

South Central Human Resource Age Head Start / Early Head Start Annual Report 2012-2013



Mission Statement

To provide comprehensive high quality services to *educate* children, *empower* families and *engage* communities.

About us and Our Service Area

SCHRA Head Start/Early Head Start Program: Overview

The SCHRA Head Start/Early Head Start Program is located in Southern Middle Tennessee and serves children and families in thirteen counties. Socialization skills, problem solving, self-esteem building, and academic preparation are taught. Children benefit from free health care, dental care, social services, speech/language services, and disability services. Families have access to community resources, job training, and direct support from SCHRA Head Start Family Partners and teaching staff. SCHRA Head Start is the sixth largest Head Start program of the twenty-one programs that operate in Tennessee. The funded enrollment for the HS program is 1011 (EHS 60).

Head Start

There are 24 Head Start centers with 47 classrooms located throughout our service area. Centers range in size from one classroom with 15 children to four classrooms with 66 children. Head Start operates a full day (8:00 a.m. – 2:00 p.m.) program, is Tennessee State Childcare Licensed, and implements a three-star rating system that uses the Early Childhood Environmental Rating Scale – Revised (ECERS-R) to monitor learning environments and teaching practices in all classrooms. The program operates five days per week (August-May).

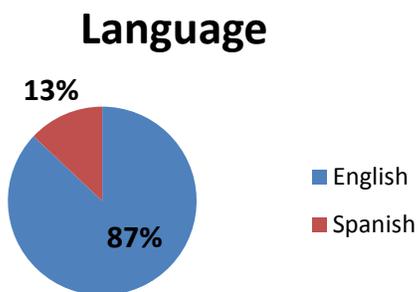
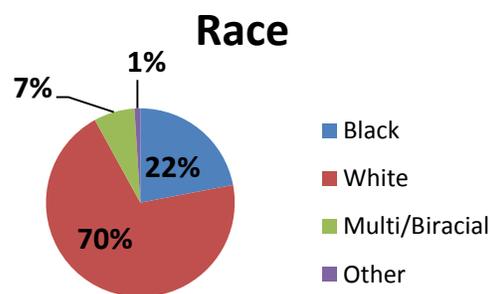
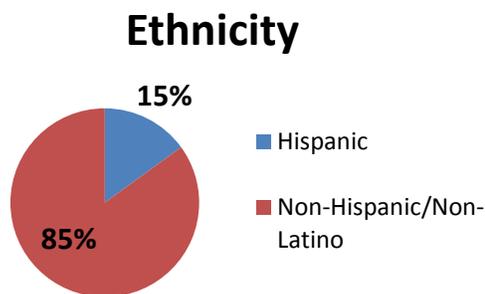
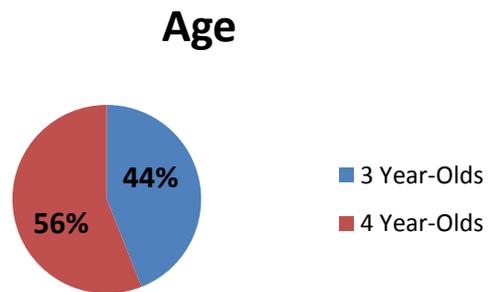
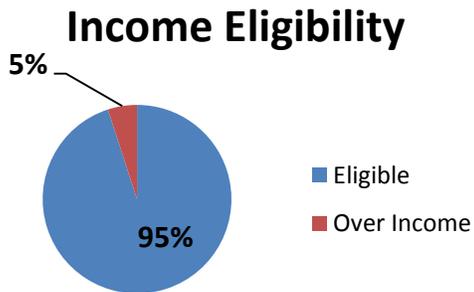
Early Head Start

