
SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2010

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY CERTIFIED PUBLIC ACCOUNTANTS

CHARLOTTESVILLE □ RICHMOND □ FREDERICKSBURG □ VERONA □ CHRISTIANSBURG



SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2010

Table of Contents

	<u>Page</u>
Independent Auditors' Report.....	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements.....	6-9
Compliance:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10-11
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	12-13
Schedule of Expenditures of Federal Awards.....	14
Notes to Schedule of Expenditures of Federal Awards.....	15
Schedule of Findings and Questioned Costs	16
Schedule of Prior Year Findings and Questioned Costs	17

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITORS' REPORT

TO THE BOARD MEMBERS OF
SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.
MADISON, VIRGINIA


We have audited the accompanying statement of financial position of Skyline Community Action Partnership, Inc. (a nonprofit organization), as of June 30, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2011, on our consideration of the 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Skyline Community Action Partnership, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Charlottesville, Virginia
March 10, 2011

- Financial Statements -

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Statement of Financial Position
At June 30, 2010

<u>ASSETS</u>	
Current Assets:	
Cash	\$ 457,780
Grants receivable	116,921
Prepaid expenses	4,084
Total current assets	<u>\$ 578,785</u>
Property and equipment:	
Land	\$ 96,858
Office equipment	108,665
Vehicles	314,552
Modular buildings	141,201
Other buildings	249,476
Classroom improvements	5,334
Playground equipment	99,781
Health equipment	5,449
Subtotal	<u>\$ 1,021,316</u>
Less accumulated depreciation	<u>(635,882)</u>
Total property and equipment	<u>\$ 385,434</u>
Total assets	<u><u>\$ 964,219</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities:	
Accounts payable and accrued expenses	<u>\$ 60,596</u>
Total current liabilities	<u>\$ 60,596</u>
Long-term Liabilities:	
Accrued annual leave	<u>\$ 42,973</u>
Total long-term liabilities	<u>\$ 42,973</u>
Total liabilities	<u>\$ 103,569</u>
Net Assets:	
Unrestricted	\$ 770,611
Temporarily restricted	90,039
Total net assets	<u>\$ 860,650</u>
Total liabilities and net assets	<u><u>\$ 964,219</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, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, Revenues and Reclassifications:			
Support:			
Grants from government agencies:			
Federal Head Start funds	\$ -	\$ 1,341,401	\$ 1,341,401
Section 8	128,866	-	128,866
Emergency Home Repair	-	5,665	5,665
Federal CSBG funds	-	435,279	435,279
Federal Housing Counseling	-	50,562	50,562
USDA	-	96,513	96,513
H.O.M.E.	10,475	16,270	26,745
Project Discovery	-	2,600	2,600
Greene County	-	47,867	47,867
Madison County	-	27,980	27,980
Orange County	-	4,000	4,000
TANF	-	47,574	47,574
Thrift shop income	20,973	-	20,973
Interest	2,813	-	2,813
Program income	-	1,152	1,152
Other income	7,854	55,516	63,370
Total support	<u>\$ 170,981</u>	<u>\$ 2,132,379</u>	<u>\$ 2,303,360</u>
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>\$ 2,159,385</u>	<u>\$ (2,159,385)</u>	<u>\$ -</u>
Total support, revenues and reclassifications	<u>\$ 2,330,366</u>	<u>\$ (27,006)</u>	<u>\$ 2,303,360</u>
Expenses:			
Program services	\$ 1,968,873	\$ -	\$ 1,968,873
Management and general	351,295	-	351,295
Total expenses	<u>\$ 2,320,168</u>	<u>\$ -</u>	<u>\$ 2,320,168</u>
Changes in net assets	\$ 10,198	\$ (27,006)	\$ (16,808)
Net assets, beginning of year	<u>760,413</u>	<u>117,045</u>	<u>877,458</u>
Net assets, end of year	<u>\$ 770,611</u>	<u>\$ 90,039</u>	<u>\$ 860,650</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, 2010

