

HEAD START/EARLY HEAD START ANNUAL REPORT FY 2014-2015

The Mountain Projects, Inc. Head Start (HS) Program has a funded enrollment of 180 families and children ages 3-5 years old. The Early Head Start (EHS) Program has a funded enrollment of 48 pregnant women and children ages 0-3 years old. Both programs operate in Haywood and Jackson Counties. The children were served in 16 classrooms in 6 centers. In Haywood County, HS served 112 children in 6 classrooms in 4 centers. EHS served 32 children in 4 classrooms in 4 centers. In Jackson County, HS served 68 children in 4 classrooms in 2 centers. EHS served 16 children in 2 classrooms in 1 center.

ENROLLMENT:

Head Start served a total of 208 children. Of these children, 169 (81%) were served as income eligible and 17 (8%) were served as over-income eligible. 11 (5%) were served as recipients of public assistance. 2 (1%) were served as foster children and 9 (4%) were served as homeless.

Early Head Start served a total of 56 children. Of these children, 43 (77%) were served as income eligible and 3 (5%) were served as over-income. 7 (13%) were served as recipients of public assistance. 3 (5%) were served as homeless. Head Start/Early Head Start programs are allowed to serve a maximum of 10% over-income children. A cumulative total of 264 HS/EHS children were served during the program year and 20(8%) children were served as over-income.

We maintained 100% of our HS/EHS funded enrollment of children (180 HS) and (48 EHS) on a monthly basis throughout the entire program year in both programs. Waiting lists of families and children were also maintained in both programs throughout the year.

Head Start also participated in the NC State Pre-K Program having 38 slots in 3 classrooms in 3 centers in Haywood County. These children were fully enrolled as Head Start and NC Pre-K enrollment.

HEALTH/DISABILITY SERVICES:

Head Start:

206 (99%) HS children maintained health insurance and had continuous, accessible health care with 201 (97%) HS children being up-to-date on all immunizations appropriate for their age. Of the 208 children, 29 (14%) were referred for medical treatment. 26 (90%) children received treatment. The other 3 children's appointment was scheduled after the PIR was submitted. 179 (86%) HS children maintained continuous, accessible dental care and 193 (93%) completed a dental examination. Of those children, 60 (31%) were referred for dental treatment and 43 (72%) received treatment. The parents of the remaining 17 (28%) children did not make or keep dental appointments. The majority of the children's medical and dental treatment was provided through Medicaid or private insurance.

21(10%) HS parents consulted with a Mental Health professional concerning their child's behavior/mental health. 14 (7%) HS children received an individual mental health assessment. Of those children, 10 (5%) were referred for mental health services. 10 (100%) received mental health services.

29 (14%) HS children received special education services during the program year. 10 (5%) of these children were determined eligible prior to enrollment in the program. The other 19 (9%) were placed during the program year.

11 (38%) children were placed as having Speech/Language disorders, 13 (45%) children were placed as having non-categorical/developmental delays 2 (7%) children were placed as hearing impaired, and 3 (10%) children were placed with autism.

Early Head Start:

56 (100%) EHS children maintained health insurance and had continuous, accessible health care. 48 (86%) children had continuous, accessible dental care provided by a dentist. 56 (100%) children were up-to-date on age appropriate preventive oral care. 53 (95%) children were up-to-date on all appropriate immunizations for their age. 1 (2%) child was state exempt from immunizations. 7 (13%) children were referred for needed medical treatment and 6 (86%) children received treatment. The parent did not make or keep appointment for 1 child.

10 (18%) EHS children received early intervention services during the year. 5 (50%) of children were determined eligible to receive early intervention services prior to enrollment into the program. 5 (50%) children were placed during the program year.

2 (4%) EHS parents consulted with a Mental Health professional concerning their child's behavior/mental health. 1 (2%) child received an individual mental health assessment. 2 (4%) children were referred for mental health services. 2 (100%) of those children received mental health services.

TRANSPORTATION SERVICES:

No transportation services were provided during the program year.

WRAP-AROUND SERVICES:

15 HS and 5 EHS children were enrolled in the State Child Care Subsidy Program for Wrap-Around service hours during the school year. These services were provided in the individual child's center. These services are primarily provided for parents who are working or going to school and require child care outside the normal HS/EHS hours of 8:30-2:30. Wrap Around hours are: 7:30-8:30 and 2:30-5:30.