There are a total of 3 Early Head Start centers located in Bedford, Giles and Lawrence counties. EHS provides services to 60 infants and toddlers and 12 pregnant women. In each of these counties, the program is comprised of one toddler classroom (eight children), one infant classroom (eight children) and serves four pregnant women. Early Head Start operates a full day (8:00 a.m. –2:00 p.m.) program and is Tennessee State Childcare Licensed, which implements a three-star rating system that uses the ECERS-R and ITERS-R to monitor learning environments and teaching practices in all classrooms. Parents are actively encouraged to participate in the center's daily activities. Each center is staffed with a Site Manager and four teachers; a Family Partner and Nutrition Worker also provide assistance. The adult/child ratio is 1:4, with no more than four infants or toddlers per teacher. We strive to meet the high demand for early child care. The wait lists for our Early Head Start centers range from 36 to 65 at each center, with a total of 609 identified children and/or pregnant women in need of services.

PreK

Collaborations with local school systems have resulted in blended funding and classrooms that enroll both Pre-K children and Head Start children. Three collaboration agreements are in place with Franklin, Maury and Wayne Counties; 22 classrooms are designated Pre-K/Head Start in these three systems. The Head Start staff work closely with our public school partners to ensure that Head Start child development services are maintained and monitored in the participating classrooms. These collaborations continue to bring about new challenges and opportunities to provide enhanced services to children and families in need

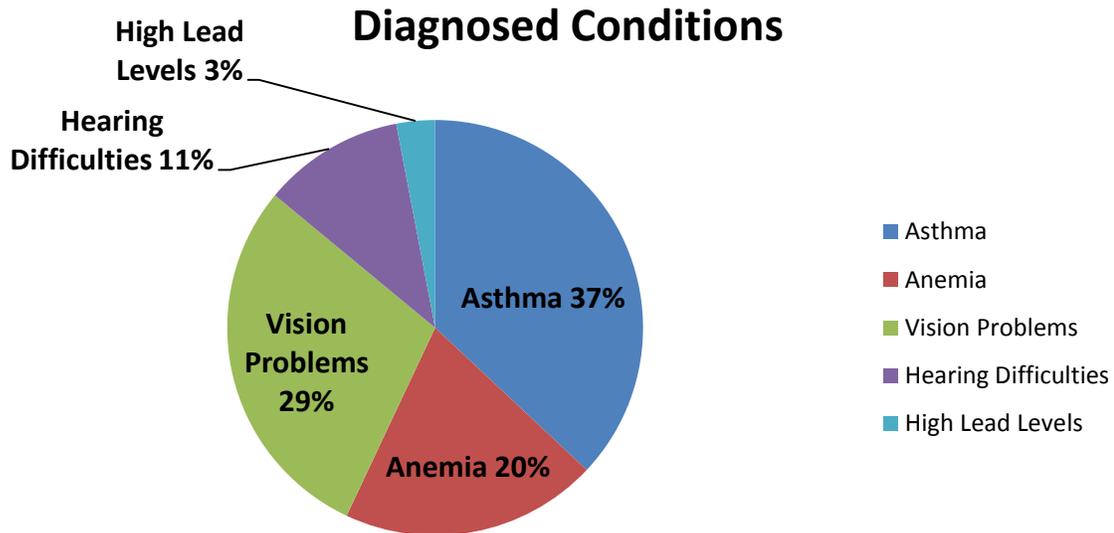
Demographics



Health

By the end of enrollment:

- 98% of children had insurance
- 98% had ongoing source of health care
- 100% children were up-to-date on age appropriate preventative and primary health care
- 97% had accessible dental care
- 92% received preventative dental care
- 100% Children identified with a diagnosed chronic condition received medical treatment.



- 97% Up-to-date on all immunizations appropriate for age.
- 1% Received all immunizations possible, not received all appropriate for their age.
- 2% Meet state guidelines for an exemption for immunizations.

Weight Categories

- 5% Under the 5th percentile
- 21% Over the 95th percentile

Mental Health

Mental Health Consultant met with staff regarding 30 children's behavior/mental health concerns and with families of 24 children regarding their child's behavior/mental health. Ten children were referred to community mental health services.

