



SKYLINE CAP
HEAD START

2023-24 ANNUAL REPORT

This annual report is available to the public online by visiting our website at www.skylinecap.org/headstart. A printed copy is also available by contacting hsdirector@skylinecap.org or calling (540) 948-3916 to request a copy. Printed copies are also available to pick up at our administrative office located at 532 S. Main St., Madison, VA.

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Letter from the Director



Simon Fiscus

Head Start Director and
Skyline CAP Executive Director

As we reflect on another remarkable year, I am filled with pride for the work our team, families, and community partners have accomplished together. This year has brought new challenges, opportunities, and milestones that have strengthened our mission to support the growth and development of young children and their families.

Our commitment to providing a strong foundation for every child remains steadfast. We continue to prioritize quality education, health, and family engagement services, ensuring that each child enters school ready to succeed. This year, we have introduced new initiatives to enhance our programs and adapt to the changing needs of our families.

I am grateful to our dedicated staff, who bring passion and expertise to their work every day. Their unwavering dedication has a profound impact on the lives of the children and families we serve. I also extend my gratitude to our community partners, funders, and advocates, whose support makes it possible for us to reach new heights.

Together, we are creating brighter futures, one child at a time. Thank you for your continued commitment to Head Start. Let us look forward to another year of growth, impact, and success.

With gratitude,

Simon C. Fiscus

About Head Start



How it all began

Head Start, established in 1965 as part of President Lyndon B. Johnson's "War on Poverty," was created to address the educational, health, and social service needs of low-income children and families. Originally a summer program, it provided comprehensive services in early childhood education, nutrition, health care, and parental involvement to prepare children for success in school.

In 1969, Head Start was expanded to a year-round program due to its success, and in 1975, services were extended to include children with disabilities.

Since its inception, Head Start has undergone several reauthorizations to adapt to new research and needs. Notably, the 2007 Head Start Act reauthorization emphasized accountability, quality improvement, and program standards. Over the years, Head Start has expanded to serve over a million children annually, continuing its mission to support the cognitive, social, and emotional development of young children from low-income families.

Skyline CAP Head Start

The Head Start program at Skyline CAP has completed its 33rd year of providing no-cost preschool services to 3- and 4-year-old children living in Greene, Madison, Page, Shenandoah, and Warren counties. The learning environment in the classroom is designed to promote school readiness by supporting growth in language and literacy, cognition, social-emotional development, and general knowledge.

Children enrolled in the program receive a healthy breakfast and lunch each day to support both physical and cognitive development while also exposing them to a variety of nutritious foods to encourage lifelong healthy eating habits. They also receive free health and developmental screenings.

Skyline CAP Head Start also works to build relationships with the family to support overall well-being and help break through the barriers of generational poverty.



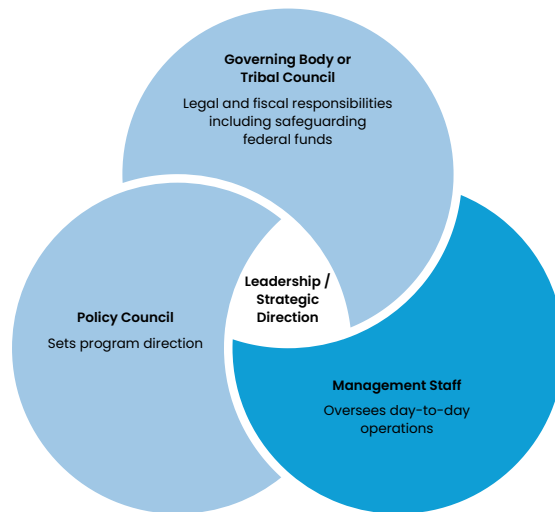
Leadership & Governance

Head Start programs operate under a structured leadership and governance model designed to ensure compliance, accountability, and community engagement. At Skyline CAP, our Head Start program has a governing body that oversees major policy decisions, finances, and compliance with federal requirements. This body is accountable for the overall success and legal compliance of the program and is responsible for approving program budgets, operational plans, and funding applications.

The Head Start Policy Council is a unique feature of Head Start governance. It consists of parents of enrolled children and community representatives who work alongside staff to shape the program's approach. Members are elected by parents and are involved in decisions about program operations, curriculum, staff hiring, and other essential aspects. This council promotes a parent-driven model, ensuring that families have a direct voice in program governance.

The Head Start Policy Council is a unique feature of Head Start governance. It consists of parents of enrolled children and community representatives who work alongside staff to shape the program's approach. Members are elected by parents and are involved in decisions about program operations, curriculum, staff hiring, and other essential aspects. This council promotes a parent-driven model, ensuring that families have a direct voice in program governance.

The management team, including the Head Start Director and program managers, is responsible for day-to-day operations, ensuring that program standards and performance benchmarks are met. Management staff work closely with both the governing body and the Policy Council to implement policies, manage resources, and ensure quality services for children and families. This collaborative governance model is designed to ensure that Head Start programs meet the diverse needs of children and families, align with federal standards, and foster active community involvement and family engagement.



Culture, Diversity, Equity and Inclusion

Head Start's philosophy on culture, diversity, equity, and inclusion is central to its mission of providing comprehensive early childhood education and family support. This approach acknowledges the diverse backgrounds of the families it serves and aims to create a welcoming, affirming environment that values each child's identity, family, and culture.





Skyline CAP Head Start actively integrates and honors the cultural backgrounds, languages, and traditions of the children and families served by incorporating multicultural materials, activities, and curriculum content that reflect the diverse communities represented in our program. Staff are trained to be culturally responsive and to avoid cultural biases to enhance the learning experience, making it relevant and meaningful for each child.

Equity in Head Start means providing each child and family with the resources and support they need to succeed, based on individual needs and circumstances. This approach is especially important because the program serves many children and families facing socio-economic challenges and ensures all children receive equal opportunities to thrive.

Inclusive learning environments are promoted in Head Start classrooms to ensure children of all abilities and backgrounds are welcomed and supported. Head Start fosters a sense of belonging by creating classroom settings and policies that encourage each child to participate and feel valued, regardless of race, language, family composition, or any other distinguishing characteristics, and encourages children to recognize, respect, and celebrate differences, while fostering empathy and understanding.

In line with these values, Head Start strives to create a safe, equitable, and nurturing space where children from all backgrounds can feel valued and empowered. This inclusive philosophy is seen as key to helping children develop a strong sense of identity, empathy for others, and a foundation for lifelong learning and respect.



Eligibility & Enrollment

Eligibility for Head Start is primarily based on factors like family income, age of the child, and other specific needs that make children and families eligible for supportive services. Head Start aims to reach those who will benefit most from comprehensive early childhood education, family support, and health services.

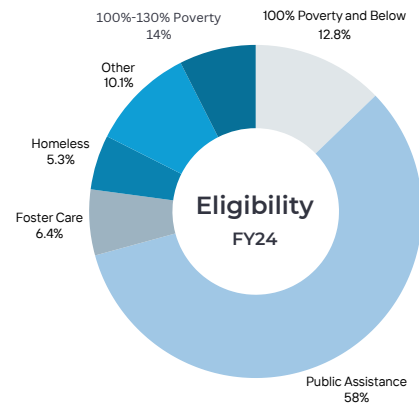
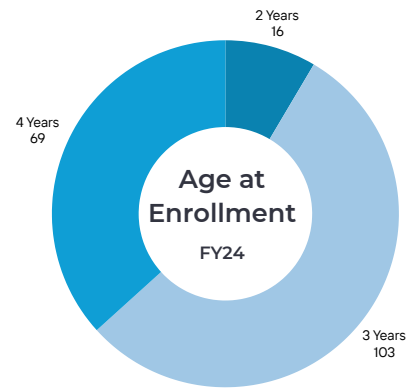
Age Requirements: Head Start serves children age 3 to 5 years old. To be eligible for Skyline CAP Head Start, children must be at least three years old by September 30.

Income-Based Eligibility: Families with incomes at or below the federal poverty guidelines are eligible for Head Start. These guidelines are adjusted annually and vary based on family size. Families receiving public assistance, such as Temporary Assistance for Needy Families (TANF) or Supplemental Security Income (SSI), are automatically eligible, regardless of income level.

