



2023

# HEAD START ANNUAL REPORT



*Providing quality preschool services in the communities of  
Greene, Madison, Page, Shenandoah and Warren.*

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# From the director

Dear Friends,

I am thrilled to share with you the highlights and achievements of the past year in the pages that follow in our annual Head Start report. Now in our 32nd year of operation, our Head Start program has continued to thrive and make a positive impact on the lives of children and families in the communities we serve.

Here are some of the key accomplishments we have achieved over the past year:



## QUALITY EDUCATION

Our dedicated teaching staff continues to maintain a high standard of early childhood education, helping children develop essential skills and a love for learning. They met all aspects of the United Virginia Quality Birth to Five System (VQB5) that focuses on the quality of publicly-funded birth to five classrooms.

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## PARENT & COMMUNITY ENGAGEMENT

We have worked hard to strengthen our engagement with parents and the broader community. Our Head Start Policy Council has played a vital role in shaping the program's direction and ensuring that it remains responsive to the needs of the families we serve.

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## SUSTAINABILITY

In our ongoing commitment to sustainability, we have reduced our carbon footprint by installing solar panels on our Head Start facilities and reducing the use of paper with electronic file systems.

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## DIVERSITY & INCLUSION

We continue to celebrate diversity and inclusivity in our program, ensuring that every child feels valued and respected for who they are. Toys, books, posters, and activities expose students to multiple cultures and nationalities, races, languages, abilities, and socio-economic backgrounds.

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In my dual role as Executive Director of Skyline CAP and Director of Head Start, it is my privilege to oversee a dedicated team that works tirelessly to provide early childhood education and support to young learners and their families in five counties. Our success would not have been possible without the dedication and hard work of this incredible team along with the unwavering support of our partners and the trust that the communities we serve place in us.

We remain committed to our mission of ensuring that every child has the opportunity to reach their full potential and that families have the support they need to thrive. As we move forward, continued support and collaboration will be invaluable in helping us further our mission and create a brighter future for our children and families. Together, we can make a lasting impact on the lives of those we serve.

Kindest regards,

Simon C. Fiscus  
Director, Skyline CAP Head Start



**Skyline CAP has taken steps towards maintaining sustainable operations.**

# About Head Start



## How It All Began

The Head Start program is a comprehensive early childhood education initiative launched in the United States in 1965 as part of President Lyndon B. Johnson’s War on Poverty. The program was established to provide disadvantaged children who may not have had access to quality preschool education with a “head start” in their education and development.

Head Start offers a range of services, including early childhood education, health and nutrition support, and social services to help families in need. It is designed to give children a strong foundation for success in school and life by providing educational opportunities and addressing various factors that could impact their well-being.

Over the years, Head Start has expanded and evolved to better meet the needs of the communities it serves. It continues to play a vital role in promoting early childhood development, family engagement, and school readiness for children from economically-disadvantaged backgrounds.

At the local level, Skyline CAP offers Head Start services to 3- and 4-year-old children and their families in Greene, Madison, Page, Shenandoah, and Warren counties at no cost. The program promotes school readiness through a positive learning environment that supports growth in language and literacy, cognition, social-emotional development, and general knowledge. Children also receive a healthy breakfast and lunch each day as well as free health and developmental screenings. Skyline CAP Head Start is committed to building relationships with the family to support overall well-being and help break through the barriers of generational poverty.



# Leadership & Governance

The leadership and governance structure for Head Start programs consists of the governing body or Tribal Council, which exercises legal and fiscal oversight and safeguards federal funds; the Policy Council, which sets the program direction; and management staff, which oversees day-to-day operations of the program. Together, the three entities come together to make decisions and move the program forward.



The Head Start Act requires that the governing body include one or members who have expertise in fiscal management or accounting; expertise in early childhood education and development; and who are licensed attorneys familiar with legal issues that come before the governing body. Other members may reflect the community being served, include parents of children who are currently or were formerly enrolled in Head Start programs, and be selected for their expertise in education, business administration, or community affairs. The Policy Council is elected by parents of children currently enrolled in the Head Start program; is composed of parents of children currently enrolled in the program, who must constitute a majority of the council; includes community members at large, some of whom may be parents of formerly enrolled children; and proportionally represents parents of children enrolled in all program options.

