

## **HEAD START/EARLY HEAD START ANNUAL REPORT FY 2010-2011**

Mountain Projects, Inc. Head Start (HS) received \$1,716,368 of federal funding to serve 200 children ages 3-5 years old. Early Head Start (EHS) received \$699,441 of federal funding to serve 40 pregnant women and children ages 0-3 years old. Both programs are operating in Haywood and Jackson Counties. These children were served in 20 classrooms in 6 centers and 2 public schools. The Early Head Start grant was acquired in December of 2009, and funded as part of "The American Recovery Reinvestment Act of 2009" (ARRA) signed into law by President Obama on February 17, 2009. This was the second year of the Early Head Start (ARRA) Grant period.

### **ENROLLMENT:**

Head Start served a total of 228 children. Of these children, 218 (96%) were served as income eligible and 10 (4%) were served as over-income eligible. Early Head Start served a total of 44 children. All EHS children were served as income eligible. All Head Start/Early Head Start programs are allowed to serve a maximum of 10% over income children.

We maintained 100% of our funded enrollment of children (200 HS) and (40 EHS) on a monthly basis throughout the entire program year in both programs. Waiting lists of children were also maintained in both programs throughout the year.

### **HEALTH/DISABILITY SERVICES:**

All HS children received health and dental screenings. 46 (21%) HS children were referred for medical treatment. 46 (100%) of those children received treatment. 77 (34%) HS children were referred for dental treatment. 76 (99%) of those children received treatment. Most of the children's dental treatment was provided through Medicaid. HS paid a total of \$85.00 for dental treatment for children not eligible for Medicaid or other insurance.

A Mental Health professional consulted with 24 (11%) HS parents. 13 (6%) HS children were referred for mental health services. 13 (100%) of those children received mental health services. HS funding provided a total of \$4,500 for mental health services. A total of \$3,879.00 was spent for these services.

43 (19%) HS children received special education services during the year. 18 (42%) of these children were determined eligible prior to enrollment in the program. The other 25 (58%) were placed during the program year. 23 (53%) children were placed as having Speech/Language disorders, 18 (42%) children were placed as having non-categorical/developmental delays, and 2 (5%) was placed as having a visual impairment.

100% of the EHS children were up to date on preventive and primary health care. 2 (5%) EHS children were referred for needed medical treatment. 2 (100%) of those received treatment. 6 (.15%) EHS children received special education services during the year. All of these children were determined eligible to receive early intervention services prior to enrollment into the program. A Mental Health professional consulted with 2 (5%) EHS parents. Both children were provided a mental health assessment, but were not referred for mental health services. EHS funding provided a total of \$2,000 for mental health services. A total of \$100.00 was spent for these services.

7 (16%) EHS children received early intervention services. 5 (11%) of these children were determined eligible prior to enrollment in the program. The other 2 (5%) were enrolled during the program year.

### **TRANSPORTATION SERVICES:**

A total of 10 HS children received transportation services during the school year. This service is provided on a very limited basis and paid for by Smart Start and Head Start funds. A total of \$25,975 was spent for transportation services. \$22,000 was provided by state Smart Start funding, and \$3,975 was provided by HS funding. Transportation services are not available to children under the age of 3 years.

### **WRAP-AROUND SERVICES:**

30 HS and 7 EHS children received state subsidy money for wrap – around hours during the school year. Summer care was also provided for 5 HS children at the Kneedler Center through state subsidy money.

### **PREPARING CHILDREN FOR KINDERGARTEN:**

70 HS children in Haywood County and 34 HS children in Jackson County graduated in May 2011. Activities for children transitioning to Kindergarten in the fall include: the Head Start Education Coordinator working with the Head Start teaching staff to complete individual child portfolios to be sent to each child's prospective school. Public school visit dates are posted at the Head Start centers for parents and their child to visit their new school classroom and meet the kindergarten teachers. Final IEP transition meetings are held with local LEA's for children with special needs at the elementary school each child will be attending in May.

Mountain Projects, Inc. Head Start uses the Creative Curriculum in all classrooms. Our ongoing assessment tool is Teaching Strategies GOLD. . This tool assesses children throughout the program year in the areas of Language Development, Literacy, Mathematics, Science, Creative Arts, Social/Emotional Development, Approaches to Learning, and Physical & Health Development.