STAFF DEGREE REQUIREMENTS: THE HEAD START ACT OF 2007

HEAD START: Requires that not later than September 30, 2013:

At least 50% of Head Start teachers nationwide in center-based programs and the Head Start Education Coordinator have-

1. A BS or advanced degree in Early Childhood Education or
2. A BS or advanced degree and coursework in a major relating to Early Childhood Education with experience teaching pre-school age children.

Head Start had a total of 10 teachers during the year. 8 (80%) HS teachers meet the above degree requirement. 2 (20%) HS teachers have an Associate degree in Early Childhood Education with 1 of these teachers enrolled in school to complete a BS degree in Birth-Kindergarten. The Education Coordinator also met the requirement by completing an additional Birth-Kindergarten degree.

Head Start teaching assistants nationwide in center-based programs have-

1. At least a Child Development Associate credential (CDA);
2. Enrolled in an Associate or BS degree program or
3. Enrolled in a CDA credential program to be completed within 2 years.

Head Start had a total of 10 HS teaching assistants during the year. All 10 (100%) HS teaching assistants met the requirement. 10 (100%) have an Associate Degree in Early Childhood Education.

EARLY HEAD START: Requires that not later than September 30, 2010:

Early Head Start teachers have-

1. A minimum of a Child Development Associate credential (CDA), and have been trained (or have equivalent coursework) in early childhood development; and
2. Establish staff goals to ensure that no later than September 30, 2012, all EHS teachers have been trained (or have equivalent coursework) in early childhood development with a focus on infant and toddler development.

Our Early Head Start program was started in the 2009-2010 school year. None of our local Community Colleges have an Infant/Toddler CDA credential program established. We decided that all EHS teachers hired, would have an Associate Degree in Early Childhood Education and acquire their infant/toddler CDA within one year of hire date. This exceeds the above requirements. Early Head Start had a total of 12 teachers during the year. 11 (92%) EHS teachers have both their Associate degree in Early Childhood Education and their Infant/Toddler CDA. 1 EHS teacher has her Infant/Toddler CDA and is enrolled in the Early Childhood Education Associate degree program.

FAMILY SERVICES:

Head Start:

Head Start served a total of 197 families. There were 94 (48%) two-parent families. In 17 (18%) families, both parents were employed. In 64 (68%) families one parent was employed, and in 13 (14%) families, both parents were not working. 3(3%) families had both parents in job training or school. In 11 (12%) families, one parent was in job training or school. In 80 (85%) families, neither parent was in job training or school.

There were 103 (52%) one -parent families. In 46 (45%) families, the parent was employed and in 57 (55%) the parent was not employed. In 11 (11%) families, the parent was in job training or school. In 92 (89%) families, the parent was not in job training or school. Head Start had 1 military family on active duty.

9 (5%) HS families received TANF assistance, 13 (7%) received SSI income, 64 (32%) received WIC, and 132 (67%) received SNAP (food stamps). Some families received more than one type of assistance.

Only 8 HS parents had less than a high school diploma.

Services requested by HS families included: 128 (65%) families requested emergency/crisis intervention such as food, clothing, heating or shelter. 6 (3%) families requested housing assistance. 3 (2%) families requested ESL training. 24 (12%) families requested job training. 14 (7%) families requested adult education services. 1 (1%) family requested child abuse/neglect services. 4 (2%) families requested child support assistance. 2 (1%) families requested substance abuse prevention and treatment. 21 (11%) families requested mental health services. 1 (1%) family requested relationship/marriage education. 1 (1%) family requested assistance of incarcerated individuals. 39(20%) families requested health education. 89(45%) families requested parenting education. 144 (69%) of fathers/father figures of enrolled children participated in father involvement activities.

Early Head Start:

Early Head Start served a total of 54 (100%) families. There were 33 (61%) two-parent families. In 9 (27%) families, both parents were employed. In 20 (61%) families, one parent was employed and in 4(12%) families, both parents were not working. In 3(9%) families, one parent was in job training or school. In 30 (91%) families, neither parent was in job training or school.

There were 21(39%) one-parent families. In 11 (52%) families, the parent was employed. In 10 (48%) families, the parent was not working. In 3(14%) families, the parent was in job training or school. In 18 (86%) families, the parent was not in job training or school. Early Head Start had no family with a member in the military on active duty.

