



CONCHO VALLEY COUNCIL OF GOVERNMENTS HEAD START/EARLY HEAD START PROGRAM Governor's /Annual Report

The Concho Valley Council of Governments Rural Head Start program has just completed our fourth year of operation. We are preparing for our tri-annual review that will take place the end of January 09. The San Angelo Independent School District Head Start/Early Head Start continues to serve as our Delegate Agency.

The Concho Valley Council of Governments Head Start Program's mission is to serve children and families, to nurture, to educate, to believe in each other, to wisely use our talents to help others and to touch the future forever. We are committed to maintaining a quality program, productive partnerships, and to design and evaluate program systems to assure we are responsive to the needs of our children and families. The values that guide our program are: believing healthy children are prepared to learn, empowering parents to help them be self sufficient, believing in cultural diversity in families we serve, collaborating with local community agencies, to encourage the well being of enrolled children and families, providing comprehensive services to children and families, and providing positive leadership to our staff supporting them in providing quality services.

The Headstart/Early Headstart Program received \$5,368,540.00 from Health and Human Services/Administration for Children and Families. The Heads Start/Early Head start program serves 848 Head Start and Early Head Start children. The Concho Valley Council of Governments' program serves 254 Head Start children in eleven rural counties. The San Angelo ISD serves 472 Head Start children within the city of San Angelo. Additionally, the San Angelo ISD serves 100 infants and toddlers and 22 pregnant mothers through the Early Head Start Program.

Parent Involvement is a vital part of our program. Each Head Start/Early Head Start center hosts a variety of parent/child events during and after school hours. Activities include such things as: Dads and Donuts, Moms and Muffins, and Pot Luck Dinners. Parents are invited to participate in game day, kite flying activities, reading to the children, and volunteering during meal times. Volunteering in the classroom encourages parents to take an active role in their child's education.

One of the Concho Valley Council of Governments' main objective is to prepare children for kindergarten. We have aligned our curriculum with the new Texas Pre-K guidelines. We continue to strengthen our collaboration with local education agencies to promote school readiness and to share expectations for children's learning and development as they transition to public school. We also participate in the Texas Early Education Model for improving school readiness.

The Concho Valley Council of Governments participated in the Head Start Risk Management Review October 2008 conducted by the Office of Head Start. There were no program non compliances or deficiencies. The results of the last Financial Audit FY 07 indicated no non compliances or deficiencies for either the Grantee or Delegate Head Start Agencies.

Program Information Report: FY 2007-08

- Average monthly enrollment was 100%
- 94% of eligible children were served
- 91% of enrolled children received medical exams
- 89% of enrolled children received dental exams

Enclosed we have attached a copy of FY 2007 Budget and FY 2008 Budget (See attachments)

The Concho Valley Council of Governments received \$36,000.00 to assist teachers in furthering their education. We continue to monitor families in our communities in hope to extend Head Start Services. We also await Federal funds to apply for and expand Early Head Start Services in our communities.

Goals and Objectives for 2008-2010 are:

Grantee Concho Valley Council of Governments Head Start Program/ Delegate San Angelo Independent School District Head Start/Early Head Start Program

1. Purchase buses as funds become available to provide transportation to our children and families in the rural communities.
2. For all teaching staff to have Early Childhood or related degree (AA or BA).
3. We continue to recruit 4 year old children and children with disabilities.
4. Our long range goal is to secure funding for exterior maintenance and upgrades to facilities.

With the continued support from our communities, policy groups, and our families we strive to provide comprehensive quality services to all eligible families in our service areas.

Enclosed we have attached a copy of the results for the Concho Valley Council of Governments Financial Statements Audit FY Ending September 30, 2007.

Enclosed we have attached a copy of the results of the San Angelo Independent School Districts Comprehensive Annual Financial Report for the Year Ended August 31, 2007.