Disabilities

- 11% children enrolled in program had an Individualized Education Plan (IEP)
 - 43% identified and diagnosed during the program year
 - 57% diagnosed prior to enrollment
- Diagnosis

- 64% Speech or Language impairments
- 29% Developmental Delay
- 4% Multiple disabilities
- 3% Autism

Head Start Financial Report
For the month ending June 2013

REVENUES	Monthly	YTD	Budget	Balance
Federal Sales		6,928,436	7,177,436	249,000
USDA * Miscellaneous Interest	-	451,059	-	(451,059)
		-		-
Total Revenues	-	7,379,495	7,177,436	(202,059)

EXPENDITURES	Monthly Expenditures	YTD Expenditures	Budget	Budget Balance
Salaries		3,292,348	3,378,600	86,252
Fringe		1,715,617	1,528,833	(186,784)
Total Personnel	-	5,007,965	4,907,433	(100,532)
Professional Services <i>Consultant, medical emp, education, pre-k employees</i>		508,456	516,250	7,794
Supplies <i>Office, medical, program, janitorial, food svc, equipment</i>		172,731	198,899	26,168
Communications <i>Printing, telephone, postage</i>		94,438	97,500	3,062
Utilities		146,218	156,000	9,782
Rent <i>Equipment, bldg allocation</i>		225,856	274,200	48,344
Leasehold Improvements		271,352	262,859	(8,493)
Maintenance & Repairs <i>Equipment, building, vehicle</i>		76,544	92,641	16,097
Travel <i>Out-of-area, In-Area, registration, fuel</i>		151,483	133,842	(17,641)
Contracted Services <i>Contract Labor, pest control</i>		14,396	25,500	11,104
Food * <i>Food, contracted food</i>		463,514	6,500	(457,014)
Equipment Federal		-		-
Insurance <i>General Liability, property, participants</i>		17,210	13,500	(3,710)
Building Purchase		-		-
Miscellaneous <i>Medical svcs, parent activity, field trips, dues</i>		49,880	43,000	(6,880)
Indirect		542,566	449,312	(93,254)
TOTAL	-	7,742,607	7,177,436	(565,171)
Inkind		1,992,332	1,736,857	(255,475)

* Note: The Food Cost Expenditures are reduced by the USDA Revenues

**Head Start T&TA Financial Report
For the month ending June 2013**

REVENUES	Monthly	YTD	Budget	Balance
Federal		82,214	82,214	-
Total Revenues	-	82,214	82,214	-
EXPENDITURES				
Line Item	Monthly Expenditures	YTD Expenditures	YTD Budget	Budget Balance
Salaries	-	-	-	-
Fringe	-	-	-	-
Total Personnel	-			-
Professional Services	-	48,214	27,000	(21,214)
<i>Education Fees</i>		-		
Supplies	-	92	4,527	4,435
<i>Program, training, equipment state</i>		-		-
Communications	-	12	30	18
<i>Postage</i>		-		-
Utilities		-		-
Rent	-	(125)	300	425
Leasehold Improvements		-		-
Maintenance & Repairs		-		-
Travel	-	27,928	27,404	(524)
<i>Out-of-area, In-area, registration</i>		-		-
Contracted Services		-		-
Insurance	-	45	100	55
<i>General liability, property</i>		-		-
Miscellaneous	-	-	17,000	17,000
Indirect		6,458	5,853	(605)
TOTAL	-	82,624	82,214	(410)
INKIND	-	20,554	20,554	1

Early Head Start Financial Report
For the month ending June 2013

REVENUES	Monthly	YTD	Budget	Balance
Federal	-	566,991	566,991	-
Sales	-	-	-	-
USDA *		26,230	-	(26,230)
Miscellaneous	-	-	-	-
Total Revenues	-	593,221	566,991	(26,230)