## Skyline CAP Head Start Policy Council - FY 2023

**Kerri Banks, Chair**

**Chuck Settle, Vice Chair**

Kim Burton

Peggy Haluska

**Community Representatives:**

Vivian Utz, Madison County

BJ Stout Ritter, Shenandoah County

**Loni Blankenbaker, Secretary**

**Crystal Kerns, Treasurer / Parliamentarian**

Jen Dufner

Chris Hopkins, Page County

Lisa Seal, Warren County

# Culture, Diversity, Equity & Inclusion

Equity is at the core of Head Start principles and philosophy and advancing equity is a key priority. Fundamental to the program's design is the belief that all children, families, and communities — including those who have been adversely affected by persistent poverty, racism, and bias — should have the opportunity to thrive and reach their full potential. For Head Start programs, equity is an expansive concept that includes racial, gender, and socioeconomic considerations. Head Start programs lead their communities in advancing equity by providing services that support the development of the whole child — cognitively, physically, socially, and emotionally — and implementing systems that promote an inclusive culture.



Positive family and child outcomes sit on a foundation of equity, inclusiveness, cultural, and linguistic responsiveness. Advancing equity in Head Start programs is a dynamic and ongoing effort and provides an opportunity to be creative and inclusive, to explore and be flexible, and to revisit and recommit to the purpose driving the Head Start program. Program leadership is key to this effort as they have open dialogues and facilitate opportunities for staff, families, and community partners to have safe conversations around equity. These conversations can explore new ways to promote equitable access and environments that meet the needs and highlight the strengths of the communities served. An innovative, intentional, and systemic approach provides the Head Start workforce with strategies that promote belonging, address bias, and promote equitable practices, services, and systems.

# Eligibility & Enrollment

## Eligibility

Skyline CAP's Head Start program uses the following eligibility guidelines:

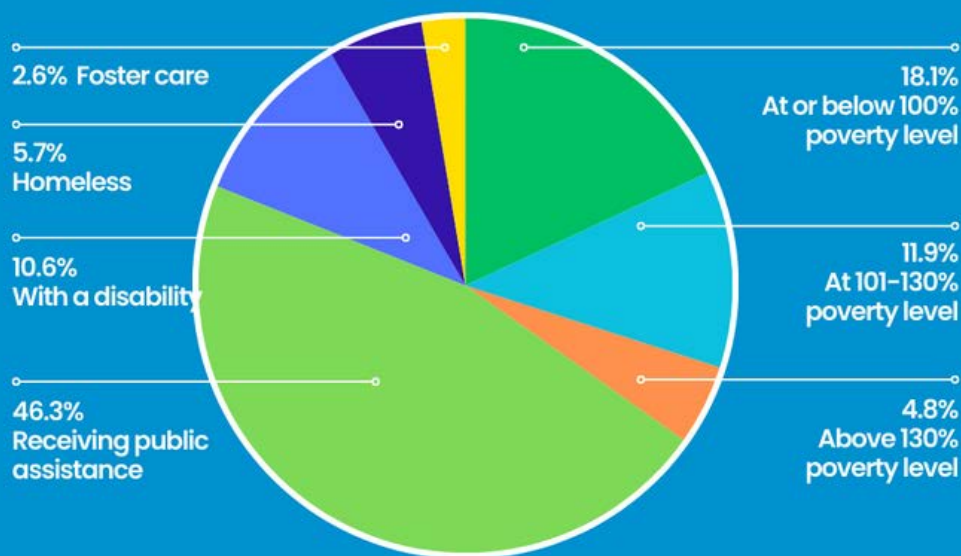
- The child must be 3-years-old by September 30;
- Families must meet the income poverty guidelines set by the U.S. Department of Health and Human Services; or
- The family is qualified to or receives public assistance (SSI/TANF); or
- The family meets the federal definition of homeless; or
- The child is in foster care;
- The child has a diagnosed disability;
- Families must live in the community where they apply.

## Enrollment

During the 2022-2023 school year, Skyline CAP Head Start classrooms operated at full-capacity and served 203 children.

### Children & Families Served

2022-2023





# Curriculum & Assessments

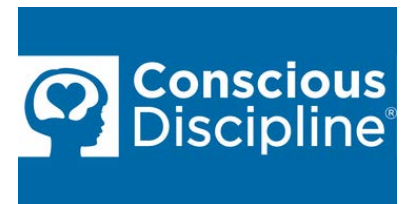
## Curriculum

Skyline CAP Head Start uses Frog Street Pre-K curriculum, a research-based, dual-language program that allows for developmental work in a variety of areas including literacy, math, science, social studies, social-emotional connections, STEAM, technology, assessment, and family engagement. Frog Street partners with Conscious Discipline® to promote strategies such as uniting, calming, and connecting.

This was our second year participating in the United Virginia Quality Birth-to-Five (VQB5) System pilot program which measures and helps improve the quality of all publicly-funded birth-to-five classrooms. VQB5 measures the quality of teaching and learning based on two quality indicators: interactions and curriculum. This is an ongoing process with opportunities for continuous quality improvement throughout the year. Skyline CAP's Head Start teaching staff successfully met all expectations of the program.