	Program Services	Management and General	Total
Salaries	\$ 1,108,226	\$ 200,901	\$ 1,309,127
Payroll taxes	118,044	17,803	135,847
Retirement contribution	16,792	7,603	24,395
Other employee benefits	171,873	37,628	209,501
Total salaries and related expenses	<u>\$ 1,414,935</u>	<u>\$ 263,935</u>	<u>\$ 1,678,870</u>
Professional fees	\$ 575	\$ 10,171	\$ 10,746
Client services	36,527	-	36,527
Insurance	2,646	29,023	31,669
Supplies	147,490	3,722	151,212
Communication	23,518	605	24,123
Postage and shipping	1,809	2,171	3,980
Equipment rental and maintenance	28,398	12,449	40,847
Dues and publications	3,952	5,006	8,958
Travel	18,312	953	19,265
Conferences and training	46,472	687	47,159
Occupancy	65,854	18,464	84,318
Emergency assistance	132,671	-	132,671
Other	1,799	4,109	5,908
Total expenses before depreciation	<u>\$ 1,924,958</u>	<u>\$ 351,295</u>	<u>\$ 2,276,253</u>
Depreciation	43,915	-	43,915
Total expenses	<u><u>\$ 1,968,873</u></u>	<u><u>\$ 351,295</u></u>	<u><u>\$ 2,320,168</u></u>

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, 2010

Cash flows from operating activities:

Change in net assets	\$ (16,808)
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:	
Depreciation	43,915
(Increase) decrease in accounts receivable	(40,115)
(Increase) decrease in prepaid expenses	926
Increase (decrease) in accounts payable	19,579
Increase (decrease) in accrued annual leave	<u>6,977</u>
Net cash provided by (used in) operating activities	\$ <u>14,474</u>
Cash flows from investing activities:	
Acquisition of property and equipment	\$ <u>(3,954)</u>
Net cash provided by (used in) investing activities	\$ <u>(3,954)</u>
Increase (decrease) in cash and cash equivalents	\$ 10,520
Cash and cash equivalents, beginning of year	<u>447,260</u>
Cash and cash equivalents, end of year	\$ <u><u>457,780</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, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Description and Purpose of Agency

The Skyline Community Action Partnership, Inc. 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 agency 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 and is therefore covered by the AICPA Industry Audit Guide, *Audits of Voluntary Health and Welfare Organizations*.

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 Program utilizes the accrual basis of accounting where expenses are recognized on the accrual basis 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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets: Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets: 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At June 30, 2010, the Organization had \$90,039 of temporarily restricted net assets.

Permanently restricted net assets: Net assets subject to donor-imposed or other legal restrictions requiring that all principal be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned for either general or donor-specific purposes. At June 30, 2010, the Organization had no permanently restricted net assets.

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. 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, 2010 was \$43,915.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Financial Statements
At June 30, 2010 (continued)

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

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.

E. Concentrations of Credit Risk

The Organization maintains cash balances at three financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2010 the Organization had no uninsured cash balances.

F. Income Taxes

The 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.

NOTE 2 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are derived from the following sources:

<u>Program</u>	<u>Temporarily Restricted</u>
Head Start	\$ 10,479
Madison County	29,398
Greene County	22,200
Orange County	2,865
HOME	8,982
Home - Program Income	(6,631)
Grant - Dental Care	4,086
Family - Community Partnership	776
Emergency Home Repair	2,387
Project Discovery	2,143
Dominion VA Energy Share	175
Fuel Assistance	1,060
Energy Efficiency Counseling	10,000
Weatherization Fuel Assistance	2,015
Madison Dental	104
Total	<u>\$ 90,039</u>

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Financial Statements
At June 30, 2010 (continued)

NOTE 3 - LEASE COMMITMENTS:

The Organization leases office space and other facilities from various lessors. The lease terms are generally for one year with provisions for additional one year renewals. Rent expense for the year ended June 30, 2010 was \$46,344.