EXPENDITURES	Monthly	YTD	Budget	Balance
Line Item	Expenditures	Expenditures	Budget	Balance
Salaries		311,339	318,520	7,181
Fringe		192,915	169,901	(23,014)
Total Personnel	-	504,254	488,421	(15,833)
Professional Services		4,502	4,100	(402)
<i>Medical Emp, monitoring, consulting</i>				
Supplies		8,165	5,851	(2,314)
<i>Office, program, janitorial, food svc</i>				
Communications		4,825	6,100	1,275
<i>Printing, telephone, postage</i>				
Utilities		7,975	7,500	(475)
Rent		8,950	9,300	350
<i>Equipment, bldg allocation</i>				
Leasehold Improvements		-	-	-
Maintenance & Repairs		5,617	1,700	(3,917)
<i>Bldg, equip</i>				
Travel		5,823	1,289	(4,534)
<i>In-area, out-of-area, registration</i>		-	-	-
Contracted Services		3,616	-	(3,616)
<i>Contract labor</i>				
Food *		11,172	1,000	(10,172)
Equipment Federal		-	-	-
Insurance		524	1,100	576
<i>Liability, property, participants</i>				
Miscellaneous		737	1,750	1,013
<i>Part. medical svcs, parent activity, dues</i>		-	-	-
Indirect		48,002	38,880	(9,122)
TOTAL	-	614,162	566,991	(47,171)

Inkind 141,748 141,748 0

* Note: The Food Cost Expenditures are reduced by the USDA Revenues

Early Head Start T&TA Financial Report
For the month ending June 2013

REVENUES	Monthly	YTD	Budget	Balance
Federal		14,175	14,175	-
Total Revenues	-	14,175	14,175	-

EXPENDITURES	Monthly	YTD	YTD	Budget
Line Item	Expenditures	Expenditures	Budget	Balance
Salaries	-	-	-	-
Fringe	-	-	-	-
Total Personnel	-	-	-	-
Professional Services		7,507	2,896	(4,611)
<i>Education Fees</i>				
Supplies		-	-	-
Communications		0.46	-	(0)
Utilities		-	-	-
Rent		-	-	-
Food		-	-	-
Leasehold Improvements		-	-	-
Maintenance & Repairs		-	-	-
Travel		5,982	10,295	4,313
<i>Out-of-Area, In-area, registration</i>				
Contracted Services		-	-	-
Insurance		-	-	-
Miscellaneous		-	-	-
Indirect		1,144	984	(160)
TOTAL	-	14,633	14,175	(458)
Inkind	-	3,544	3,544	-



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Office of Head Start
8th Floor Portal Building
1250 Maryland Avenue, SW
Washington, DC 20024

To: Board Chairperson
Ms. Janet Vanzant
Board Chairperson
South Central Human Resource Agency
1437 Winchester Hwy.
Fayetteville, TN 37334-0638

From: Responsible HHS Official
Ms. Yvette Sanchez Fuentes
Director, Office of Head Start

Ross Weaver ^{for} *8/15/11*
Date

Overview of Findings

From 9/14/2010 to 9/15/2010, the Administration for Children and Families (ACF) conducted a monitoring desk review of the South Central Human Resource Agency Head Start and Early Head Start programs to determine whether the previously identified findings had been corrected.

Based on the information gathered during our review, we have closed the previously identified findings. Accordingly, no corrective action is required at this time. If you have questions about this report, please contact your ACF Regional Office.

This Head Start Review Report has been issued to Ms. Janet Vanzant, Board Chairperson, as legal notice to your agency of the results of the program review.

Distribution of the Head Start Review Report

Copies of this report will be distributed to the following recipients:

- Mr. Jeffrey Fredericks, Regional Program Manager
- Ms. Denise Redmon, Policy Council Chairperson
- Mr. James Anderson, CEO/Executive Director
- Ms. Joann Benson, Head Start Director

Overview Information

Review Type: *Desk Review*
Organization: *South Central Human Resource Agency*
Program Type: *Head Start and Early Head Start*
Team Leader: *Ms. Yolanda Wise*
Purpose: *Follow Up*
Funded Enrollment HS: *909*

Funded Enrollment EHS: 60

Status of Previously Identified Areas of Noncompliance

Date of Review in which Noncompliance was identified	Applicable Standards	Program Type	Status
<i>Nov 1, 2009</i>	<i>74.25(g)</i>	<i>HS</i>	<i>Corrected</i>
<i>Nov 1, 2009</i>	<i>1309.10(b)</i>	<i>HS</i>	<i>Corrected</i>

PART 74 - Financial And Program Management

74.25 Revision of budget and program plans.

(g) When an HHS awarding agency makes an award that provides support for both construction and nonconstruction work, it may require the recipient to obtain prior approval before making any fund or budget transfers between the two types of work supported.