Homelessness: Children who meet the McKinney-Vento Act's definition of homelessness are eligible for Head Start. This includes families living in shelters, transitional housing, or temporarily living with others due to economic hardship.

Foster Care: Any child who is in foster care automatically qualifies for Head Start, regardless of the family's income. This includes children placed in both formal and informal foster care arrangements.

Children with Disabilities: Head Start programs are required to reserve at least 10% of their slots for children with disabilities, including those with developmental delays, speech and language impairments, or physical disabilities. These children are eligible even if their families do not meet the typical income requirements, though income status may still be a consideration. Programs may serve children from families whose income is between 100% and 130% of the federal poverty level, though at least 90% of the children served must meet the standard low-income requirements.



Children and Families Served

Skyline CAP Head Start operated 10 classrooms in five counties and served 188 children and families in FY2023-24, with an average monthly enrollment of 94%. A total of 95% of all eligible children and families who applied were served.

Classrooms	Children & Families Served
10	188
Average Monthly Enrollment	Eligible Children and Families Served
94%	95%

Preparing Children for Kindergarten

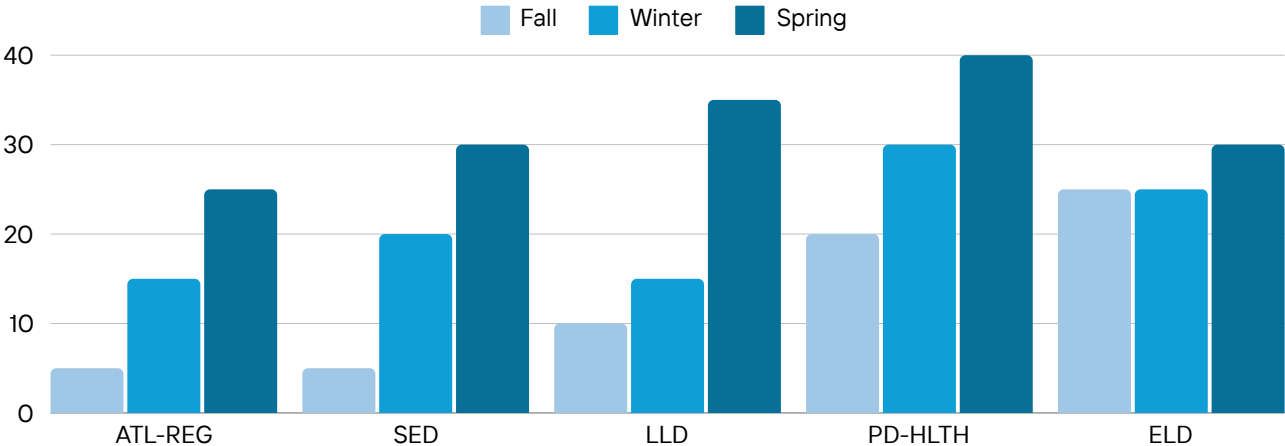
The Virginia Quality Birth to Five System (VQB5) is used in Virginia to assess and improve the quality of early childhood programs, including Head Start classrooms. It's part of Virginia's larger initiative to create a standardized approach to quality assessment across various early childhood education settings, from birth to five years old.

VQB5 supports alignment with Virginia's Unified Early Learning and Development Standards which guide early learning in core areas like language, literacy, and socio-emotional development. Head Start programs benefit from structured alignment, which strengthens the quality and consistency of educational experiences. Professional development opportunities are also provided and tailored to meet the needs identified in classroom assessments. This ongoing support helps Head Start teachers enhance their skills and stay updated with best practices in early childhood education.

By integrating VQB5, Skyline CAP Head Start classrooms in Virginia participate in a statewide, quality-focused system, which ultimately benefits children by fostering a more consistent and effective learning environment.

Skyline CAP Head Start uses a research-based, dual-language curriculum called Frog Street 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.

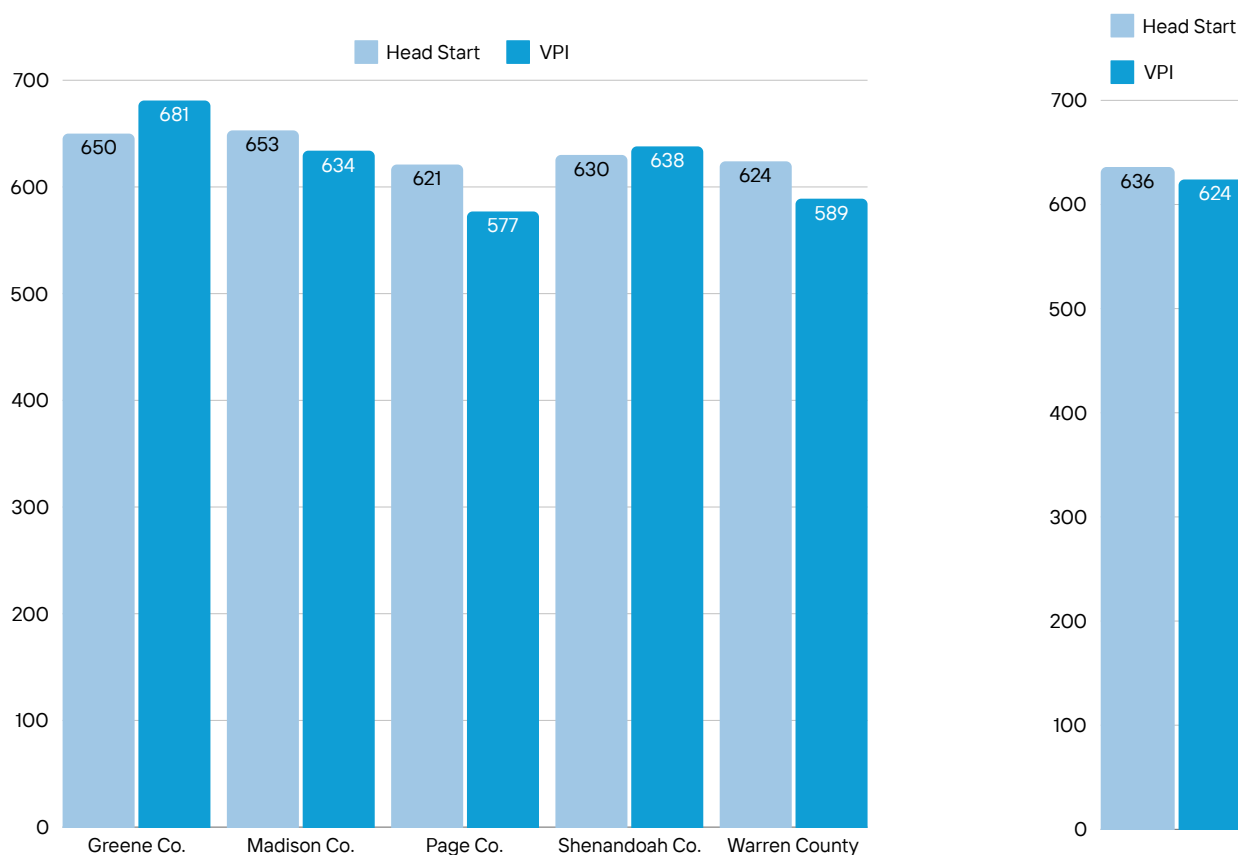
Children are assessed three times each year in five educational domains: Approaches to Learning - Self-Regulation (ATL-REG), Social and Emotional Development (SED), Language and Literacy Development (LLD), Physical Development - Health (PD-HLTH), and English Language Development (ELD). Assessments are conducted separately by age group in the fall, winter and spring. The graph below displays the progression in each developmental domain.



In Skyline CAP’s Head Start classrooms, observers use the Classroom Assessment Scoring System (CLASS) to evaluate teacher-child interactions across domains such as Emotional Support, Classroom Organization, and Instructional Support. CLASS scores help teachers identify strengths and areas for improvement in their interactions with children, crucial for fostering social, emotional, and cognitive development. Skyline CAP scored above the competitive threshold in all three domains.