## Social-Emotional Development

Recognizing the importance of mental health and well-being, we continue to use innovative teaching methods like Conscious Discipline® to ensure effective social-emotional development of the children and families in our program. Skyline CAP Head Start teaching staff receives training in Conscious Discipline® to equip them to integrate social-emotional learning, discipline, and self-regulation in the classroom. Using these skills, staff connect with the children so they can help them work through their emotions and find solutions to problems.



## Diversity

Skyline CAP Head Start encourages a culture of diversity in its classrooms using toys, books, posters, and activities to expose students to multiple cultures and nationalities, races, languages, abilities and socio-economic backgrounds.

# Assessments

In the ever-evolving landscape of early childhood education, the importance of effective assessment tools cannot be overstated. These tools play a pivotal role in understanding a child's developmental progress and tailoring educational experiences to meet their unique needs.

The early childhood assessment tools used by Skyline CAP Head Start are designed to lead the child's growth and development toward kindergarten readiness, paving the way for a brighter future for our youngest learners. Children are assessed three times each year in five educational domains: literacy and language, perceptual motor and physical development, cognition and math development, approaches to learning, and social-emotional skills. Assessments are conducted separately by age group in the fall, winter and spring.



In the Language and Communication assessment within the Approaches to Learning domain, our lead teachers test students' ability to follow directions. This test begins with one step directions in the fall, progresses to two-step directions in the winter, and multi-step (or more difficult two-step) directions in the spring. This test can be misleading in that it measures the ability of children to listen to their child's teacher (social/emotional development). However, this is not the case. Below are some examples of the progression with this assessment.

The teacher will ask each child (individually) questions such as these:

Fall: "Place the crayon on the desk."

Winter: "Clap your hands and touch your nose."

Spring: "Draw a circle and then a square."

## Spring 2022 Education Outcomes

### 3-Year-Old Participants (70 children assessed)

EDUCATION DOMAINS	ASSESSMENT COMPONENTS					
<b>Literacy and Language</b>	<i>Emergent Literacy Reading</i>					
	Lower Case Letters	31%	(+16)	Upper Case Letters	37%	(+21)
	Syllables and Sounds	70%	(+28)	Rhyming	21%	(+ 8)
	Vocabulary	81%	(+16)	Alliteration	19%	(+ 2)
	Comprehension Text Structure	23%	(+13)	Letter Sounds	49%	(n/a)
	<i>Emerging Literacy</i>					
	Writing	52%	(+22)	Name Writing	50%	(+35)
<b>Perceptual Motor and Physical Development</b>	Fine Motor Skills	74%	(+18)	Gross Motor Skills	85%	(+10)
	<b>Cognition and Math Development</b>					
	Numeral Recognition	41%	(+20)	Positional Words	70%	(+10)
	Patterns	42%	(+12)	Shapes	63%	(+24)
	Sorting	58%	(+18)	Rote Counting	45%	(+25)
	1-1 Counting	66%	(+13)	Cardinality	43%	(+ 4)
<i>Language &amp; Communications</i>				<i>Fine Arts</i>		
<b>Social-Emotional \ Approaches to Learning</b>	Follows Directions	67%	(-26)	Creative Arts	62%	(+19)
	Social Emotional	52%	(+ 9)	Approaches to Learning	74%	(+14)

### 4-Year-Old Participants (100 children assessed)

EDUCATION DOMAINS	ASSESSMENT COMPONENTS					
<b>Literacy and Language</b>	<i>Emergent Literacy Reading</i>					
	Lower Case Letters	55%	(+26)	Upper Case Letters	64%	(+30)
	Syllables and Sounds	86%	(+25)	Rhyming	50%	(+ 6)
	Vocabulary	91%	(+10)	Alliteration	43%	(+/-0)
	Comprehension Text Structure	45%	(+29)	Letter Sounds	73%	(n/a)
	<i>Emerging Literacy</i>					
	Writing	82%	(+24)	Name Writing	90%	(+26)
<b>Perceptual Motor and Physical Development</b>	Fine Motor Skills	90%	(+10)	Gross Motor Skills	93%	(+ 8)
	<b>Cognition and Math Development</b>					
	Numeral Recognition	71%	(+27)	Positional Words	88%	(+ 8)
	Patterns	66%	(+/-0)	Shapes	79%	(+13)
	Sorting	85%	(+26)	Rote Counting	64%	(+28)
	1-1 Counting	85%	(+ 8)	Cardinality	80%	(+ 11)
<i>Language &amp; Communications</i>				<i>Fine Arts</i>		
<b>Social-Emotional \ Approaches to Learning</b>	Follows Directions	91%	(- 7)	Creative Arts	88%	(+23)
	Social Emotional	77%	(+17)	Approaches to Learning	89%	(+ 6)

# Family Advocacy

## Family Outcomes

Skyline CAP Head Start uses a family outcomes measurement tool based on research by Harvard University that identified areas in which families must improve to be lifted out of poverty. Areas include those that promote lifelong learning, including the family's interaction with schools, setting educational goals, partnering with teachers, and seeking education resources and opportunities.