3(6%) families received TANF assistance, 6 (11%) EHS families received SSI income, 3(6%) families received WIC and 6(11%) EHS families received SNAP (food stamps). Some families received more than one type of assistance.

In the total number of EHS families, 42 (78%) families had a high school/GED education. 9(17%) families had some college or associate/vocational degree. Only 3(6%) families had less than a high school/GED education or higher.

Services requested by EHS families included: 39 (72%) families requested emergency/crisis intervention such as food, clothing, heating or shelter. 5 (9%) families requested housing assistance. 2 (4%) families requested ESL training. 1 (2%) family requested adult education services. 8 (15%) families requested job training services. 11 (20%) families requested health education. 25(46%) families requested parenting education. 2 (4%) families requested mental health services. 51 (94%) of fathers/father figures of enrolled children participated in father involvement activities.

PARENT INVOLVEMENT ACTIVITIES:

In September, all HS/EHS centers select parent representatives for each center parent group and representatives for Policy Council. 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 elected as a member of the Mountain Projects Board. Policy Council and Board Members attend a “Shared Governance Roles and Responsibilities” training. This training was held on November 5, 2014. We had a total of 13 Policy Council representatives and 11 Board representatives. The annual Self-Assessment training was completed December 3, 2014. 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 educational activities being taught in the child’s classroom. In HS, 144 (69%) Fathers participated in classroom and home activities. In EHS, 51(94%) Fathers participated in classroom and home activities. Head Start/Early Head Start had 167 volunteers in Haywood County and 74 volunteers in Jackson County. These volunteers provided a variety of activities both in the classrooms and outside the centers.

PREPARING CHILDREN FOR KINDERGARTEN:

Fifty-five Head Start children in Haywood County and forty- one Head Start children in Jackson County transitioned to kindergarten in May 2015. Activities for children transitioning out of Head Start include, the Head Start Education Coordinator working with the teaching staff to complete individual child portfolios to be sent to each child’s prospective school. Transition to Kindergarten registration dates are posted in each Head Start center for parents to take their child to visit each the elementary school their child will be attending. IEP transition meetings are held with the local LEA’s for parents with children

with special needs to meet the new specialized service providers as well as a kindergarten teacher and principal.

Mountain Projects, Inc., Head Start program uses Creative Curriculum in all classrooms including infant and toddlers. The curriculum is based on the children's interest and building on current skills to increase widely held expectations. The ongoing assessment tool is Teaching Strategies GOLD. The teaching staff observes each child examining 38 different learning objectives in six major areas of development. The use of observation and intentional teaching strategies allows teachers to obtain vital information in order to plan individual activities that address each child's strengths and/or developmental weaknesses thus providing appropriate interventions and learning experiences for each and every child. Mountain Projects, Inc., Head Start program assesses the children three times a year with the use of formal and informal observations as well as anecdotal notes. By using the same widely held developmental and learning expectations for all children, teachers are able to encourage every child to reach his or her full potential.

Teaching staff works with each family to incorporate activities from school to home so there is consistency and to increase skills to meet developmental milestones and widely held expectations.

Parent trainings are held monthly and parents have input on lesson plans.

2014-2015

Mountain Projects, Inc., Head Start Outcomes Data

ONGOING ASSESSMENT TOOL:

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 succeeding in the six areas of development and learning, while still acknowledging that children show what they know in different ways. The progressions emphasize that all children have the knowledge, skills, and behaviors upon which to build a successful education.

SCHOOL READINESS

Mountain Projects, Inc., Head Start program assesses the children three times a year with the use of formal and informal observations and anecdotal notes. Using Teaching Strategies ongoing assessment tool, the teaching staff observes each child looking at 38 different learning objectives in six major areas of development. The use of observation and intentional teaching strategies allows teachers to obtain vital information in order to plan individual activities that address each child's strengths and/or developmental weaknesses thus providing appropriate interventions and learning experiences for each and every child. By using the same widely held developmental and learning expectations for all children, teachers are able to encourage every child to reach his or her full potential.