OFFICE OF HEAD START CLASS Review of Skyline CAP Head Start - November 2023		
DOMAIN	SKYLINE CAP SCORES	COMPETITIVE THRESHOLD
Emotional Support	5.975	5
Classroom Organization	5.700	5
Instructional Support	2.733	2.3

In fact, on average, Skyline CAP Head Start had higher CLASS scores overall than VPI (Virginia Preschool Initiative).



Conscious Discipline

Conscious Discipline, a trauma-informed, evidence-based approach to social-emotional learning, is used in Skyline CAP's Head Start classrooms to help children develop self-regulation skills, emotional literacy, and positive social interactions.



Implementation

Building a Safe and Supportive Environment: Conscious Discipline emphasizes creating a "school family" where every child feels safe and valued. In Head Start classrooms, teachers use structures like greeting rituals, breathing exercises, and "safe places" where children can go to calm down when they feel overwhelmed.

Teaching Emotional Literacy: Head Start teachers introduce age-appropriate language for identifying emotions and managing them. For instance, they may teach "Feeling Buddies" to help children label and express their emotions, laying a foundation for emotional regulation and empathy.

Encouraging Problem Solving and Self-Regulation: Through activities and daily routines, Head Start educators encourage children to solve problems and manage frustrations. Teachers model and practice these skills with children, giving them tools to handle conflicts constructively.



Developing Social Skills and Connection: The approach promotes connection through group activities, like circle time, where children practice listening, sharing, and cooperating. This structure helps children understand the importance of their roles within a group, strengthening a sense of community and responsibility.

Empowering Teachers: Conscious Discipline also provides training for educators, focusing on self-regulation and emotional resilience. Head Start teachers learn strategies to stay calm, model healthy behavior, and respond empathetically, which supports a nurturing environment for the children.

Skyline CAP had zero outside behavior referrals during 2023-24 which is attributed to our use of Conscious Discipline in the classroom. By integrating Conscious Discipline into our program, Skyline CAP Head Start aims to support holistic development, laying the foundation for emotional and social growth that helps children succeed in school and life.

Family Advocacy

Family advocacy in Head Start is all about equipping families with the tools, confidence, and support they need to overcome obstacles, set and achieve goals, and foster a positive, supportive environment for their children's growth. This approach ultimately leads to improved outcomes for children and helps families build a foundation for long-term stability and success.

Here's how family advocacy works in Head Start:

Building Relationships and Trust: Skyline CAP's family advocates work directly with families to build trusting, supportive relationships. They often connect with families early on to understand their unique needs, strengths, and goals, creating a strong partnership that focuses on both the child's and family's well-being.

Resource and Service Coordination: Our family advocates connect families with essential resources, such as housing assistance, food programs, healthcare, mental health services, and job training. By addressing basic needs, advocates help families create a stable environment that supports healthy child development.



Setting Family Goals: Through individualized support, our family advocates work with parents to identify goals for themselves and their children. These can range from educational and employment goals for parents to developmental milestones for children. The advocate and family then collaborate to develop a step-by-step plan, with advocates offering ongoing support and encouragement.

Parent Education and Empowerment: Family advocates provide workshops, training, and resources that help parents strengthen their parenting skills, such as positive discipline techniques, early literacy, and child development information. This empowerment helps parents become effective advocates for their children's needs in educational, healthcare, and community settings.

Strengthening Parent-Child Relationships: Advocates encourage parents to engage in their children's learning both in and outside the classroom. They often promote activities that foster bonding, such as reading together, engaging in Head Start activities, and setting routines. This focus strengthens the parent-child relationship, which is crucial for children's social-emotional growth.

Community Involvement and Leadership: Head Start programs offer families opportunities to participate in decision-making roles, such as serving on Policy Councils. These councils give families a voice in shaping the program and advocating for policies that impact their children and communities.





Skyline CAP Head Start uses a family outcomes measurement tool based on research by Harvard University that identifies 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.



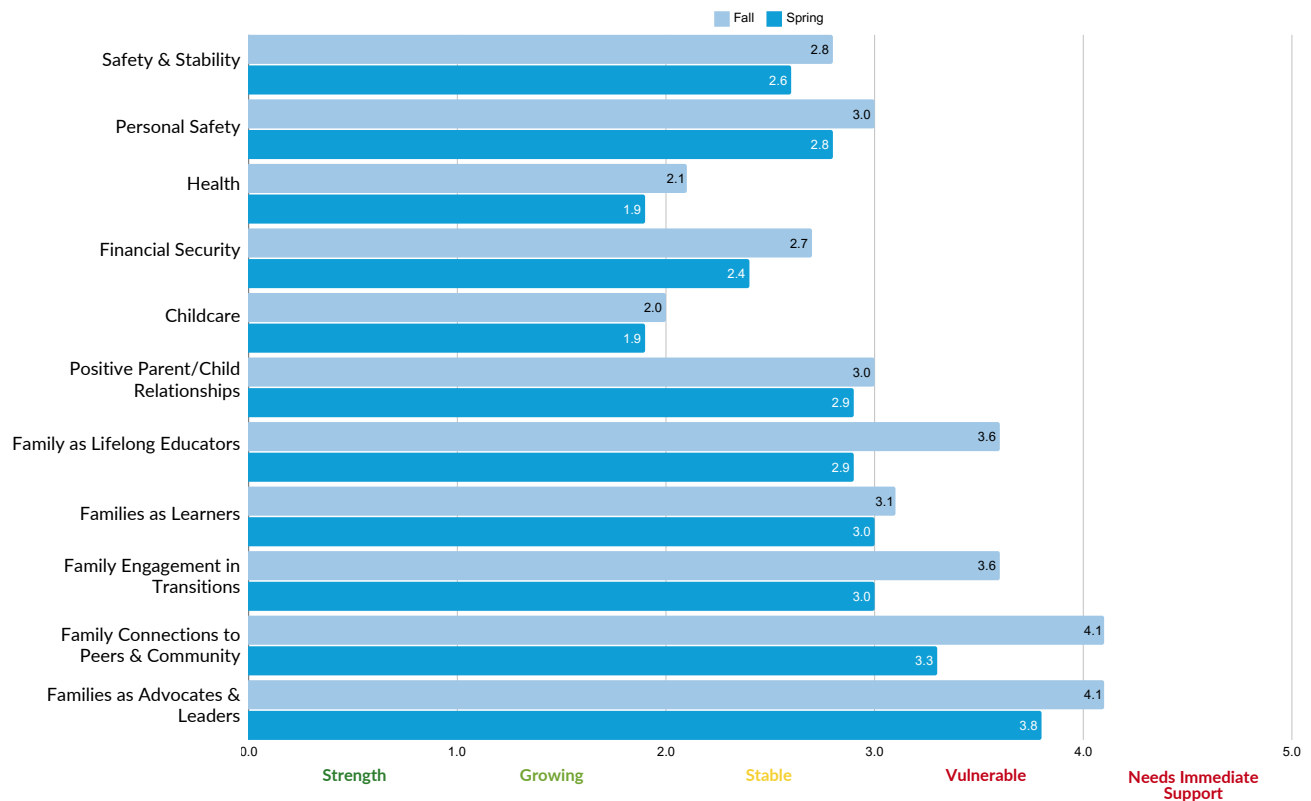
The eight-question assessment is facilitated by the assigned Family Advocate, and responses from each family are plotted onto an outcome framework that depicts a need level of 1 through 5. Family Advocates then complete a family goals worksheet with the family and follow-up with them monthly. The outcome 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 graph 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. The graph shows family outcome data collected in the fall and again in the spring in the following categories:

- **Family Well-Being:** Categorized as Safety and Stability, Personal Safety, Health, Financial Security, and Childcare.
- **Positive Parent/Child Relationships:** Relationships that nurture the child’s learning and development.
- **Family as Lifelong Educators:** Parents observe, promote, and participate in the child’s learning at home and school.
- **Families as Learners:** Parents continuing education and training.
- **Family Engagement in Transitions:** Parents support and advocate their child’s learning and development in transition.
- **Family Connections to Peers and Community:** Parents form strong personal and community support networks.
- **Families as Advocates & Leaders:** Parents participate in leadership and decision-making to improve their child’s learning.