Families are also assessed on how well they communicate with program staff, their understanding of parent and school responsibilities, attendance at teacher conferences, and other transition activities, as well as participation and engagement in program and community activities such as nutritional cooking classes, peer relationships, and utilizing and sharing community resources. Finally, the family is evaluated on participation, engagement, and recruitment in program or outside leadership and volunteer opportunities.



The eight-question assessment is facilitated by assigned Family Advocate, and responses from each family are plotted onto an outcome framework that depicts a need level of 1 through 5, with 5 being the highest level. Family Advocates then complete a family goals worksheet with the family and follow-up with them monthly. The outcome framework is reviewed in the winter and spring to assess progress and identify any new needs or accomplishments.



The data from each individual family is discussed at monthly "Center Team Meetings" (CTMs) in correlation with school readiness progress to assess how to help the family with school readiness and overall progress. Monthly "Parents of Preschooler" (POPS) meetings are used to help support growth and communication based on topics derived by the outcome need. Individual growth is communicated to the families three times a year to monitor progress on individual goals as well as overall growth per the family assessment tool.

Program data related to family progress that supports individual family goals and/or objectives are reflected in the table below. The data collected from the families has a direct relationship to the child’s home environment which then relates to the child’s school readiness.

***FY2023 Family Outcomes (129 Families Assessed)***

**5 - Needs Immediate Support | 4 - Vulnerable | 3 - Stable | 2 - Growing & Developing | 1 - Area of Strength**

ASSESSMENT COMPONENT	DESCRIPTION	SPRING SCORE	GROWTH
<b>Family Well-Being</b>	A. Safety and Stability	2.4	0.4
	B. Personal Safety	2.4	0.4
	C. Health	1.8	0.4
	D. Financial Security	2.3	0.4
	E. Childcare	1.8	0.3
<b>Positive Parent-Child Relationships</b>	Relationships that nurture child’s learning and development	2.4	0.6
<b>Family as Lifelong Educators</b>	Parents observe, promote, participate in child’s learning at home and school	2.4	1.2
<b>Family as Learners</b>	Parents advance their own interests through education and training	2.6	0.6
<b>Family Engagement in Transitions</b>	Parents support and advocate child’s learning and development in transition	2.3	1.2
<b>Family Connections to Peers and Community</b>	Parent forms connections to support, educate, and enhance social well-being	2.9	1.1
<b>Families as Advocates and Leaders</b>	Parent participates in leadership and decision-making to improve child learning	3.0	1.1

# Parent Engagement

Skyline CAP Head Start works together with families to help them achieve their goals through activities promoting engagement, including home visits, events, parent-teacher conferences, program governance, reading at home, and volunteer opportunities.

## Home Visits

Meeting with families in the comfort of their own homes is an essential part of starting the relationship. For more than 30 years, Skyline CAP Head Start has visited every family's home or, in rare cases, met at a neutral site.

## Parents of Preschoolers (POPS) Events

Parents of Preschoolers, or "POPS," events cover subjects of need depicted by the parents and encompass an educational children's activity facilitated by the child's teacher. These meetings develop a positive relationship between child, parent, staff, and program while covering an educational topic each month.



## Parent Teacher Conferences

A minimum of two parent/teacher conferences are held per year for each student to discuss the child's developmental progress with their parent/guardian.

## Program Governance

Parents nominate two parent representatives and one community representative from each county to make up a Policy Council (made up of at least 51% current Head Start parents and up to 49% community partners) who jointly govern the program along with our overall agency's Board of Directors. We believe this truly gives part ownership to the parents whose children are being educated.

## Reading at Home

Early reading skills are vital to a child's education. Each month during the school year, families turn in reading logs to document the number of books read. During the 2022-2023 school year, Head Start families documented a total of 5,266 books read.

## Volunteers

Last year, the program boasted 4,727 volunteer hours from 310 unduplicated volunteers within the program, with 257 of those being either current or prior Head Start parents.