12-16-2008

Revised 1-15-09

BUDGET INFORMATION - on-Construction Programs

OMB Approval # 348-0044

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		Total
		Federal	Non-Federal	Federal	Non-Federal	
1. Program Operation	93.600			\$5,212,044	\$1,322,239	\$6,534,283
2. T&TA	93.600			\$76,908		\$76,908
3.						
4.						
5. Totals				\$5,288,952	\$1,322,239	\$6,611,191

SECTION B - BUDGET CATEGORIES

Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total
	(1) Program Operation	(2) T&TA	(3)	(4)	
a. Personnel	\$1,054,078				\$1,054,078
b. Fringe Benefits	\$484,033				\$484,033
c. Travel	\$1,200	\$5,500			\$6,700
d. Equipment					
e. Supplies	\$28,000				\$28,000
f. Contractual	\$3,242,479	\$59,618			\$3,302,097
g. Construction					
h. Other	\$290,425	\$11,790			\$302,215
i Total Direct Charges (sum of 6a - 6h)	\$5,100,215	\$76,908			\$5,177,123
j. Indirect Costs	\$111,829				\$111,829
k. TOTALS (sum of 6a - 6j)	\$5,212,044	\$76,908			\$5,288,952
7. Program Income					

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Standard Form 424A (Rev. 7-97)
Prescribed by OMB Circular A-102

SECTION C - NON-FEDERAL RESOURCES

	(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8. NFS		\$1,322,239			\$1,322,239
9.					
10.					
11.					
12. TOTAL (sum of lines 8-11)		\$1,322,239			\$1,322,239

SECTION D - FORECASTED CASH NEEDS

	FUTURE FUNDING PERIODS (Years)				
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$5,288,952	\$1,322,238	\$1,322,238	\$1,322,238	\$1,322,238
14. Non-Federal	\$1,322,239	\$330,560	\$330,560	\$330,560	\$330,559
15. TOTAL (sum of lines 13 -14)	\$6,611,191	\$1,652,798	\$1,652,798	\$1,652,798	\$1,652,797

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

	FUTURE FUNDING PERIODS (Years)				
	(a) Grant Program	(b) First	(c) Second	(d) Third	(e) Fourth
16.					
17.					
18.					
19.					
20. TOTAL (sum of lines 16-19)					

SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges:	22. Indirect Charges:
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23. Remarks:

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BUDGET INFORMATION Non-Construction Programs

OMB Appro . 0348-0044

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		Total
		Federal	Non-Federal	Federal	Non-Federal	
1. Program Operation	93.600			\$5,290,219	\$1,342,136	\$6,632,355
2. T&TA	93.600			\$78,321		\$78,321
3.						
4.						
5. Totals				\$5,368,540	\$1,342,136	\$6,710,676

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total
	(1) Program Operation	(2) T&TA	(3)	(4)	
a. Personnel	\$1,084,458				\$1,084,458
b. Fringe Benefits	\$403,677				\$403,677
c. Travel	\$1,200	\$22,350			\$23,550
d. Equipment					
e. Supplies	\$38,380				\$38,380
f. Contractual	\$3,283,875	\$55,971			\$3,339,846
g. Construction					
h. Other	\$289,325	298,267			\$289,325
i Total Direct Charges (sum of 6a - 6h)	\$5,100,915	\$78,321			\$5,179,236
j. Indirect Costs	\$189,304	-> -8992.			\$189,304
k. TOTALS (sum of 6a - 6j)	\$5,290,219	\$78,321			\$5,368,540
7. Program Income					

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Prescribed by OMB Circular A-102

		SECTION C - NON-FEDERAL RESOURCES							
		(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS			
8.	NFS		\$1,342,136						\$1,342,136
9.									
10.									
11.									
12.	TOTAL (sum of lines 8-11)		\$1,342,136						\$1,342,136
SECTION D - FORECASTED CASH NEEDS									
		Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			
13.	Federal	\$5,368,540	\$1,342,135	\$1,342,135	\$1,342,135	\$1,342,135	\$1,342,135		
14.	Non-Federal	\$1,342,136	\$335,534	\$335,534	\$335,534	\$335,534	\$335,534		
15.	TOTAL (sum of lines 13 -14)	\$6,710,676	\$1,677,669	\$1,677,669	\$1,677,669	\$1,677,669	\$1,677,669		
SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT									
		FUTURE FUNDING PERIODS (Years)							
		(a) Grant Program	(b) First	(c) Second	(d) Third	(e) Fourth			
16.									
17.									
18.									
19.									
20.	TOTAL (sum of lines 16-19)								
SECTION F - OTHER BUDGET INFORMATION									
21. Direct Charges:		22. Indirect Charges:							
23. Remarks:									

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This roll record includes the following applications:

<u>FiscalYear</u>	<u>Grant #</u>	<u>Del #</u>	<u>GrantType</u>	<u>Purpose</u>
2008	06CH7039	0	Basic HS Grant Application	Continuation Refunding Application
2008	06CH7039	1	Basic HS Grant Application	Delegate Continuation Refunding Application
2008	06CH7039	1	Basic EHS Grant Application	Delegate SAISD Continuation Refunding Application

CONCHO VALLEY COUNCIL OF GOVERNMENTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2007

A. Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of **Concho Valley Council of Governments**.
2. No significant deficiencies relating to the audit of the financial statements are 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*.
3. No instances of noncompliance material to the financial statements of **Concho Valley Council of Governments** were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal and state award programs is reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 and the State of Texas Single Audit Circular.
5. The auditor's report on compliance for the major federal and state award programs for **Concho Valley Council of Governments** expresses an unqualified opinion.
6. There were no audit findings relative to major federal or state award programs required to be reported under Section 510(a) of OMB Circular A-133 and the State of Texas Single Audit Circular.
7. The programs tested as major federal and state award programs were Federal CFDA #20.507 Federal Transit - Urban, Federal CFDA # 93.600 Head Start, and Commission on State Emergency Communications - 911 Project.
8. The threshold for distinguishing Types A and B programs was \$300,000 for federal and state award programs.
9. **Concho Valley Council of Governments** did qualify as a low risk auditee.

B. Findings Required to be Reported in Accordance with *Government Auditing Standards*

None.

C. Findings and Questioned Costs - Major Federal and State Award Programs

None.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2007

(Prepared by the District's Administration)

FINDING FC07-01 – State Compensatory Education Compliance

State Compensatory Education (SCE) program was not adequately planned nor monitored during the 2006-2007 fiscal year. (Repeat finding)

Contact Person: Tammy Bright, Executive Director of Federal Programs, (325) 947-3838 Ext. 749

Corrective Action:

State Compensatory Education budget became the responsibility of the Executive Director of Federal Programs in November 2006. The previous year's corrective action plan was written with the intent of correcting the financial findings from the previous year. State Compensatory Education provides funding for several different programs. Budgets are set up under program codes and several program directors have approval authority over these funds. Final approval of State Compensatory funds will be made exclusively by the Executive Director of Federal Programs. The following corrective action plans will be implemented for each finding:

- (1) SAISD did not spend 85% of its SCE allocation.
Executive Director will review the SCE budget on a monthly basis. The past two years the final state allocations have been greater than anticipated at the end of the year. Budgetary planning of the 85% allocation then falls short of the goal because final program allocations are greater than expected. Budgetary planning of the SCE budget will be at a 90% allocation level. This higher allocation rate should help offset the final allocation increase.
- (2) The district spent part of the allocation on non-supplemental or unallowable strategies
Allowable and supplemental strategies that are funded with SCE funds will be more clearly monitored. The implementation of one approval authority will more closely monitor the expenses. Additional information will be included in the accounting process for tracking purposes.
- (3) Some salaries coded to SCE do not have documentation to support that personnel were providing services supplemental to the basic education.
Personnel funded under SCE funds will be checked at the beginning of each semester of the fiscal year to ensure that position and duties are providing supplemental services.

Anticipated Completion Date:
In fiscal year 2007-08

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2007

(Prepared by the District's Administration)

FINDING CP05-05 - Federal Approval for Single Bid

Contact Person: Robin Harmon, Director of Early Head Start/Head Start, (325) 947-3703

Corrective action has been taken.

FINDING FC06-01 – State Compensatory Education Compliance

State Compensatory Education (SCE) program was not adequately planned nor monitored during the 2005-2006 fiscal year.

Contact Person: Tammy Bright, Executive Director of Curriculum, Assessment and Federal Programs, (325) 947-3750.

Corrective action was taken regarding expenditure of more than the 18% allowable on disciplinary alternative education program. However, the following conditions continued through the 2006-2007 fiscal year:

- 1. The District did not spend 85% of its SCE allocation.**
- 2. The District spent part of allocation on non-supplemental or unallowable strategies.**
- 3. Some salaries coded to SCE do not have documentation to support that personnel were providing services supplemental to the basic education.**

FINDING CP06-01 – IDEA Part B and IDEA Preschool

Contact Person: Jana Anderson, Director of Special Programs, (325) 947-3833

Corrective action has been taken.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2007

(Prepared by the District's Administration)