The data indicates improvement in all categories from fall to spring, with most spring scores falling within the Growing or Strength categories, suggesting positive progress in these family outcomes.

Health Services



Head Start programs offer comprehensive health services that cover medical, dental, mental health, and nutrition for children and families in their care. These services are integral to Head Start's mission of promoting the well-being of children and their readiness for school, helping ensure they enter kindergarten healthy and ready to learn. Key health services provided include:

- Health Screenings and Referrals:** Head Start ensures children receive regular health screenings for vision, hearing, and developmental delays. Staff often coordinate referrals to medical or specialized providers if further evaluation is needed.
- Immunizations and Preventive Care:** Head Start supports children in meeting state-required immunizations and provides information on maintaining regular preventive health care.
- Oral Health Services:** Head Start offers screenings for dental health and can refer families to local dentists, ensuring children receive necessary dental care.
- Mental Health Support:** Mental health professionals work with staff to promote positive social-emotional development. Programs may also offer resources or referrals for children or families needing additional support.
- Nutrition Services:** Daily breakfast and lunch is served to each child attending Skyline CAP's Head Start program. A total of 42,953 meals (breakfast and lunch) were served in collaboration with public schools in the five counties we serve. All meals met USDA qualifications and were provided free of charge.
- Family Health and Wellness Education:** Head Start staff educate parents on various health topics, including hygiene, preventive care, and managing chronic conditions.

2023-24 HEALTH SCREENINGS		
Health Screen	Total Screened	% Completing Screens
Immunizations (before child starts school)	188	100%
Physicals (completed within 30 days)	186	99%
Hemoglobin/Hematocrit Screen	186	99%
Lead Screen	180	96%
Blood Pressure Screen	184	98%
Mental Health Screen (within 45 days)	188	100%
Vision Screen (within 45 days)	185	98%
Hearing Screen (within 45 days)	186	99%
Developmental Screen (within 45 days)	184	98%
Dental Exams	139	74%

Parent Involvement

Parent involvement is a cornerstone of Skyline CAP's Head Start program, as family engagement plays a critical role in children's development. Here are some ways our parents participate:

- **Parent Committees and Policy Councils:** Parents are encouraged to join parent committees at their child's program site and serve on our Policy Council which allows parents to have a say in program decisions and help shape the direction of the program. Within Skyline CAP's Head Start program, 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 Skyline CAP's Board of Directors. We believe this truly gives ownership to the parents whose children are being educated.
- **Home Visits and Conferences:** Skyline CAP's Head Start staff conduct regular home visits and parent-teacher conferences to discuss the child's progress, goals, and any challenges. This collaboration helps to set personalized goals and align support strategies for the child.
- **Volunteering and Classroom Participation:** Parents are encouraged to volunteer in classrooms, which not only strengthens their bond with their child but also enhances the program environment. In the 2023-24 school year, 376 volunteers worked with Skyline CAP's Head Start program; of these, 273 are current or former Head Start parents. Another opportunity for classroom participation is the monthly POPS (Parents of Preschoolers) events which include sessions covering subjects requested by parents and encompassing an educational children's activity. Examples include the importance of reading to your child, which is often presented by local librarians; resolving conflict using problem-solving language; fire safety that includes demonstrations by local fire departments and tours of a fire truck; and creating a book of breathing techniques to reduce stress and enhance focus for both the parent and child. These activities help develop a positive relationship between child, parent, staff, and program while covering an educational topic each month.

Head Start Policy Council

51%
Parents

49%
Community Partners

Volunteering & Classroom Participation

376
Volunteers

273
Head Start Parents

- **Educational Workshops and Training:** Our Head Start program offers workshops that help parents build skills in areas like child development, health and nutrition, literacy, financial planning, and employment readiness. For example, Skyline CAP Head Start partners with the Virginia Cooperative Extension to offer a 4-week hands-on nutrition and cooking class that teaches essential skills to parents for preparing healthy and budget-friendly meals at home. Resources such as these help families create supportive home environments for learning and growth.
- **Goal-Setting and Family Partnership Agreements:** Skyline's Head Start staff work closely with parents to identify goals for their family and their child. Through these partnership agreements, families receive tailored resources, assistance, and guidance to meet their specific needs.
- **Parenting Skills Development:** Head Start provides support for parents to develop skills that promote positive parent-child interactions and effective parenting strategies. Examples include helping children handle big emotions with empathy; decreasing power struggles with assertiveness training; and helping kids contribute with ways to be helpful. To support early reading skills which are vital to a child's education, Skyline CAP's Head Start program provides a lending library for parents, and each month during the school year, families turn in reading logs to document the number of books read. During the 2023-2024 school year, Head Start families checked out a total of 8,305 books and documented a total of 6,727 books read.



Head Start Lending Library

8,305
Books checked out by parents

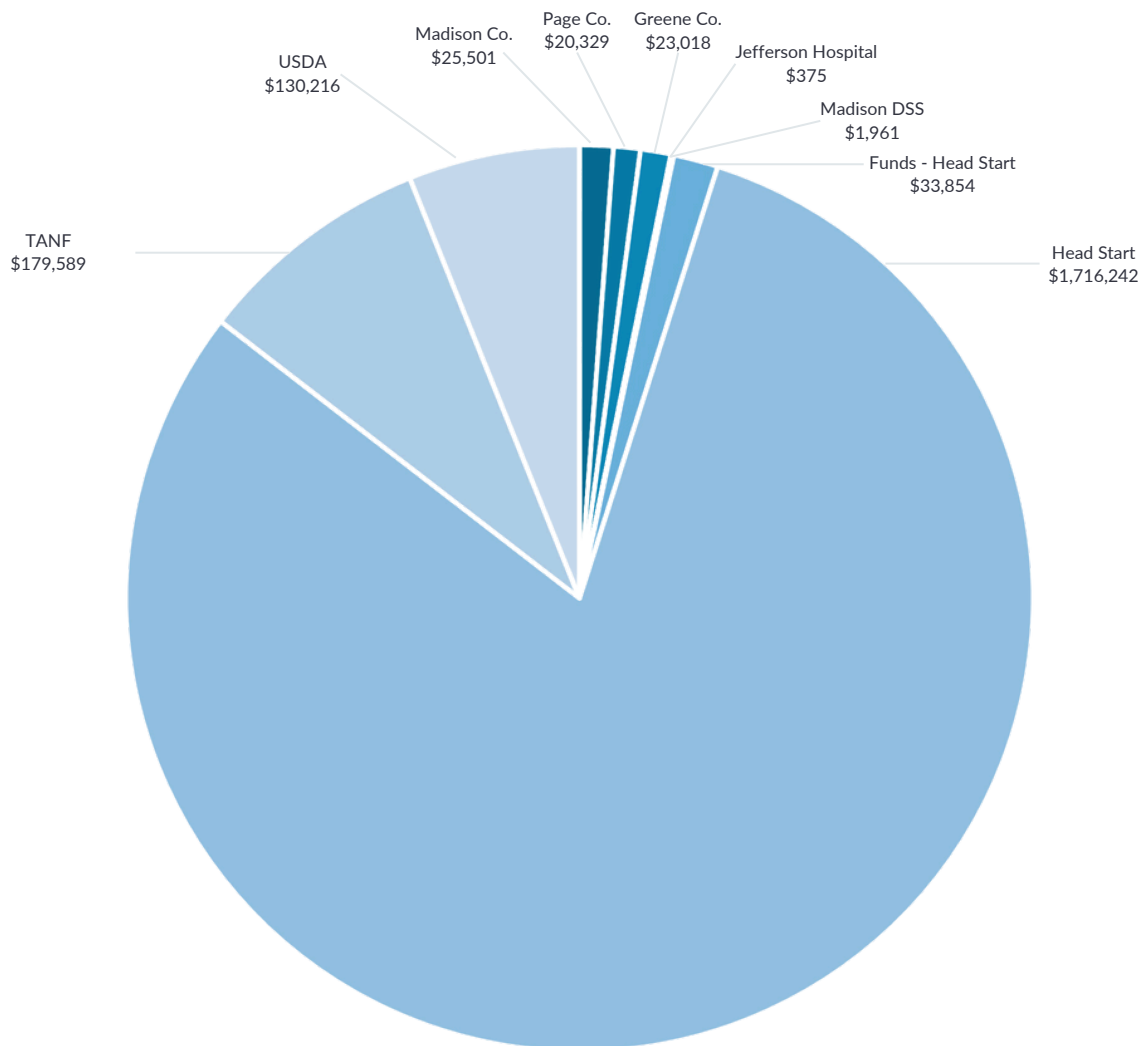
6,727
Books read

Through these initiatives, parents and families are empowered to take active roles, which positively impacts their children's development and the program's success.