# Health Services

Skyline CAP Head Start is committed to providing comprehensive health services to all our preschool children to facilitate whole child health. The objective is to support healthy physical development by encouraging and fostering practices that prevent illness or injury, and by promoting positive health behaviors that enhance life-long well-being.



## Accidents & Incidents

Skyline CAP Head Start tracks accidents and incidents annually to inform parents and to help prevent trends. Major accidents and incidents are extremely rare, with most consisting of minor bumps and bruises. Last year, Skyline CAP Head Start recorded 121 accidents and 53 incidents.

## Child Suspected Reports of Abuse

Every staff member is a mandated reporter of child abuse by law in Virginia. Last year the program reported six suspected cases of child abuse.

## Nutrition

All children who attend Skyline CAP's Head Start program are provided a nutritious breakfast and lunch each day. In collaboration with public schools in the five counties we serve, a total of 45,452 meals (breakfast and lunch) were served. All meals met USDA qualifications and were provided free of charge.



## Health Screenings and Exams

Each child receives comprehensive health screenings and exams that are monitored by the Assistant Head Start Director. These screenings and exams include body mass index screenings, dental exam (with 6-month dental check-up), hearing, mental health screening, mental health licensed professional consultations, annual physical with labs (hematocrit / hemoglobin and lead), and vision. If a child needs in- or out-patient services, we will facilitate the referral per the recommendation of a mental health professional.

## FY23 Health Screens

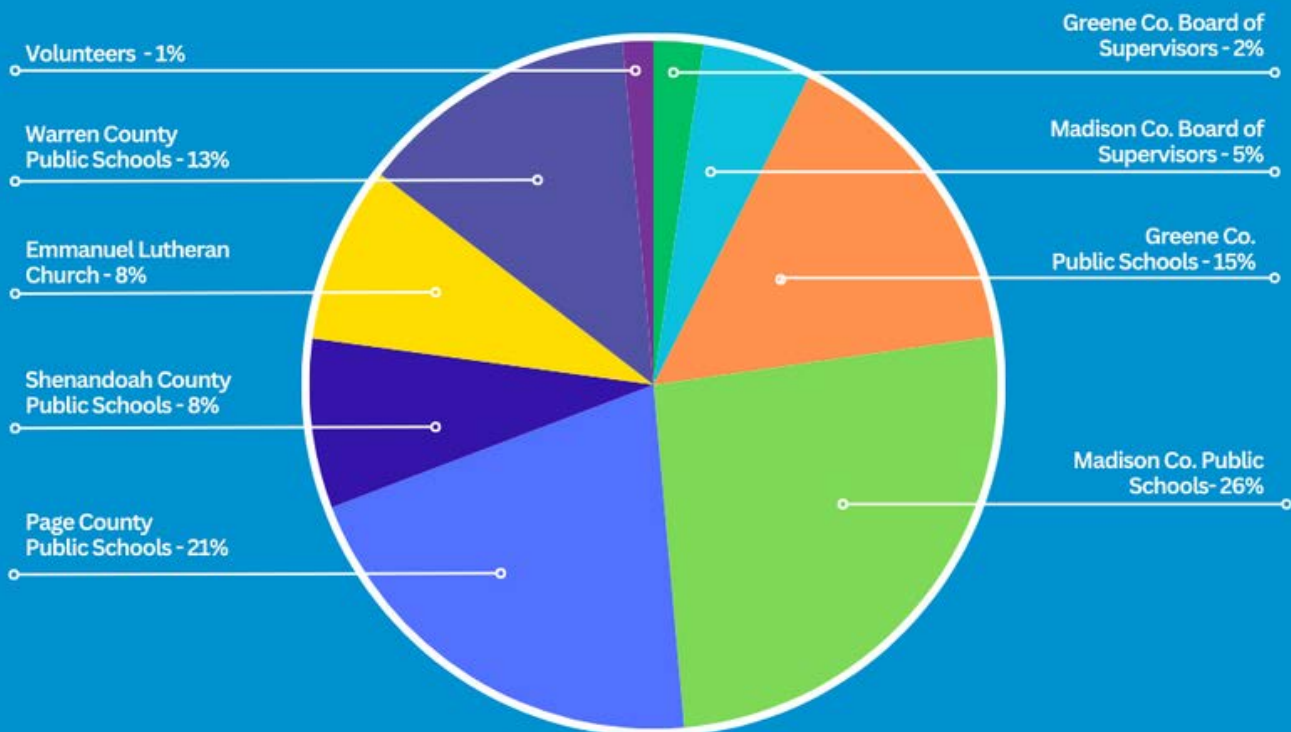
<b>HEALTH SCREEN</b>	<b>NUMBER OF CHILDREN SCREENED</b>
<b>Immunizations (before child starts)</b>	<b>203</b>
<b>Physicals (completed within 30 days)</b>	<b>200</b>
<b>Hemoglobin/Hematocrit</b>	<b>173</b>
<b>Lead</b>	<b>173</b>
<b>Blood Pressure</b>	<b>197</b>
<b>Mental Health (within 45 days)</b>	<b>196</b>
<b>Vision (within 45 days)</b>	<b>198</b>
<b>Hearing (within 45 days)</b>	<b>197</b>
<b>Developmental (within 45 days)</b>	<b>194</b>
<b>Dental Exams</b>	<b>124</b>