PROFILE OF CHILDREN:

Primary language:

English: 74%
Spanish: 23%
Chinese: 2%
Arabic: 1%

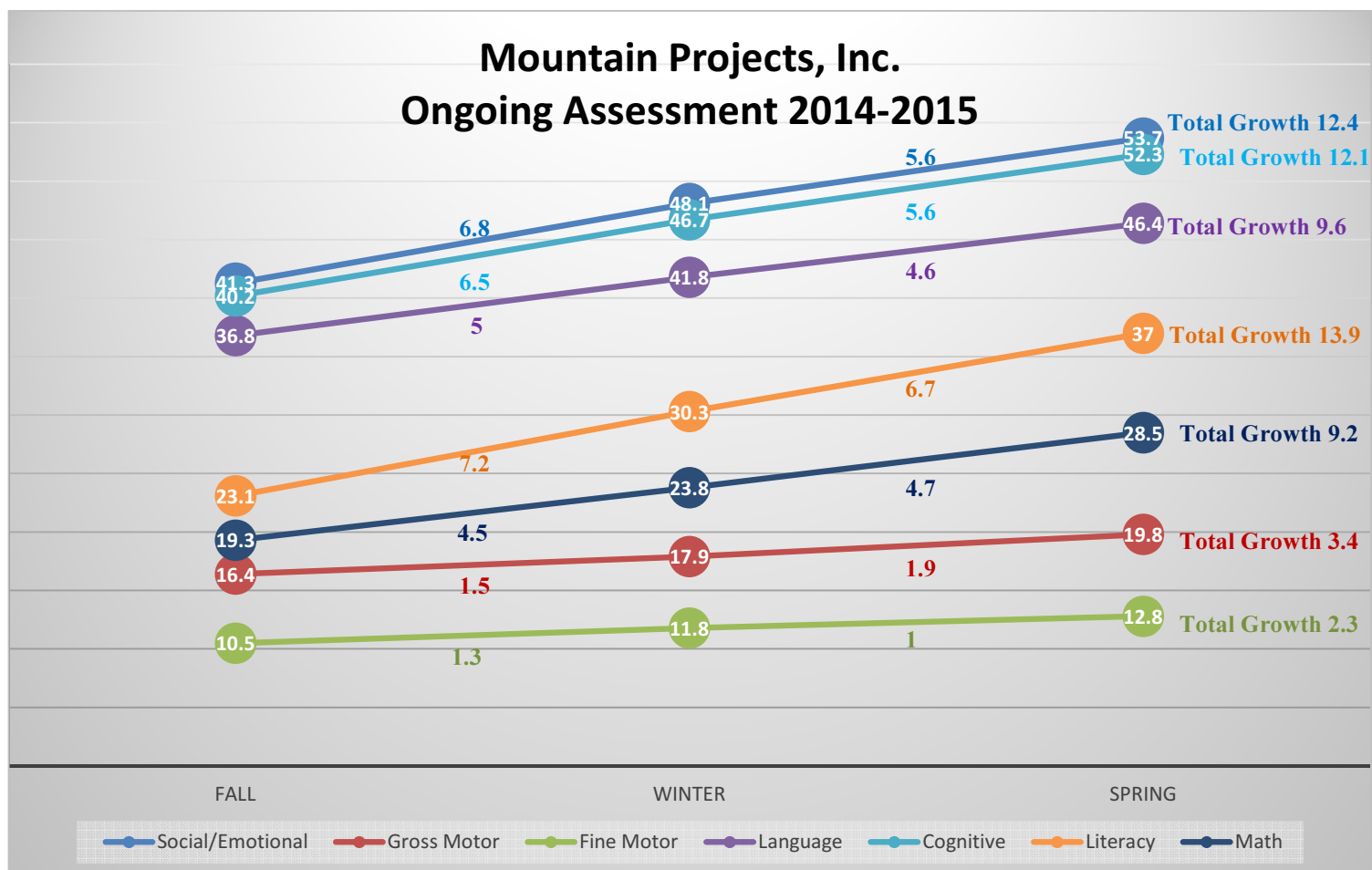
Gender:

Male: 50%
Female: 50%

Ethnicity:

Non-Hispanic: 70%
Hispanic: 27%
Other: 3%

This graph below shows our programs growth in all of the six areas of development.



Data Analysis:

The Data Growth chart shows the gains the program has made for the 2014-2015 year in all areas of development based on the Head Start Child Development and Early Learning Framework, which guides curriculum implementation to plan meaningful learning experiences to help children meet school readiness as they transition from one program to another.