Funding

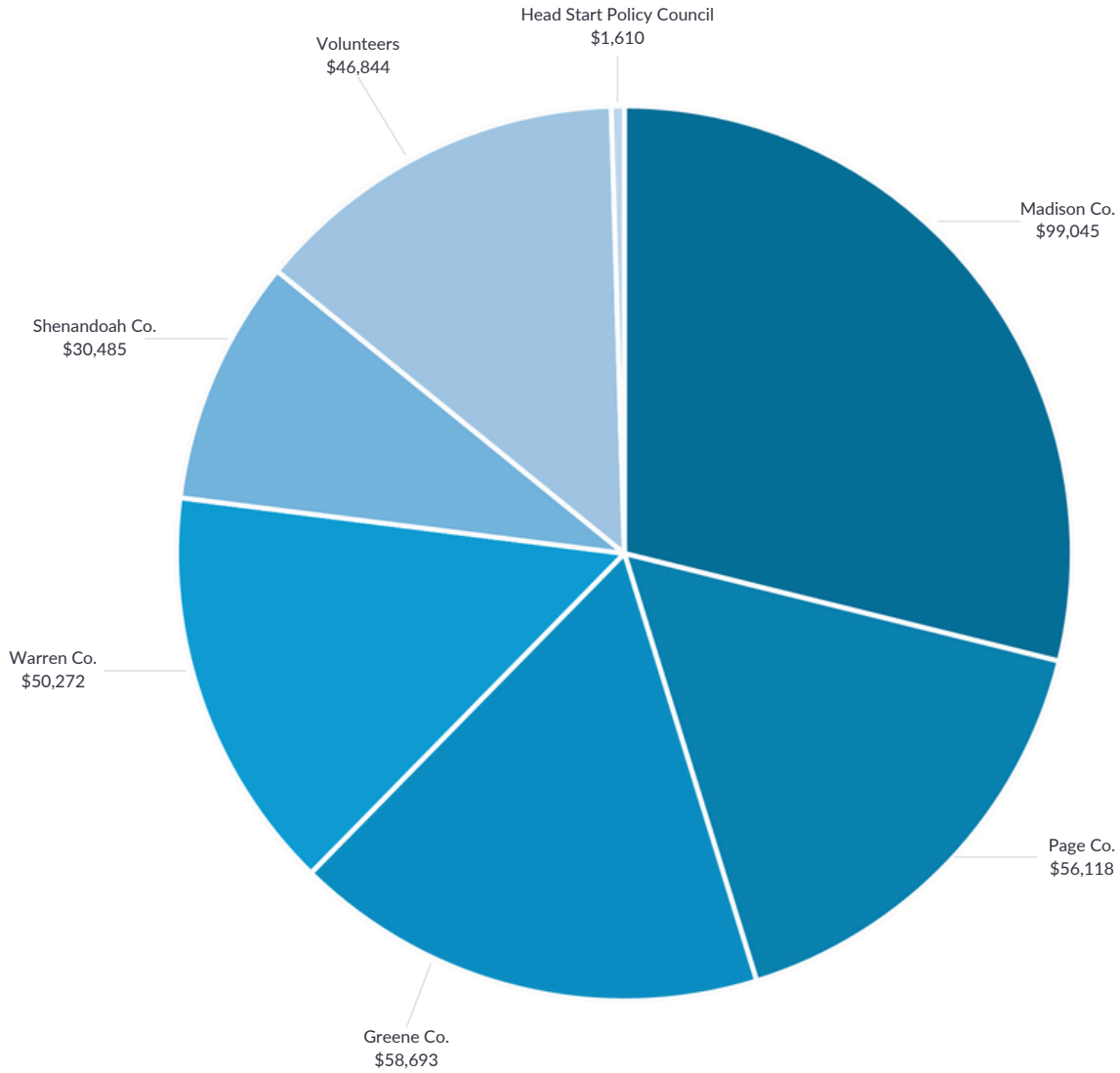
Public & Private Funding

Head Start budgets often include a mix of federal, state, local, and sometimes private funding sources. The primary funding for Head Start and Early Head Start comes from federal grants administered by the Office of Head Start (OHS) within the Department of Health and Human Services. However, programs are often encouraged or required to secure additional funding to meet local needs or program expansion goals.



In-Kind

While federal appropriations account for approximately 80 percent of Skyline CAP's Head Start budget, the remaining 20 percent is 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.



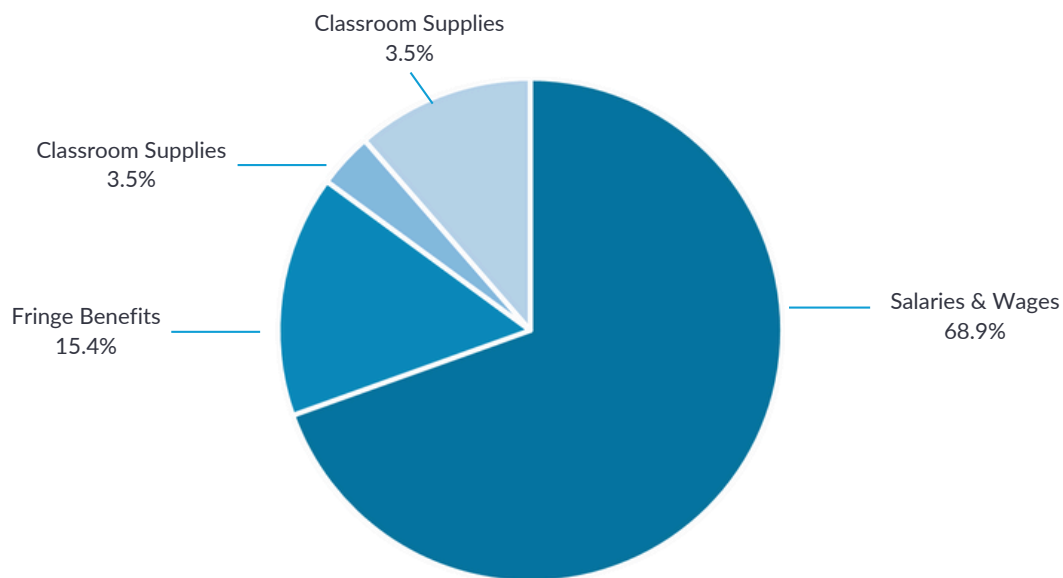
Budget

Plan Year 33
March 1, 2023 - February 28, 2024

Salaries & Wages	\$ 1,182,144
Fringe Benefits	\$ 264,157
<hr/>	
Total Personnel Costs	\$1,446,301

Equipment	\$ 0
Supplies	\$ 59,670
Construction	\$ 0
Other	\$ 194,731
Contractual	\$ 15,540
Travel	\$ 0
Total Direct Costs	\$1,716,242
<hr/>	
Indirect Costs	\$ 0
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Total Approved Budget	\$1,716,242

The table above is the approved budget taken from Skyline CAP's Notice of Award. The budgetary expenditures breakdown is shown in the pie chart below.



Program Performance Report



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of Head Start | 4th Floor – Switzer Memorial Building, 330 C Street SW, Washington DC 20024 eclkc.ohs.acf.hhs.gov

Program Performance Summary Report

To: Authorizing Official/Board Chairperson

Mrs. Pam Frederick
Skyline CAP, Inc.
532 South Main Street
Madison, VA 22727

From: Responsible HHS Official

A handwritten signature in black ink that reads "Khari M. Garvin".