# In-Kind Revenues

Federal appropriations account for approximately 80 percent of Skyline CAP's Head Start budget, with the remaining 20 percent contributed through in-kind donations and other funding sources. Administrative support, classroom supplies, janitorial services, meal services, mental health services, property for modular buildings, office supplies, transportation services, and a variety of volunteerism opportunities represent a major portion of what is consistently contributed to Head Start.

## In-Kind Revenues 2022-2023



# Budget

Program Year 32  
3/01/2022 - 2/28/2023

Salaries	\$1,094,3876	Adult Food	\$ 3,090
Social Security	7,853	Office Supplies	12,860
Medicare Expense	15,875	Furniture and Equipment	21,910
Unemployment Taxes - State	23,411	Computer Maint. / Support	13,570
Workers Comp Insurance	11,457	Postage	1,130
Life / Disability Insurance	7,154	Kitchen Supplies	990
Health / Dental Insurance	95,643	Cleaning Supplies	4,410
Pension Contribution	15,926	Teacher Supplies	1,500
Rent	40,040	Classroom Supplies	8,700
Utilities	11,410	Medical / Dental Supplies	1,910
Telephone	15,460	Disabilities Supplies	100
General Liability Insurance	10,790	Capitalized Assets	59,467
Directors / Officers Insurance	1,520	Mental Health Care	2,190
Child Accident Insurance	710	Parent Activities	800
Maintenance and Repair	9,640	Audit	4,850
Maintenance / Modular Repairs	14,171	Training / TA	22,123
Cleaning	12,540	Printing	60,275
Other Occupancy	1,200	Advertising	5,770
Property / Real Estate Taxes	1,050	Board Expense	275
Equipment Maintenance	383	Fees	1,400
Copying / Duplicating	560	Dues and Memberships	4,690
Local Travel	13,780	Employee Health / Welfare	1,140
		<u>Total Expenditures</u>	<u>\$1,637,895</u>

# Financial Audit

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SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

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SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

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## ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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### Independent Auditors' Report

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To the Board Members  
Skyline Community Action Partnership, Inc.  
Madison, Virginia

#### Report on the Audit of the Financial Statements

##### *Opinion*

We have audited the accompanying financial statements of Skyline Community Action Partnership, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Skyline Community Action Partnership, Inc, as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Skyline Community Action Partnership, Inc, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Skyline Community Action Partnership, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Skyline Community Action Partnership, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Skyline Community Action Partnership, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023, on our consideration of Skyline Community Action Partnership, Inc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Skyline Community Action Partnership, Inc's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Skyline Community Action Partnership, Inc's internal control over financial reporting and compliance.

*Robinson, Farnell, Cox Associates*  
Charlottesville, Virginia  
March 30, 2023

- Financial Statements -



SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Statement of Financial Position  
At June 30, 2022

<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents	\$ 861,918
Grants receivable	220,905
Other receivables	12,378
Prepaid expenses	41,342
Total current assets	<u>\$ 1,136,543</u>
Property and Equipment:	
Land	\$ 399,051
Construction in progress	39,260
Office equipment	126,220
Modular buildings	237,772
Other buildings	1,301,959
Classroom improvements	40,809
Playground equipment	103,771
Health equipment	30,820
Subtotal	<u>\$ 2,279,662</u>
Accumulated depreciation	(751,334)
Net property and equipment	<u>\$ 1,528,328</u>
Total assets	<u><u>\$ 2,664,871</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Current Liabilities:	
Accounts payable	\$ 14,286
Accrued expenses	61,887
Total current liabilities	<u>\$ 76,173</u>
Long-term Liabilities:	
Compensated absences	\$ 51,442
Total long-term liabilities	<u>\$ 51,442</u>
Total liabilities	<u>\$ 127,615</u>
Net Assets:	
Net assets without donor restrictions	\$ 2,008,342
Net assets with donor restrictions	528,914
Total net assets	<u>\$ 2,537,256</u>
Total liabilities and net assets	<u><u>\$ 2,664,871</u></u>