Triennial(11/1/2009)

The grantee did not obtain prior written approval from the awarding agency before making a budget transfer from construction to nonconstruction line items. In Program Year (PY) 41--the period July 1, 2006 through June 30, 2007, the grantee was awarded funds to renovate a facility in Tullahoma, purchase a facility in Manchester County, and perform major renovations at four other locations. Financial Assistance Award (FAA) Amendment 3, dated November 20, 2007 for Program Year (PY) 42--July 1, 2007 through June 30, 2008--carried over the unexpended PY40 facility funds. The Remarks section of FAA Amendment 3 stated: "These funds are to be used for renovations at the Tullahoma Head Start Center (\$246,450) and renovation of a new center in Manchester, Tennessee. Funds should not be used for any other purpose without prior approval from the Regional Office."

The system-generated General Ledger Expenditure report for the period ending June 2008 reported account 6680--Renovations Leasehold Improvements--with zero expenditures. The SF-269 Final Financial Status Report for PY 42, dated September 29, 2008, showed the unobligated balance of Federal funds on line 10p as \$340,245. A May 19, 2009 letter from the Head Start Director to the Administration for Children and Families (ACF) Program and Fiscal Specialists explained the \$128,924 difference in the Facility/Construction carryover funds as the following: \$19,883 for the budgeted renovation projects and the balance of \$109,041 for extra staff days for pre-service and in-service training as a result of the grantee's Child Outcomes Framework data. In an interview, the Head Start Director agreed she did not have prior approval to transfer funds from the Facility/Construction to the Salary budget line.

Funds designated for renovation were used for other purposes without the prior approval of the Regional Office; therefore, the grantee was not in compliance with the regulation.

Desk Review - Corrected

The grantee ensured it would obtain prior written approval from the Regional Office before making budget transfers from construction to non-construction line items in the budget. A review

of the revised policy and procedures--effective July 1, 2010--related to the revision of budget and program plans found the process required submission of a Budget Revision Request, including the 424 A and B and narrative justification, to the Regional Office for approval prior to expending funds. In an interview, the Head Start Director stated the process was revised to ensure the grantee received prior approval from the Regional Office before expending funds on any line item other than the originally budgeted expense.

The grantee revised its procedure to ensure it would obtain prior written approval from the Regional Office before making line-item transfers in its budget. This area of noncompliance is corrected.

PART 1309 - Head Start Facilities Purchase, Major Renovations and Construction

1309.10 Applications for the purchase, construction and major renovation of facilities.

A grantee which proposes to use grant funds to purchase a facility, or a grantee found eligible under §1309.4 to apply for funds to construct a facility, or §1309.5 to undertake major renovation of a facility, including facilities purchased for that purpose, must submit a written application to the responsible HHS official. The application must include the following information:

(b) Plans and specifications of the facility to be acquired, including information on the size and type of structure, the number and a description of the rooms, and the lot on which the building is located or will be located (including the space available for a playground and for parking). If incidental alterations and renovations or major renovations are being proposed to make a facility suitable to carry out the Head Start program, a description of the renovations, and the plans and specifications submitted, must also describe the facility as it will be after renovations are complete. In the case of a proposed major renovation or construction project, the applicant must submit a written estimate of all costs associated with the project. An architect or engineer must prepare the written estimate.

Triennial(11/1/2009)

The grantee did not accurately estimate the cost of major renovations before entering into the purchase of a facility using Head Start funds. In Program Years 41 and 42--the grant years ending June 30, 2007 and 2008, respectively--the grantee was awarded funds to purchase and renovate a facility in Tullahoma, Tennessee. The facility, intended to replace a location whose lease expired in June 2006, was purchased using Federal funds, and a Notice of Federal Interest was filed.