Date: 06/03/2024

Mr. Khari M. Garvin
Director, Office of Head Start

From April 22, 2024 to April 26, 2024, the Administration for Children and Families (ACF) conducted a Focus Area Two (FA2) monitoring review of Skyline CAP, Inc. This report contains information about the grant recipient's performance and compliance with the requirements of the Head Start Program Performance Standards (HSPPS) or Public Law 110-134, *Improving Head Start for School Readiness Act of 2007*.

The Office of Head Start (OHS) would like to thank your governing body, policy council, parents, and staff for their engagement in the review process. Based on the information gathered during this review, it has been determined that your program has at least one area of noncompliance.

This report provides you with detailed information in each area where program performance did not meet applicable Head Start Program Performance Standards, laws, regulations and policy requirements.

Please contact your Regional Office for guidance should you have any questions or concerns. Your Regional Office will follow up on the content of this report and can work with you to identify resources to support your program's continuous improvement.

DISTRIBUTION OF THE REPORT

Copies of this report will be distributed to the following:
Ms. Ieelynn Baldwin, Regional Program Manager
Mr. Simon Fiscus, Chief Executive Officer/Executive Director
Mr. Simon Fiscus, Head Start Director

Grant(s) included as part of this review

Grant Recipient Name	Grant Number(s)
Skyline CAP, Inc.	03CH011586

Glossary of Terms

Term	Definition
Additional Feedback for Program Improvement	An area in which the agency needs to improve performance, also known as an Area of Concern (AOC). These issues should be discussed with the grant recipient's Regional Office for possible technical assistance. This feedback is not considered a non-compliance with federal requirements.
Area of Noncompliance (ANC)	An area in which the agency is out of compliance with Federal requirements (including but not limited to the Head Start Act or one or more of the regulations) in one or more areas of performance. This status requires a written timeline for correction and possible technical assistance or guidance from the grant recipient's program specialist. If not corrected within the specified timeline, this status becomes a deficiency.
Deficiency	As defined in the Head Start Act, the term "deficiency" means: (A) a systemic or substantial material failure of an agency in an area of performance that the Secretary determines involves: <ul style="list-style-type: none"> (i) a threat to the health, safety, or civil rights of children or staff; (ii) a denial to parents of the exercise of their full roles and responsibilities related to program operations; (iii) a failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management; (iv) the misuse of funds received under this subchapter; (v) loss of legal status (as determined by the Secretary) or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds; or (vi) failure to meet any other Federal or State requirement that the agency has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified; (B) systemic or material failure of the governing body of an agency to fully exercise its legal and fiduciary responsibilities; or (C) an unresolved area of noncompliance.
Strong Practice	An activity or strategy that shows promise for long term sustainable impact. A Strong Practice has an objective basis for claiming effectiveness, potential for replication, and is shareable among other organizations.

Review Details

This section of the report provides details on grant recipient performance in each Content Area, Performance Area, and Performance Measure.

- Each Performance Area includes the compliant Performance Measures monitored in this review.
- If there are any findings or Strong Practices observed, they will be listed within that Performance Area.



Program Design, Management, and Improvement

Below is a list of all Performance Areas and compliant Performance Measures monitored in this Content Area, with details on findings, and additional feedback as applicable.

Performance Area: Program Design and Strategic Planning

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient adjusts its program design to remain responsive to shifts in community needs, strengths, and resources over time.
- The grant recipient uses program data to routinely monitor performance, progress towards goals and desired outcomes, and drive program improvement.
- The grant recipient maintains a system and procedures for collecting, managing, and reporting on accurate, timely data.

Performance Area: Program Governance

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient collaborates effectively across program staff, the governing body, and the policy council to facilitate effective program governance.
- The grant recipient's governing body is engaged and effective in providing its legal and fiscal oversight.
- The grant recipient's policy councils and policy committees are effective in providing program direction.

Strong Practice Details:

During the review event the OHS monitoring team observed the following Strong Practice(s) in the Performance Area:

- The grant recipient offers training opportunities, beyond orientation, that are responsive to the ongoing needs of governing body members.

Performance Area: Staffing and Staff Supports

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient supports staff members' continuous improvement and professional development.
- The grant recipient develops systems that support the Head Start workforce by providing fair compensation, opportunities for career advancement, and a positive work environment for staff.
- The grant recipient's leadership and management team have clearly defined, manageable roles and responsibilities and the appropriate experience to effectively execute Head Start program operations.
- The grant recipient establishes high expectations for staff and implements ongoing communication and training systems to reinforce organizational accountability.

How To Read This Report

The Focus Area Two report includes the following sections:

- **Program Overview**, provides a summary describing the grant recipient.
- **Performance Summary**, provides a table view of compliance by Performance Area.
- **Review Details**, provides details on the grant recipient performance in each Content Area, Performance Area, and Performance Measure.

Program Overview

Skyline CAP, Inc. offers education and housing programs that help families and individuals move toward self-sufficiency. The grant recipient receives funding to enroll 179 Head Start children in classrooms at 7 facilities. The service area encompasses five Virginia counties.

Performance Summary

This section contains an overview of compliance information determined through this review. Detailed information can be found in the Review Details section.

Compliance Information

Content Area	Performance Area	Grant Number(s)	Compliance Level	Applicable Standards	Timeframe for Correction
Health Services	Child Health and Oral Health Status and Care	03CH011586	Area of Noncompliance	1302.42(b)(1)(i)	120 days
Fiscal Infrastructure	Comprehensive Financial Management Structure and System	03CH011586	Area of Noncompliance	75.302(b)(3)	120 days



Health Services

Below is a list of all Performance Areas and compliant Performance Measures monitored in this Content Area, with details on findings, and additional feedback as applicable.

Performance Area: Child Health and Oral Health Status and Care

Finding Details

Area of Noncompliance - 1302.42(b)(1)(i)

Summary

Grant Number(s) Cited: 03CH011586

Timeframe for Correction: 120 days

Performance Standard Details

Regulation Text: 1302.42 Child health status and care (b) Ensuring up-to-date child health status. (1) Within 90 calendar days after the child first attends the program or, for the home-based program option, receives a home visit, with the exceptions noted in paragraph (b)(3) of this section, a program must: (i) Obtain determinations from health care and oral health care professionals as to whether or not the child is up-to-date on a schedule of age appropriate preventive and primary medical and oral health care, based on: the well-child visits and dental periodicity schedules as prescribed by the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program of the Medicaid agency of the state in which they operate, immunization recommendations issued by the Centers for Disease Control and Prevention, and any additional recommendations from the local Health Services Advisory Committee that are based on prevalent community health problems.

Compliance Details

- The grant recipient did not obtain initial oral health determinations from a health care professional for all children.

Additional details from this review event:

- A review of child health data found the grant recipient did not obtain an oral health determination from a health care professional for 26 of 157 children (17%).
- The assistant Head Start director and the health manager confirmed the missing determinations.

Performance Area: Mental Health and Social and Emotional Well-Being

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient develops a positive program environment, in partnership with a qualified mental health consultant, that promotes the mental health and social emotional well-being of children.
- The grant recipient provides family support services for mental health and social emotional well-being.
- The grant recipient implements positive discipline practices and policies that prohibit the use of expulsion and suspension.

Performance Area: Child Nutrition

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient implements nutrition services that accommodate children's unique nutritional needs.

Performance Area: Safe and Sanitary Environments

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient's facilities are safe.
- The grant recipient establishes safe environments through daily and ongoing oversight of facility, equipment, and material safety.
- The grant recipient staff engage in appropriate safety practices.



Education and Child Development Services

Below is a list of all Performance Areas and compliant Performance Measures monitored in this Content Area, with details on findings, and additional feedback as applicable.

Performance Area: Curricula, Screening, and Assessment Tools

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient implements appropriate ongoing child assessment tools to support children's progress and to individualize for every child.
- The grant recipient implements appropriate screening tools to refer children as indicated for evaluation.
- The grant recipient implements research-based and culturally appropriate curricula to achieve child outcomes.