- Social/Emotional Development saw an increase of 6.8 points in the winter and 5.6 points in the spring for an overall increase of 12.4.
- Physical Development, which includes (fine and gross motor), fine motor saw an increase of 1.3 points in the winter and 1 point in the spring for an overall increase of 2.3 and gross motor saw an increase of 1.5 in the winter and 1.9 points in the spring for an overall increase of 3.4.
- Language Development saw an increase of 5 points in winter and 4.6 points in the spring for an overall increase of 9.6.
- Cognitive Development saw an increase of 6.5 points in the winter and 5.6 points in the spring for an overall increase of 12.1.
- Literacy Development saw an increase of 7.2 points in the winter and 6.7 points in the spring for an overall increase of 13.9.
- Math Development saw an increase of 4.5 points in the winter and 4.7 points in the spring for an overall increase of 9.2

Data analysis showed that Mountain Projects, Inc., Head Start Program showed an increase throughout the 2014-2015 program year. There is less of a gain between winter and spring assessment than between fall and winter assessment time frames because of inclement weather, holidays and children's chronological ages are increasing to make the widely held expectations higher. Based on the ongoing assessment data, physical development, literacy and mathematical concepts are the areas with the least amount of growth.

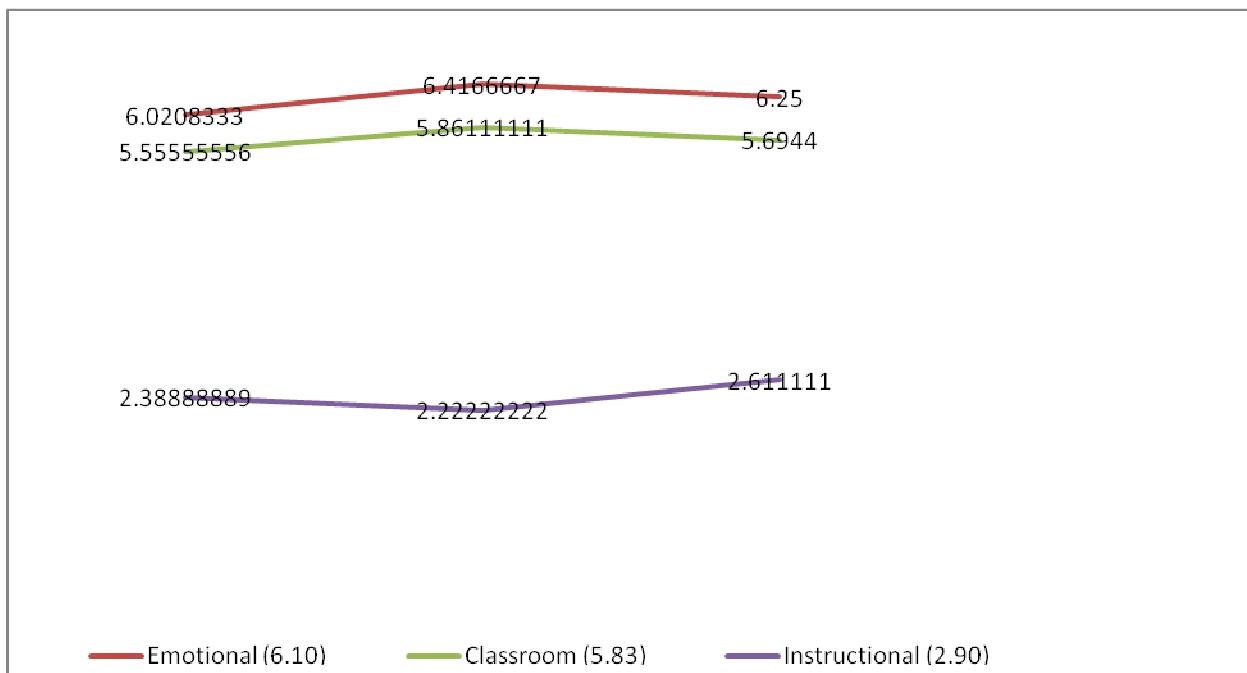
Mountain Projects, Inc., Head Start program will increase activities in the classroom as well as take home activities to show a growth in physical development (fine and gross motor), literacy, and mathematical concepts. By increasing activities in the classroom and at home, Mountain Projects, Inc., Head Start program goal is to enhance children's skills in these areas by 3-5%. Professional development trainings will be implemented during pre-service and throughout the year to help teacher's abilities to incorporate more activities in the classroom to increase skills in these areas. A focus will also include scientific inquiry skills throughout the curriculum to help children escalate their problem solving abilities.