In an interview, the Head Start Director stated it took 2 years for the grantee's architect to complete the plans for the newly purchased building. When the architect's plans were completed in 2008, it was determined the building required extensive renovations. The grantee then changed its plans and moved ahead with a lease-purchase agreement for a different building requiring only minor renovations. A review of a May 19, 2009 letter to the Regional Office determined the grantee's Head Start Director requested disposition instructions for the first purchased building.

The grantee purchased a building before establishing the extent and cost of renovations required to make it suitable for the Head Start program; therefore, it was not in compliance with the regulation.

Desk Review - Corrected

The grantee ensured it established accurate costs of major renovations before purchasing facilities using Head Start funds. A review of the Head Start Facilities Purchase, Major Renovations, and Construction Policies and Procedures--effective July 1, 2010--found the procedures used to accurately estimate the cost of major renovations were revised to include the additional step of receiving a final cost analysis from the architect prior to requesting approval from the Regional Office. In an interview, the Head Start Director confirmed the agency was now required to receive a final cost analysis from the architect prior to requesting final approval from the Office of Head Start.

The grantee amended its procedures to require accurate estimates of the cost of renovations before entering into the purchase of facilities using Head Start funds. This area of noncompliance is corrected.

— END OF REPORT —

SOUTH CENTRAL HUMAN RESOURCE AGENCY
Audit Summary
Year Ended June 30, 2012

Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of South Central Human Resource Agency.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on
3. 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*.
4. One instance of noncompliance material to the financial statements of South Central Human Resource Agency is reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
5. Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
6. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.
7. The auditor's report on compliance for the major federal award programs for South Central Human Resource Agency expresses an unqualified opinion on all major federal programs.
8. No audit findings were noted that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
9. The programs tested as major programs were:

CFDA Number	Name of Federal Program
81.042	Weatherization Assistance for Low-Income Persons
81.042	ARRA - Weatherization Assistance for Low-Income Persons
93.568	Low-Income Home Energy Assistance Program
10. The threshold for distinguishing between Type A and Type B programs was \$477,698.
11. South Central Human Resource Agency was determined to be a low-risk auditee.

Findings - Financial Statements Audit

Significant Deficiency

2012-1 Cash Deposits

Condition: Cash deposits in excess of deposit insurance at the Bank of Lincoln County were not collateralized by the Bank of Lincoln County.

Criteria: Cash deposits in excess of deposit insurance are to be collateralized by the depository institution.

Cause: South Central Human Resource Agency did not have a collateral agreement with the Bank of Lincoln County.

Effect: Cash deposits in excess of deposit insurance were not collateralized.

Recommendation: A collateral agreement should be executed between the South Central Human Resource Agency and the Bank of Lincoln County.

Views of Responsible Officials and Planned Corrective Actions: Management has since obtained a collateral agreement with the Bank of Lincoln County that increases accordingly to cover excess deposits at the bank.

Findings and Questioned Costs - Major Federal Award Programs Audit

None

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*

Governing Board

South Central Human Resource Agency

Fayetteville, Tennessee

We have audited the financial statements of the governmental activities and each major fund of South Central Human Resource Agency (the "Agency"), as of and for the year ended June 30, 2012, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated December 28, 2012. We conducted our audit in accordance with

auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2012-1.

The Agency's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Agency's response and, accordingly, we express no opinion on it.

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



Nashville, Tennessee
December 28, 2012

CLASS

CLASS Instructional Support domain training was completed with 24 classroom teams who had the lowest scores in this domain. The domain also focuses on our area of needed growth for Expressive and Expanding Vocabulary.