Strong Practice Details:

During the review event the OHS monitoring team observed the following Strong Practice(s) in the Performance Area:

- The grant recipient routinely (at least 3 times per year for year-round programs) observes and supports proper implementation of the curriculum through the regular and ongoing use of curriculum fidelity tools in all classrooms and programs.

Performance Area: Teaching Strategies and Learning Environments

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient provides well-organized learning environments and schedules that promote healthy development for enrolled children.
- The grant recipient staff members provide responsive, effective care and effective teaching practices that are tailored to meet the needs of all children.
- The grant recipient uses intentionally designed lesson plans to deliver developmentally appropriate experiences for children.

Performance Area: Qualifications, Professional Development, and Coaching

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient offers education staff a system of professional development to support delivery of quality education and child development services.
- The grant recipient implements a research-based coaching strategy to support education staff to use effective teaching practices.
- The grant recipient has qualified education staff.
- Staff are observed engaging in appropriate hygiene practices.
- The grant recipient completes background checks prior to hire for all staff.
- The grant recipient establishes appropriate administrative safety practices and policies.
- The grant recipient's equipment, materials, and program environments are safe.
- The grant recipient establishes and follows emergency preparedness plans.

Performance Area: Expectant Families

Not applicable



Family and Community Engagement Services

Below is a list of all Performance Areas and compliant Performance Measures monitored in this Content Area, with details on findings, and additional feedback as applicable.

Performance Area: Program Foundations to Support Family Well-Being and Family Engagement

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- Staff are qualified, supported, and develop family assignments based on the specific needs of enrolled families.
- The grant recipient continuously engages all families in the program through open and effective communication.

Performance Area: Family Partnerships

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient implements a family partnership process that includes supports for family-driven goals and progress toward outcomes.

Performance Area: Promoting Strong Parenting, Parent-Child Relationships, and Engagement in Children's Learning

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient implements strategies that promote parental skills and engage parents in children's development.
- The grant recipient chooses and implements a research-based parenting curriculum.

Strong Practice Details:

During the review event the OHS monitoring team observed the following Strong Practice(s) in the Performance Area:

- The chosen parenting curricula and supplemental parent education frameworks meet the specific needs of the families served.

Performance Area: Community Partnerships

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient has identified community partnerships that meet the needs and interests of families.



Fiscal Infrastructure

Below is a list of all Performance Areas and compliant Performance Measures monitored in this Content Area, with details on findings, and additional feedback as applicable.

Performance Area: Budget Development, Implementation, and Oversight

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient engages in a transparent, data-informed strategic process to develop and maintain a budget that aligns with program goals and circumstances.

Performance Area: Comprehensive Financial Management Structure and System

Finding Details

Area of Noncompliance - 75.302(b)(3)

Summary

Grant Number(s) Cited: 03CH011586

Timeframe for Correction: 120 days

Performance Standard Details

Regulation Text: 75.302 Financial management and standards for financial management systems. (b) The financial management system of each non-Federal entity must provide for the following (see also §§75.361, 75.362, 75.363, 75.364, and 75.365): (3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

Compliance Details

- The grant recipient did not obtain the required authorizations before purchasing equipment with a cost over \$5,000.

Additional details from this review event:

- A review of January 2024 financial transactions and supporting documents showed the grant recipient paid \$9,265.00 to purchase and install an air conditioning unit at the Head Start-Warren County facility.
- In an email, the finance director stated the program did not obtain prior approval from the ACF Regional Office or the governing body prior to the expenditure.
- *Additional fieldwork may be required to determine the total amount of potentially unallowable costs charged to Head Start. The Office of Head Start will notify the grant recipient in advance of a special review if one is required.*

Performance Area: Facilities and Equipment Management Systems

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient implements a system for ensuring compliance with requirements for the acquisition, record-keeping, insurance, and disposal of facilities purchased, constructed, or renovated (major renovations) with Head Start funds.
- The grant recipient implements a system for ensuring that equipment purchased with Head Start funds is acquired, used, and disposed of in accordance with requirements.
- The grant recipient assesses and mitigates risk and maintains property loss, casualty, and liability insurance consistent with the replacement value of property and determined risk of liability.



Eligibility, Recruitment, Selection, Enrollment, and Attendance

Below is a list of all Performance Areas and compliant Performance Measures monitored in this Content Area, with details on findings, and additional feedback as applicable.

Performance Area: Eligibility

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient implements a clear, consistent, and compliant process for enrolling eligible families.
- The grant recipient trains staff to follow ERSEA regulations and establishes written policies and procedures to ensure compliance with eligibility requirements.

Performance Area: Recruitment

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient implements a recruitment strategy focusing on all families with eligible children, with specific outreach efforts to families with vulnerable children.

Performance Area: Selection

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient establishes selection criteria and a waitlist based on community needs.

Performance Area: Enrollment

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient fills at least 10 percent of the program's total funded enrollment with children eligible for services under the Individuals with Disabilities Education Act (IDEA).
- The grant recipient establishes practices to maintain and accurately track current enrollment.

Performance Area: Attendance

Compliance Details

During the review event the OHS monitoring team identified the following Performance Measures as compliant:

- The grant recipient consistently employs strategies to encourage regular attendance.

----- End of Report -----

Financial Audit

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

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Independent Auditors' Report

**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, 2023, 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, 2023, 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 August 13, 2024, 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
August 13, 2024

- Financial Statements -

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

**Statement of Financial Position
At June 30, 2023**

<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents	\$ 667,899
Grants receivable	440,886
Prepaid expenses	<u>42,501</u>
Total current assets	<u>\$ 1,151,286</u>
Property and Equipment:	
Land	\$ 473,655
Construction in progress	6,400
Office equipment	126,220
Modular buildings	237,772
Other buildings	1,911,480
Classroom improvements	40,809
Playground equipment	103,771
Health equipment	<u>30,820</u>
Subtotal	\$ 2,930,927
Accumulated depreciation	<u>(811,934)</u>
Net property and equipment	<u>\$ 2,118,993</u>
Total assets	<u><u>\$ 3,270,279</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Current Liabilities:	
Accounts payable	\$ 15,792
Accrued expenses	<u>75,624</u>
Total current liabilities	<u>\$ 92,271</u>
Long-term Liabilities:	
Compensated absences	<u>\$ 48,464</u>
Total long-term liabilities	<u>\$ 48,464</u>
Total liabilities	<u>\$ 140,735</u>
Net Assets:	
Net assets without donor restrictions	\$ 2,582,092
Net assets with donor restrictions	<u>547,452</u>
Total net assets	<u>\$ 3,129,544</u>
Total liabilities and net assets	<u><u>\$ 3,270,279</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, 2023**

	<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	\$ -	\$ 1,651,131	\$ 1,651,131
Federal CSBG funds	-	193,922	193,922
Federal Housing Counseling	-	120,411	120,411
USDA	-	141,160	141,160
H.O.M.E.	-	151,539	151,539
Project Discovery	-	25,000	25,000
Greene County	-	42,815	42,815
Madison County	-	48,502	48,502
Page County	-	23,000	23,000
Orange County	-	7,500	7,500
Fauquier County	-	18,000	18,000
TANF	-	145,958	145,958
Interest	735	-	735
Program income	-	474,909	474,909
Section 8 fees	144,318	-	144,318
Rental income	83,064	108,344	191,408
Other income	6,042	1,068	7,110
Total	\$ 234,159	\$ 3,153,259	\$ 3,387,418
Net assets released from restrictions:			
Restrictions satisfied by payments	\$ 3,134,721	\$ (3,134,721)	-
Total revenues, gains, and other support	\$ 3,368,880	\$ 18,538	\$ 3,387,418
Expenses:			
Program Services:			
Assistance for low-income residents	\$ 2,277,750	\$ -	\$ 2,277,750
Supporting Services:			
Management and general	517,380	-	517,380
Total expenses	\$ 2,795,130	\$ -	\$ 2,795,130
Changes in net assets	\$ 573,750	\$ 18,538	\$ 592,288
Net assets, beginning of year	2,008,342	528,914	2,537,256
Net assets, end of year	\$ 2,582,092	\$ 547,452	\$ 3,129,544