The accompanying notes to financial statements are an integral part of this statement.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Statement of Activities  
Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains, and Other Support			
Grants from government agencies:			
Federal Head Start funds	\$ -	\$ 1,657,681	\$ 1,657,681
Federal CSBG funds	-	207,911	207,911
Federal Housing Counseling	-	106,231	106,231
H.O.M.E.	-	435,037	435,037
Project Discovery	-	22,000	22,000
Greene County	-	42,367	42,367
Madison County	-	47,585	47,585
Page County	-	23,000	23,000
Orange County	-	7,500	7,500
Fauquier County	-	18,000	18,000
TANF	-	116,250	116,250
Interest	1,239	-	1,239
Program income	-	220,500	220,500
Section 8 fees	172,955	-	172,955
Rental income	-	105,795	105,795
Other income	11,604	550	12,154
Total	<u>\$ 185,798</u>	<u>\$ 3,034,135</u>	<u>\$ 3,219,933</u>
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>\$ 2,998,825</u>	<u>\$ (2,998,825)</u>	<u>\$ -</u>
Total revenues, gains, and other support	<u>\$ 3,184,623</u>	<u>\$ 35,310</u>	<u>\$ 3,219,933</u>
Expenses:			
Program Services:			
Assistance for low-income residents	\$ 2,114,152	\$ -	\$ 2,114,152
Supporting Services:			
Management and general	489,422	-	489,422
Total expenses	<u>\$ 2,603,574</u>	<u>\$ -</u>	<u>\$ 2,603,574</u>
Changes in net assets	\$ 581,049	\$ 35,310	\$ 616,359
Net assets, beginning of year	1,427,293	493,604	1,920,897
Net assets, end of year	<u>\$ 2,008,342</u>	<u>\$ 528,914</u>	<u>\$ 2,537,256</u>

The accompanying notes to financial statements are an integral part of this statement.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Statement of Functional Expenses  
Year Ended June 30, 2022

	Program Services	Supporting Services	
	Assistance for Low-Income Residents	Management and General	Total
Salaries	\$ 1,398,868	\$ 320,276	\$ 1,719,144
Payroll taxes	128,521	26,241	154,762
Retirement contribution	25,833	15,820	41,653
Other employee benefits	122,121	21,369	143,490
Total salaries and related expenses	\$ 1,675,343	\$ 383,706	\$ 2,059,049
Professional fees	895	10,857	11,752
Client services	4,725	-	4,725
Insurance	688	24,190	24,878
Supplies	70,349	2,728	73,077
Communication	16,394	3,656	20,050
Postage and shipping	2,371	1,188	3,559
Equipment rental and maintenance	16,338	30,113	46,451
Dues and publications	15,752	5,936	21,688
Travel	25,539	1,153	26,692
Conferences and training	40,708	50	40,758
Occupancy	153,476	20,814	174,290
Emergency assistance	43,628	-	43,628
Other	17,687	5,031	22,718
Total expenses before depreciation	\$ 2,083,893	\$ 489,422	\$ 2,573,315
Depreciation	30,259	-	30,259
Total expenses	\$ 2,114,152	\$ 489,422	\$ 2,603,574

The accompanying notes to financial statements are an integral part of this statement.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Statement of Cash Flows  
Year Ended June 30, 2022

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Cash flows from operating activities:

Change in net assets	\$ 616,359
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Depreciation	30,259
(Increase) decrease in grants receivable	5,282
(Increase) decrease in prepaid expenses	9,072
(Increase) decrease in other receivables	(12,378)
Increase (decrease) in accounts payable	5,845
Increase (decrease) in accrued expenses	(12,759)
Increase (decrease) in compensated absences	(460)
Net cash provided by (used for) operating activities	<u>\$ 641,220</u>
Cash flows from investing activities:	
Purchase of property and equipment	\$ (802,676)
(Increase) decrease in property held for resale	<u>79,356</u>
Net cash provided by (used for) investing activities	<u>\$ (723,320)</u>
Increase (decrease) in cash and cash equivalents	\$ (82,100)
Cash and cash equivalents, beginning of year	<u>944,018</u>
Cash and cash equivalents, end of year	<u><u>\$ 861,918</u></u>

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Financial Statements  
At June 30, 2022 (continued)

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**NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:**

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

Cash and cash equivalents	\$	861,918
Grants receivable		<u>220,905</u>
	\$	<u><u>1,082,823</u></u>

**NOTE 10 - DATE OF MANagements REVIEW:**

Management has evaluated events and transactions for potential recognition or disclosure through March 30, 2023, the date on which the financial statements were available to be issued.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Financial Statements  
At June 30, 2022 (continued)