## **The 2010-2011 Child Outcomes Report**

Head Start mandates that each program have an ongoing assessment tool to assess children throughout the program year in Physical Development & Health, Social Emotional Development, Creative Arts Expression, Approaches to Learning, Language Development, Literacy Knowledge & Skill, Logic and Reasoning, Mathematics Knowledge & Skills, Science Knowledge & Skills, Social Studies Knowledge & Skills and English Language Acquisition.

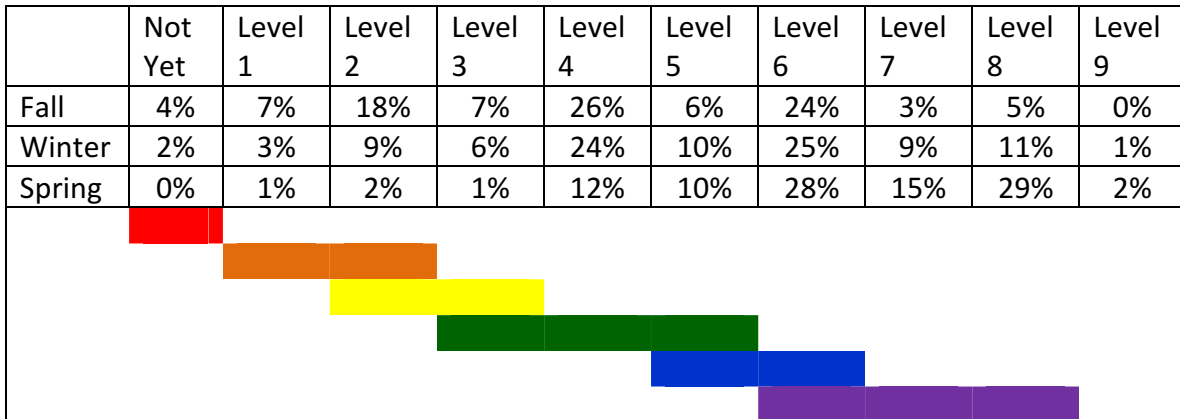
Our ongoing assessment tool is Teaching Strategies GOLD. The continuum is divided into nine areas with 30 objectives: Social/Emotional, Physical, Literacy, Mathematics, Language, Cognitive, Literacy, Mathematics, Science & Technology, Social Studies, and English Language Acquisition.

The assessment process is the same for all children enrolled in Mountain Projects, Inc., Head Start program. By using the same widely held developmental and learning expectations for all children, the developmental assessment helps teachers encourage every child to reach his or her full potential. In addition, the assessment process enables teachers to identify learning and developmental lags and gaps in order to provide appropriate interventions and learning experiences. Each assessment is divided into nine skill level areas from birth to age 5 years.

Teaching Strategies – GOLD ongoing assessment illustrates the predictable sequence of development and learning of most young children. To ensure that all children – including children with special needs – are making progress; teachers recognize the many emergent skills that precede the development of typical skills from birth through kindergarten. The progressions serve as a guide to determine how all children are progressing in the seven areas of development and learning, while acknowledging that children show what they know in different ways. The progressions emphasize that all children have knowledge, skills, and behaviors upon which to build.

A complete copy of the Progress and Outcomes Report will be available to review at Mountain Projects office in Waynesville or at the administrative Head Start office.

Overall progress shows that our Head Start children improved in the program year 2010-2011. The graph below shows the percentages throughout the year.



### PROGRESSION OF DEVELOPMENT

Birth to One year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
Kindergarten

## **PARENT INVOLVEMENT ACTIVITIES:**

**Program Governance:** All Policy Council members are voted in for the new program year in September. They received orientation training during October and November. As part of shared governance between the Head Start/Early Head Start Policy Council and The Board of Mountain Projects, the Policy Council Chairperson is also a Mountain Projects Board Member. Also, the Policy Council and Board Members attend a “Shared Governance Roles and Responsibilities” training. These trainings were held on October 8, 2010. We had a total of 5 HS/EHS parent representatives and 11 Board representatives. Also, many of the Policy Council parents were involved in the Annual Self-Assessment process.