NOTE 4 - CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES:

The Organization 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 \$42,973 annual leave at June 30, 2010.

NOTE 5 - PROPERTY AND EQUIPMENT:

Property and equipment, at cost, and accumulated depreciation at June 30, 2010 are as follows:

Land	\$	96,858
Office equipment		108,665
Vehicles		314,552
Modular buildings		141,201
Other buildings		249,476
Classroom improvements		5,334
Playground equipment		99,781
Health equipment		5,449
Total	\$	1,021,316
Less accumulated depreciation		(635,882)
Net total	\$	<u>385,434</u>

NOTE 6 - CONCENTRATION RISK OF RECEIVABLE:

The Organization receives its revenue primarily from federal and state agencies. Therefore, it will have 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 \$24,395 for the year ended June 30, 2010. Total covered payroll for the retirement plan was \$566,825 and the total payroll for the Organization was \$1,309,127 for the year ended June 30, 2010.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Financial Statements
At June 30, 2010 (continued)

NOTE 8 - CONTINGENT LIABILITIES:

Federal programs in which the Organization participates were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

NOTE 9 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through March 10, 2011, the date on which the financial statements were available to be issued. There were no subsequent events to be disclosed.

- Compliance -

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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 the financial statements of the Skyline Community Action Partnership, Inc. (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued our report dated March 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Skyline Community Action Partnership, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Compliance and Other Matters: (Continued)

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

Robinson, Farmer, Co. Associates
Charlottesville, Virginia
March 10, 2011

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 INDEPENDENT AUDITORS' REPORT

TO THE BOARD MEMBERS OF
SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.
MADISON, VIRGINIA

Compliance

We have audited Skyline Community Action Partnership, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The Skyline Community Action Partnership, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Skyline Community Action Partnership, Inc.'s management. Our responsibility is to express an opinion on Skyline Community Action Partnership, Inc.'s compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Skyline Community Action Partnership, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Skyline Community Action Partnership, Inc.'s compliance with those requirements.

In our opinion, the Skyline Community Action Partnership, Inc. complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

The management of the Skyline Community Action Partnership, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Skyline Community Action Partnership, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Skyline Community Action Partnership, Inc.'s internal control over compliance.

Internal Control Over Compliance (Continued)

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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Robinson, Farmer, & Associates
Charlottesville, Virginia
March 10, 2011

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Agriculture:			
Direct Payments:			
Child and Adult Care Food Program	10.558	N/A	\$ <u>96,513</u>
Department of Health and Human Services:			
Direct Payments:			
Head Start Cluster:			
Head Start	93.600	N/A	\$ 1,210,373
ARRA - Head Start	93.708	N/A	<u>130,436</u>
Total			<u>\$ 1,340,809</u>
Total Direct Payments			<u>\$ 1,437,322</u>
Department of Health and Human Services:			
Pass Through Payments:			
Community Services Block Grant Cluster:			
Community Services Block Grant	93.569	CVS-09-066-25	\$ 229,872
ARRA - Community Services Block Grant	93.710	CVS-09-066-25	205,407
Temporary Assistance to Needy Families	93.558	CVS-09-066-25	<u>47,574</u>
Total			<u>\$ 482,853</u>
Department of Housing and Urban Development:			
Pass Through Payments:			
Home Investment Partnerships Program	14.239	N/A	\$ 22,720
Housing Counseling Assistance Program	14.169	N/A	<u>50,562</u>
Total			<u>\$ 73,282</u>
Total Pass-Through Payments			<u>\$ 556,135</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,993,457</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Skyline Community Action Partnership, Inc. under programs of the federal government for the year ended June 30, 2010. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of the 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 the 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 OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2010**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
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 auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
93.600/93.708	Head Start Cluster
93.569/93.710	Community Services Block Grant Cluster

Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

SKYLINE COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2010

There were no findings or questioned costs in the prior year.