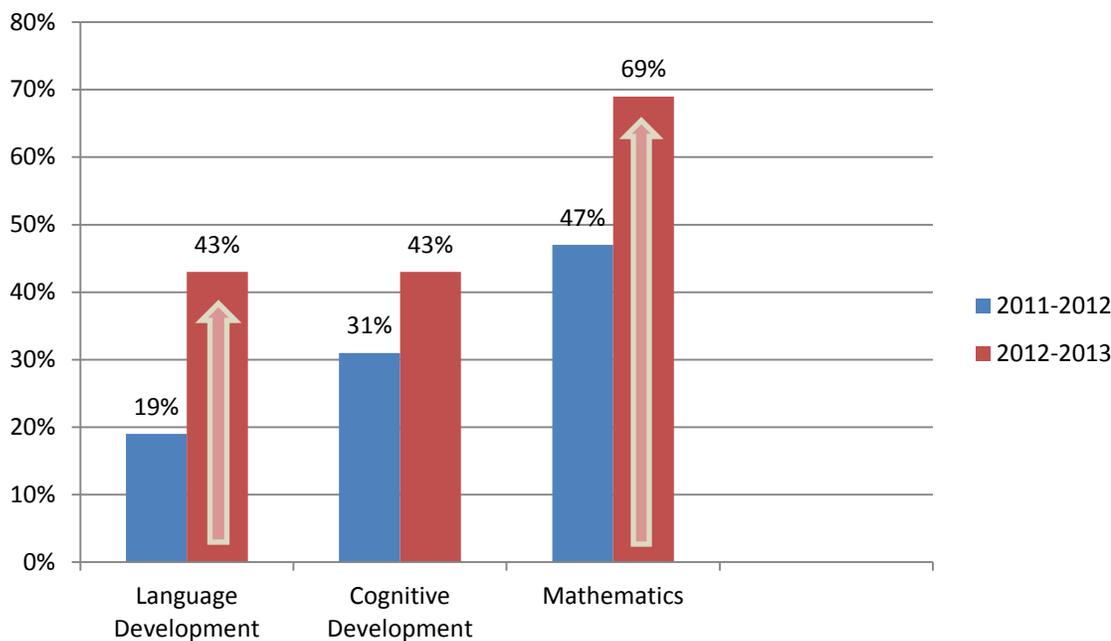
- Zoo Phonics training occurred during 2013-14 Pre-Service to help increase Letter Recognition and Phonological Awareness. This also focuses on our area of needed growth for Identifying and Naming letters School Readiness Goals.
- We are incorporating the Zoo Phonics curriculum into our classrooms and we continue to provide more training with staff on the Instructional Support domain. For the 2013-14 school year, small group and one on one training focus topics include:
 - Lesson Plans
 - Intentional Learning Opportunities

School Readiness Goals/Progress

Children's Gains between Fall and Spring Comparison

Comparing Outcomes from the past two years:

Information below shows that in the area of Language Development, the percentage of children who met or exceeded expectations rose 19% in 2011-12, but in the 2012-13 program year, there was a 43% increase in this area. Additionally, gains are prevalent in the area of Cognitive Development and Mathematics. In response to growth concerns identified (2011-12) in the area of Mathematics and Cognitive Development, targeted classroom supplies were purchased along with one on one training as identified.



The Social Emotional curriculum used until 2012-13 was "As I Am" which is out of print. The *Second Steps Curriculum* has been purchased for classroom use and staff received training about implementation in August 2013.

Family Engagement

The program encourages family engagement through ongoing communication with families in order to establish reciprocal relationships. In addition to the one on one relationships, formal engagement activities occur throughout the program year. These include activities that bridge the classroom and home environment, such as: game night with information about how specific games can help with school readiness and:

- Alphabet Treasure hunts
- Grilling with the Guys
- Lunch and Playground with Dad
- Art with Dad

Discovery Center outings
Build it kits from Lowes & Home Depot
Library outings
Family Nature walks
Gardening days

Michael Hall, founder of Strong Fathers/Strong Families, provided Father Engagement training with staff and families in September 2013.

We have identified that our system of tracking family engagement outcomes **needs improvement** and we are making changes in the way we document those services to get a better idea of family outcomes.