Several of our centers offered parent requested trainings including: Second Step, a three-step violence prevention program, CPR/First Aid, Transition to Kindergarten, and How to Better Budget.

All of our parents spent hours completing home activities with their child/children on a weekly basis. These home activities followed what activities were being taught in the child’s classroom.

## **BUDGET INFORMATION:**

### **GRANT REVENUE:**

Head Start Federal Funding: \$1,716,368

Early Head Start ARRA Federal Funding: \$699,441

USDA Federal Reimbursement for HS/EHS meals: \$156,181

Smart Start State Funding: \$ 22,000

More at Four State Funding: \$ 155,376

Reading is Fundamental (RIF) Federal Funding: \$1.716

**TOTAL GRANT REVENUE: \$2,751,082**

### **IN-KIND:**

**Head Start: \$436,027**

**Early Head Start: \$174,860**

**TOTAL IN-KIND: \$610,887**

**TOTAL GRANT OPERATING REVENUE: \$3,361,969**

### **OTHER INCOME:**

Subsidy (wrap-around) State Funding: \$ 62,799

**BUDGET EXPEDITURES:**

Personnel Expenses	\$1,646,372	
Program Supplies	\$50,155	
Occupancy	\$106,861	
Other Supplies	\$29,875	
Telephone/Internet	\$20,822	
Utilities	\$32,497	
Indirect Cost	\$228,846	
Food Cost	\$78,503	
Contract services	\$40,037	
Staff Development	\$21,826	
Child Transportation	\$25,975	
In-Kind	\$500,180	
Parent Activities	\$2,619	\$

**UNOBLIGATED BALANCE:**

**Early Head Start: \$66,567**

**Head Start: \$46,484**

An independent audit was conducted and completed in November, 2011 for the 2010-2011 Fiscal Year. Included in this report is a copy of the compliance and auditor's report letter.

**RESULTS OF MOST RECENT FEDERAL REVIEW**

A Federal Review was conducted in October, 2011 for the Mountain Projects Early Head Start and Head Start Programs. The Early Head Start Program was 100% compliant with all Head Start Performance Standards, laws, regulations, and policy requirements. The Head Start Program had two areas of non-compliance. A corrective action plan was written and submitted to the Office of Head Start for review and approval. We received a letter stating the corrective action plan submitted was approved.

**Independent Auditor's Report on Compliance with Requirements that Could Have a Direct  
and Material Effect on Each Major Program and on Internal Control Over Compliance in  
Accordance with OMB Circular A-133**

To the Board of Directors  
Mountain Projects, Inc.  
Waynesville, North Carolina

Compliance

We have audited Mountain Projects, Inc.'s (Mountain Projects) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Mountain Projects' major federal programs for the year ended June 30, 2011. Mountain Projects' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Mountain Projects' management. Our responsibility is to express an opinion on Mountain Projects' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mountain Projects' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Mountain Projects' compliance with those requirements.

In our opinion, Mountain Projects complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Mountain Projects is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Mountain Projects' internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on

compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mountain Project's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Board of Directors, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Ray, Benjamin, Kingall & Assoc., P.A.*

Waynesville, North Carolina  
November 23, 2011







Ray,  
Bumgarner,  
Kingshill,

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Certified Public Accountants

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Waynesville, NC 28786

**Independent Auditor's Report on Compliance with Requirements that Could Have a Direct  
and Material Effect on Each Major Program and on Internal Control Over Compliance in  
Accordance With OMB Circular A-133**

To the Board of Directors  
Mountain Projects, Inc.  
Waynesville, North Carolina

Compliance

We have audited Mountain Projects, Inc.'s (Mountain Projects) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Mountain Projects' major federal programs for the year ended June 30, 2010. Mountain Projects' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Mountain Projects' management. Our responsibility is to express an opinion on Mountain Projects' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mountain Projects' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Mountain Projects' compliance with those requirements.

In our opinion, Mountain Projects complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of Mountain Projects is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Mountain Projects' internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB

Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of Mountain Projects' internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mountain Project's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Board of Directors, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Ray, Bingham, Kinghill & Associates, P.A.*

Waynesville, North Carolina  
November 24, 2010