TEACHER OUTCOMES:

The Classroom Assessment Scoring System CLASS is an observation instrument that assesses the quality of teacher-child interactions in center-based preschool classrooms. CLASS® includes three domains or categories of teacher-child interactions that support children's learning and development: Emotional Support, Classroom Organization, and Instructional Support. Within each domain are dimensions which capture more specific details about teachers' interactions with children.

During the 2014-2015 school year, Mountain Projects, Inc. Head Start program conducted CLASS observations. Mountain Projects, Inc. Head Start program has three reliable CLASS observers. Six out of ten classrooms were observed throughout the 2014-2015 school year. The CLASS observers also provided mentoring to all teaching staff to support children's learning and increase child outcomes throughout the program.

CLASS observations were conducted three times a year in October, January and April. The following chart shows CLASS data for Mountain Projects, Inc. Head Start Program.



BUDGET INFORMATION:**REVENUE:**

Head Start Federal Funding: \$1,714,624
Early Head Start Federal Funding: \$763,415
USDA Federal Reimbursement for HS/EHS meals: \$236,502
NC Pre-K State Funding: \$110,884
Subsidy (Wrap-Around services): \$47,302

TOTAL REVENUE: \$2,872,727**Required Non-Federal Share:****Head Start: \$428,656****Early Head Start: \$190,854****TOTAL IN-KIND: \$619,510****BUDGET EXPEDITURES HEAD START/EARLY HEAD START**

Personnel Expenses	\$1,588,139
Program Supplies	\$68,771
Office Supplies	\$11,539
Occupancy	\$104,038
Insurance/bonding	\$19,891
Telephone/Internet	\$17,240
Utilities	\$31,567
Indirect Cost	\$252,635
Food Cost	\$84,012
Contract services	\$43,698
Staff Development	\$28,898
Local Travel	\$14,373
Equipment repair	\$8,621
Maint./Cleaning	\$16,051
Parent Activities	\$812
In-Kind	\$645,271

UNOBLIGATED BALANCE:

Head Start/Early Head Start: \$153,454

AUDIT:

An independent audit was conducted and completed in November, 2015 for the 2014-2015 Fiscal Year. The audit was presented to the Mountain Projects, Board of Directors at the December Board meeting. A summary of the audit will also be presented to the Policy Council Members at the February, 2016 Policy Council meeting. 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 February, 2015. The Mountain Projects Head Start/Early Head Start program was notified that the program was eligible to submit an application for a 5-year grant. This grant will start during the 2015-2016 program year. A federal review will be conducted sometime during the first year of the 5-year grant.



William S. Ray, Jr., CPA
Mark A. Bumgarner, CPA
Bruce A. Kingshill, CPA

385 N. Haywood St., Suite 3
Waynesville, NC 28786

November 30, 2015

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

We have audited the financial statements of Mountain Projects, Inc. (the Organization) for the year ended June 30, 2015, and have issued our report thereon dated November 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 2, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Mountain Projects, Inc. are described in Note B to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was estimating the useful lives of fixed assets.

Management's estimate of the useful lives of property and equipment is based on historical lives of similar assets. We evaluated the key factors and assumptions used to develop the estimate of useful lives of property and equipment in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements is Commitments and Contingencies and is detailed in the footnotes to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors of Mountain Projects, Inc. and management of Mountain Projects, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Ray, Bumgarner, Kingshill & Assoc., P.A.

Ray, Bumgarner, Kingshill & Assoc., P.A.

MOUNTAIN PROJECTS, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Mountain Projects, Inc.
2. No significant deficiencies relating to the audit of the financial statements were reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Mountain Projects, Inc., which would be required to be reported in accordance with Governmental Auditing Standards, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were reported in the 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.
5. The auditor's report on compliance for the major federal award programs for Mountain Projects, Inc. expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Mountain Projects, Inc.
7. The programs tested as major programs were:

<u>Program</u>	<u>CFDA #</u>
HOME Investments Partnership Program	14.239
Head Start Program	93.600

8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. Mountain Projects, Inc. was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

MOUNTAIN PROJECTS, INC.
Corrective Action Plan
Year Ended June 30, 2015

Financial Statements Findings

There were no findings relative to financial statements in the current year.

Major Federal Award Programs Findings and Questioned Costs

There were no findings relative to federal award programs in the current year.

MOUNTAIN PROJECTS, INC.
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

There were no findings relative to financial statements or to federal award programs in the year ended June 30, 2014.