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, 2023**

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Assistance for Low-Income Residents</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 1,411,678	\$ 337,669	\$ 1,749,347
Payroll taxes	105,818	25,534	131,352
Retirement contribution	23,516	13,494	37,010
Other employee benefits	129,255	21,663	150,918
Total salaries and related expenses	\$ 1,670,267	\$ 398,360	\$ 2,068,627
Professional fees	750	10,276	11,026
Client services	4,512	-	4,512
Insurance	688	30,962	31,650
Supplies	240,138	2,511	242,649
Communication	14,647	5,635	20,282
Postage and shipping	2,476	1,427	3,903
Equipment rental and maintenance	3,144	40,508	43,652
Dues and publications	27,877	7,847	35,724
Travel	24,267	176	24,443
Conferences and training	29,860	546	30,406
Occupancy	182,979	11,741	194,720
Emergency assistance	1,075	-	1,075
Other	14,469	7,391	21,861
Total expenses before depreciation	\$ 2,217,149	\$ 517,380	\$ 2,734,530
Depreciation	60,601	-	60,601
Total expenses	\$ 2,277,750	\$ 517,380	\$ 2,795,131

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, 2023**

Cash flows from operating activities:	
Change in net assets	\$ 592,288
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Depreciation	60,601
(Increase) decrease in grants receivable	(219,981)
(Increase) decrease in prepaid expenses	18,584
(Increase) decrease in other receivables	12,378
Increase (decrease) in accounts payable	1,506
Increase (decrease) in accrued expenses	(6,007)
Increase (decrease) in compensated absences	<u>(2,978)</u>
Net cash provided by (used for) operating activities	\$ <u>457,246</u>
Cash flows from investing activities:	
Purchase of property and equipment	\$ <u>(651,265)</u>
Net cash provided by (used for) investing activities	\$ <u>(651,265)</u>
Increase (decrease) in cash and cash equivalents	\$ (194,019)
Cash and cash equivalents, beginning of year	<u>861,918</u>
Cash and cash equivalents, end of year	\$ <u><u>667,899</u></u>

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

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Financial Statements
At June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Description and Purpose of Agency

Skyline Community Action Partnership, Inc. ("the Organization") is the designated community action agency for the counties of Greene, Madison, and Orange, providing a range of programs and services, including Head Start, designed to ameliorate poverty and increase self-sufficiency of low-income residents. In addition, the Organization operates a Head Start program in the counties of Rappahannock, Page, Warren and Shenandoah. The Organization has been determined to be a voluntary health and welfare organization.

B. Financial Statement Presentations / Basis of Accounting

The Organization is funded by federal, state, and local funds. Its accounting policies are governed by applicable provisions of these grants and applicable pronouncements and publications of the grantors. The Organization utilizes the accrual basis of accounting where expenses are recognized in the accounting period in which the related liability is incurred and revenues from the various grantors are recognized as income when earned.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations. At June 30, 2023, the Organization had net assets without donor restrictions of \$2,582,092.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. At June 30, 2023, the Organization had \$547,452 of net assets with donor restrictions.

C. Property and Equipment

Office equipment and vehicles with a cost of \$2,500 or greater are recorded at cost and depreciation is calculated on the straight-line basis over the estimated useful life of 5 years. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted unless the donor has restricted the donated asset to a specific purpose. Donated assets are recorded at fair value. Modular buildings and office space improvements are depreciated over a ten-year life and a seven-year life respectively. Depreciation expense for the year ended June 30, 2023 was \$60,601.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Financial Statements
At June 30, 2023 (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. Concentrations of Credit Risk

The Organization maintains cash balances at two financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2023, the Organization had a \$175,568 uninsured cash balance.

F. Income Taxes

Skyline Community Action Partnership, Inc. is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code.

G. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash on hand, cash in banks and money market funds to be cash and cash equivalents.

H. Functional Expenses

The costs of providing the programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, functional expenses are apportioned between program and supporting services based on personnel time for the related activities. Specifically, identifiable expenses are directly allocated.

I. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Consequently, at June 30, 2023, the Organization did not have any conditional contributions.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. At June 30, 2023 the Organization had not received any unrecognized cost-reimbursable grants and did not have any advance payments recognized in the statement of financial position.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Financial Statements
At June 30, 2023 (continued)

NOTE 2 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are derived from the following sources:

<u>Program</u>	<u>With Donor Restrictions</u>
Head Start	\$ 26,391
Fauquier County	49,264
Madison County	15,753
Greene County	22,160
Orange County	9,430
Page County	38,375
Rappahanock County	7,849
HOME	6,663
Home - Program Income	54,670
Grant - Dental Care	3,650
Project Discovery	6,370
REC Charity	5,000
Blue Bell Foundation	5,074
USDA	6,787
CHDO	1,756
Culpeper Wellness Foundation	5,500
American Woodwork Foundation, Inc.	1,000
Madison Road Houses	17,696
Regional Digital Opportunity Plan - People	258
EHR	4,586
Jack Russell Properties	146,009
Skyline Apartments	113,211
Total	<u>\$ 547,452</u>

NOTE 3 - COMPENSATED ABSENCES:

The Organization's employees earn leave based on length of service. No benefits or pay is received for unused sick leave upon termination by employees. The Organization accrued a total amount of \$48,464 annual leave at June 30, 2023.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Financial Statements
At June 30, 2023 (continued)

NOTE 5 - PROPERTY AND EQUIPMENT:

Property and equipment, at cost, and accumulated depreciation at June 30, 2023 are as follows:

Land	\$	473,655
Construction in progress		6,400
Office equipment		126,220
Modular buildings		237,772
Other buildings		1,911,480
Classroom improvements		40,809
Playground equipment		103,771
Health equipment		30,820
		<hr/>
Total	\$	2,930,927
Less accumulated depreciation		(811,934)
		<hr/>
Net total	\$	<u>2,118,993</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 \$37,010 for the year ended June 30, 2023. Total covered payroll for the retirement plan was \$837,123 and the total payroll for the Organization was \$1,749,347 for the year ended June 30, 2023.

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.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Financial Statements
At June 30, 2023 (continued)

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	\$	667,899
Grants receivable		<u>440,886</u>
	\$	<u><u>1,108,785</u></u>

NOTE 10 - DATE OF MANagements REVIEW:

Management has evaluated events and transactions for potential recognition or disclosure through August 13, 2024, the date on which the financial statements were available to be issued.

- Compliance -



**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***

**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, 2023, 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 August 13, 2024.

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*.

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, Farnell, Cox Associates

Charlottesville, Virginia
August 13, 2024



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

**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, 2023. 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, 2023.

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.

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
August 13, 2024

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Agriculture:			
Direct Payments:			
Child and Adult Care Food Program	10.558	Not Applicable	\$ <u>141,160</u>
Department of Health and Human Services:			
Direct Payments:			
Head Start (Head Start Cluster)	93.600	Not Applicable	\$ 1,581,578
COVID-19 - ARPA - Head Start (Head Start Cluster)	93.600	Not Applicable	69,553
Total 93.600 (Head Start Cluster)			\$ <u>1,651,131</u>
Pass-through Payments:			
Virginia Department of Social Services:			
Community Services Block Grant	93.569	CVS-09-066-25	186,147
COVID-19 - Community Services Block Grant	93.569	Not Available	7,775
Total 93.569			\$ <u>193,922</u>
Temporary Assistance for Needy Families	93.558	CVS-09-066-25	\$ <u>145,958</u>
Total Department of Health and Human Services			\$ <u>1,991,011</u>
Department of Housing and Urban Development:			
Direct Payments:			
Housing Counseling Assistance Program	14.169	Not Applicable	\$ 120,411
Pass-through Payments:			
Thomas Jefferson Planning District Commission:			
HOME Investment Partnerships Program	14.239	Not Available	<u>151,539</u>
Total Department of Housing and Urban Development			\$ <u>271,950</u>
Total Expenditures of Federal Awards			\$ <u>2,404,121</u>

See accompanying notes to schedule of expenditures of federal awards.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

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, 2023. 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 Findings and Questioned Costs
Year Ended June 30, 2023**

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
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a)?	No
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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
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Auditee qualified as low-risk auditee?	Yes
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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.



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