver request approved by the RO VI. With two months remaining in the fiscal year, there is an uncollected balance of \$191,573.02. Therefore, the program needs to collect at a minimum of \$95,786.51 per month in October and November.

Wipfli Consultant, Mr. Karl Eck – Reported on September 30, 2022 CACFP Reimbursement Claim:

- Breakfast 9,356 Meals
- Lunch 9,407 Meals
- PM Supplement 8,922 Meals
- TOTAL Meals 27,685 Meals - TOTAL September Reimbursement: \$76,425.38
- YTD Reimbursements: \$439,260.63 + November 2021 (\$61,630.24) = \$500,890.87 for the CACFP Fiscal Year of October 2021 to November 2022.

Direct of Operations, Ms. Velma McNeil – Reported on Enrollment/ Attendance:

- KAF has a total enrollment of 642 children (August 31, 2022)
 - HS = 465 Enrolled Children
 - EHS = 174 Enrolled Children

- HS – 73.22% average daily attendance
- EHS – 72.03% average daily attendance
- The program had 3 child vacancies as of September 30, 2022, but KAF, Inc. expects to fill the three child vacancies within the 30-day period so technically, the program will remain fully enrolled.

CEO, Aniceto Colunga Jr – Reported on the HS/EHS New Hire/ Termination Report:

- Mr. Colunga reviewed the New Hire/ Termination report for period ending September 30, 2022.
 - New Hires (05)
 - Termination/ Resignations – (07) Resignations
 - Employee Vacancies (06)

APPROVALS: ALL KAF, Inc. Reports

- Ms. Dora Velázquez-Garza moved to accept and approve all reports presented in Section 4 - Reports, in the agenda for the month of August 31, 2022 as presented.
- Ms. Sonia Guerrero-Perez entered a 2nd motion to approve.
- Motion carried.

OLD BUSINESS:

- Carrizo Springs Center back taxes, agency prepared an Application for Charitable Organization Property Tax Exemption and submitted same to the County Appraisals office and Perdue, Brandon Law Firm to resolve the issue. The County Appraisal instructed KAF, Inc. that the agency required to file another application titled, Application for Private School Property Tax Exemption. KAF, Inc. prepared and submitted completed application back to the Dimmit County Appraisal’s office. KAF, Inc. complied and submitted the requested application. Afterwards, the County Appraiser indicated that KAF, Inc. was not a public school, which we had communicated from the start, and said that the KAF, Inc. Board of Director bylaws had to be submitted with a dissolution of the board of director’s clause. KAF, Inc. amended their bylaws to include a dissolution clause and submitted to the County Appraiser. KAF, Inc. staff have been requested an updated on our application and have gotten no response from the County Appraiser.
- **STATUS:** After discussion with the KAF, Inc. Board of Directors, and review of email submitted by Norma Carrillo, Chief Appraiser for Dimmit County. In the email, she basically reaffirms the following:

§11.18(f), if applying under the section, or §11.21(f)(5), if applying as a school, the organization must provide for distribution of its assets, in the event of dissolution, to the State of Texas, United States, or an educational charitable, religious, or other similar organization that is qualified as a charitable organization under 26 U.S.C. §501(c)(3).

The KAF, Inc. Board of Directors signed the amended by-laws, pursuant to the authority granted under page 13, Article XI, Amendment, the KAF, Inc. Board of Directors may alter, amend, repeal and new bylaws adopted by the Board of Directors.

Ms. Velma McNeil will walk the Board of Director’s amended by-laws over and hand over to Norma Carrillo, Chief Appraiser for Dimmit County.

KAF, Inc. has not gotten a response from the Dimmit County Appraisal's office after submitting the final required documents.

- **UPDATE:** Insurance Claim against Kids Are First, Inc. – Mr. Rodney Ball, in representation of Liberty Mutual notified KAF, Inc. that as of October 05th, 2022, the claim against Kids Are First, Inc. had been resolved, with settlement checks issued September 09th, 2022. So, this claim is closed.

NEW BUSINESS: SECTION VI

- **Policy Council Agenda:** The KAF, Inc. Board of Directors received the Policy Council's September 24, 2022 meeting agenda for their review and consideration. The Policy Council agenda includes all the business transacted by the members and the approval actions taken at the meeting.
- **KAF, Inc.** CEO/Head Start Director shared a letter written to the City of Carrizo Springs, attention to Chris Castaneda, City Manager. The purpose of the correspondence KAF, Inc. requesting the use of the facility where the city's nutrition program is located, but who will be vacating the property and moving to another location. KAF, Inc. wants to acquire long term control of the facility for potentially renovating and using it as an Early Head Start expansion facility. In the meantime, we can use the facility for a training and Head Start event center.

APPROVAL: With no further discussions and/or questions, the KAF, Inc. Board of Directors moved to approve all items in New Business:

- There were no action items for approval, the two items in New Business were informational only.

EXECUTIVE SESSION: Executive Session discussion takes place with only the KAF, Inc. Board Members and CEO present.

- At 6:54 PM, Ms. Sonia Guerrero-Perez motioned to go into "Executive Session". Ms. Dora Velazquez-Garza seconded the motion. Motion carried.

The Directors went into executive session. At 7:03 PM, the KAF, Inc. Board of Directors closed executive session. Ms. Sonia Guerrero-Perez motioned to close "Executive Session" and move into regular session. Ms. Dora Velazquez-Garza seconded the motion. Motion carried.

- At 7:04 PM, the KAF, Inc. Board of Directors motion to enter regular session. Ms. Sonia Guerrero-Perez motioned to enter regular session. Ms. Dora Velazquez-Garza seconded the motion. Motion carried.

OPEN FORUM:

The KAF, Inc. Board of Directors discussed the next meetings in "Open Forum". The November 2022 meeting will be held as per the approved schedule, November 29, 2022 at 6:00 PM and there will be an option to have it via Zoom for those members and staff that cannot be present at the Administrative Offices. The Executive Secretary will be contacting the Directors to acquire their

meal preference for the November 29, 2022 meeting. She will confirm same prior the meeting so order can be placed accordingly.

ADJOURNMENT:

- With no further business, Ms. Sonia Guerrero-Perez motioned to adjourn meeting.
- Ms. Dora Velazquez-Garza seconded the motion.
- The motion carried and was approved and the KAF, Inc. Board of Directors meeting ended at 7:09 PM.

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Ms. Asalia Casares, Chairperson
Kids Are First, Inc.
400 West Pena Street
Carrizo Springs, TX 78834

11.29.2022
Date

*Signature affixed to the Minutes of October 25, 2022 was attained after the KAF, Inc. Board of Directors met where a quorum was present, discussed, reviewed and approved these Minutes.