FINDING FC07-01 – State Compensatory Education Compliance

State Compensatory Education (SCE) program was not adequately planned nor monitored during the 2006-2007 fiscal year. (Repeat finding)

Contact Person: Tammy Bright, Executive Director of Federal Programs, (325) 947-3838 Ext. 749

Corrective Action:

State Compensatory Education budget became the responsibility of the Executive Director of Federal Programs in November 2006. The previous year's corrective action plan was written with the intent of correcting the financial findings from the previous year. State Compensatory Education provides funding for several different programs. Budgets are set up under program codes and several program directors have approval authority over these funds. Final approval of State Compensatory funds will be made exclusively by the Executive Director of Federal Programs. The following corrective action plans will be implemented for each finding:

- (1) SAISD did not spend 85% of its SCE allocation.
Executive Director will review the SCE budget on a monthly basis. The past two years the final state allocations have been greater than anticipated at the end of the year. Budgetary planning of the 85% allocation then falls short of the goal because final program allocations are greater than expected. Budgetary planning of the SCE budget will be at a 90% allocation level. This higher allocation rate should help offset the final allocation increase.
- (2) The district spent part of the allocation on non-supplemental or unallowable strategies
Allowable and supplemental strategies that are funded with SCE funds will be more clearly monitored. The implementation of one approval authority will more closely monitor the expenses. Additional information will be included in the accounting process for tracking purposes.
- (3) Some salaries coded to SCE do not have documentation to support that personnel were providing services supplemental to the basic education.
Personnel funded under SCE funds will be checked at the beginning of each semester of the fiscal year to ensure that position and duties are providing supplemental services.

Anticipated Completion Date:
In fiscal year 2007-08

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2007

I SUMMARY OF THE AUDITOR'S RESULTS:

- a. The type of report issued on the financial statements was an unqualified opinion.
- b. No significant deficiencies in internal control over financial reporting were disclosed by the audit.
- c. The audit did not disclose any noncompliance which is material to the financial statements of the auditee. However, the audit did disclose instances of noncompliance which are required to be reported under Government Auditing Standards, which are reported in Part II below.
- d. No significant deficiencies in internal control over major programs were disclosed by the audit.
- e. The type of report the auditor issued on compliance for major programs was an unqualified opinion.
- f. The audit did not disclose any audit findings which the auditor is required to report under Section ____510(a).
- g. Major programs were:
 - (1) Food Service Clustered Programs; U.S. Department of Agriculture;
 - (a) Summer Feeding Program; CFDA 10.559; passed through State Department of Human Services.
 - (b) National School Breakfast Program; CFDA 10.553; passed through State Department of Education.
 - (c) National School Lunch Program, CFDA 10.555; passed through State Department of Education.
 - (2) Head Start and Early Head Start; CFDA 93.600; U.S. Department of Health and Human Services; passed through Concho Valley Council of Governments
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$466,415.
- i. The auditee qualified as a low-risk auditee.

II FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Finding FC07-01 – State Compensatory Education Compliance

Condition: State Compensatory Education (SCE) program was not adequately planned nor monitored during the 2006-2007 fiscal year. This is a repeat finding.

Criteria: Texas Education Code Section 42.152 and FASRG Chapter 9 provide laws and regulations that should be followed in budgeting and expending the SCE allotment.

Effect of Condition:

- (1) SAISD did not spend 85% of its SCE allocation.
- (2) The District spent part of allocation on non-supplemental or unallowable strategies.
- (3) Some salaries coded to SCE do not have documentation to support that personnel were providing services supplemental to the basic education.

Cause of Condition: Inadequate emphasis by the District in addressing the needs of students in at-risk situations.

Reason Improvement Needed: Budgeting and spending less than 85% of the allotment may result in at-risk students not receiving supplemental services and instruction needed to reduce the gap in performance on TAKS or the gap in rates of high school completion between students at-risk of dropping out of school and the rest of the student population. Failure to use the SCE allotment for direct, supplemental instruction of students in at-risk situations could result in possible TEA sanctions found in FASRG 9.5, including: informal monitoring, recommended training, recommended assistance from outside consultants, financial penalties, or accreditation actions.

Recommendation: Place a high priority on planning, budgeting, and monitoring the SCE allotment and re-emphasize the importance of complying with the laws and regulations found in Texas Education Code Section 42.152 and FASRG Chapter 9.

III FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS AS DESCRIBED IN I.f. ABOVE

None