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**NOTE 5 - PROPERTY AND EQUIPMENT:**

Property and equipment, at cost, and accumulated depreciation at June 30, 2022 are as follows:

Land	\$	399,051
Construction in progress		39,260
Office equipment		126,220
Modular buildings		237,772
Other buildings		1,301,959
Classroom improvements		40,809
Playground equipment		103,771
Health equipment		30,820
Total	\$	2,279,662
Less accumulated depreciation		(751,334)
Net total	\$	<u>1,528,328</u>

**NOTE 6 - CONCENTRATION RISK OF RECEIVABLE:**

The Organization receives its revenue primarily from federal and state agencies. Therefore, it has a relatively low level of concentration risk of uncollected receivables.

**NOTE 7 - RETIREMENT PLAN:**

The Organization has a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code. Employees who work twenty or more hours per week are eligible to participate beginning the first of the month following completion of their 90 day introductory period. Participants can make tax deferred voluntary contributions to the plan subject to limits of the law. The employer must make contributions to the plan allocated to each active participant based on a fixed percentage of the participant's contribution per payroll period to the plan. Total employer contributions amounted to \$41,653 for the year ended June 30, 2022. Total covered payroll for the retirement plan was \$1,073,259 and the total payroll for the Organization was \$1,719,144 for the year ended June 30, 2022.

**NOTE 8 - CONTINGENT LIABILITIES:**

Federal programs in which the Organization participates were audited in accordance with the provisions of the *Uniform Guidance*. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

- Compliance -



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

**Independent Auditors' 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***

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To the Board Members  
Skyline Community Action Partnership, Inc.  
Madison, Virginia

We have audited, in accordance with the 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, the financial statements of Skyline Community Action Partnership, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Skyline Community Action Partnership, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Skyline Community Action Partnership, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Skyline Community Action Partnership, Inc.'s internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Skyline Community Action Partnership, Inc.'s financial statements are free from 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

**Independent Auditors' Report on Compliance for Each Major Program and on  
Internal Control over Compliance Required by the Uniform Guidance**

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To the Board Members  
Skyline Community Action Partnership, Inc.  
Madison, Virginia

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Skyline Community Action Partnership, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Skyline Community Action Partnership, Inc.'s major federal programs for the year ended June 30, 2022. Skyline Community Action Partnership, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Skyline Community Action Partnership, Inc. complied, in all material respects, with the types of 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, 2022.

***Basis for Opinion on Each Major Federal Program***

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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Skyline Community Action Partnership, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Skyline Community Action Partnership, Inc.'s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Skyline Community Action Partnership, Inc.'s federal programs.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robinson, Kimmel, Cox Associates*

Charlottesville, Virginia  
March 30, 2023

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Skyline Community Action Partnership, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Skyline Community Action Partnership, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Skyline Community Action Partnership, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Skyline Community Action Partnership, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Skyline Community Action Partnership, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

### Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Robinson, Farnell, Cox Associates*

Charlottesville, Virginia  
March 30, 2023

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Skyline Community Action Partnership, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of Skyline Community Action Partnership, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Skyline Community Action Partnership, Inc.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - De Minimis Cost Rate

The Organization did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Subrecipients

No awards were passed through to subrecipients.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Direct Payments:			
Head Start (Head Start Cluster)	93.600	Not Applicable	\$ 1,479,067
COVID-19 - ARPA - Head Start (Head Start Cluster)	93.600	Not Applicable	178,614
Total 93.600 (Head Start Cluster)			<u>\$ 1,657,681</u>
Pass-through Payments:			
Virginia Department of Social Services:			
Community Services Block Grant	93.569	CVS-09-066-25	193,987
COVID-19 - Community Services Block Grant	93.569	Not Available	13,924
Total 93.569			<u>\$ 207,911</u>
Temporary Assistance for Needy Families	93.558	CVS-09-066-25	<u>\$ 116,250</u>
Total Department of Health and Human Services			<u>\$ 1,981,842</u>
Department of Housing and Urban Development:			
Direct Payments:			
Housing Counseling Assistance Program	14.169	Not Applicable	\$ 106,231
Pass-through Payments:			
Thomas Jefferson Planning District Commission:			
HOME Investment Partnerships Program	14.239	Not Available	<u>435,037</u>
Total Department of Housing and Urban Development			<u>\$ 541,268</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,523,110</u></u>

See accompanying notes to schedule of expenditures of federal awards.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a)?	No

Identification of major programs:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start Cluster

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**Section IV - Prior Year Audit Findings**

There are no prior year audit findings to report.



## **Skyline CAP, Inc.**

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