THE CENTER FOR TRAUMA & RESILIENCE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2021 AND 2020

THE CENTER FOR TRAUMA & RESILIENCE

CONTENTS

WATSON COON RYAN
CERTIFIED PUBLIC ACCOUNTANTS

6025 SOUTH QUEBEC STREET, SUITE 260
CENTENNIAL, COLORADO 80111
303-792-3020 (O) | 303-232-7237 (F)
WWW.WCRCPA.COM

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Center for Trauma & Resilience
Denver, Colorado

Opinion

We have audited the financial statements of The Center for Trauma & Resilience, which comprise the statement of financial position as of December 31, 2021 and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of The Center for Trauma & Resilience as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Center for Trauma & Resilience 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 The Center for Trauma & Resilience's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's 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 auditor's 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 GAAS 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 GAAS 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 The Center for Trauma & Resilience'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 The Center for Trauma & Resilience'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 consolidated financial statements as a whole. The 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 July 11, 2022 on our consideration of The Center for Trauma & Resilience'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 The Center for Trauma & Resilience'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 The Center for Trauma & Resilience's internal control over financial reporting and compliance.

Watson Coon Ryan, LLC

WATSON COON RYAN, LLC
CENTENNIAL, COLORADO
July 11, 2022

THE CENTER FOR TRAUMA & RESILIENCE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,685,668	$ 1,338,487
Grants Receivable	316,474	298,405
Foundations Receivable	-	7,420
Employee Advances	5,154	4,797
Prepaid Expenses and Other Assets	4,560	10,915
TOTAL CURRENT ASSETS	2,011,856	1,660,024
NONCURRENT ASSETS		
Property and Equipment, net	815,321	829,480
Cash in Bank - Restricted	11,032	14,791
Beneficial Interest in a Perpetual Trust	22,012	22,541
	848,365	866,812
TOTAL ASSETS	**$ 2,860,221**	**$ 2,526,836**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	$ 1,182	$ 1,884
Accrued Expenses	61,239	51,601
Current Portion of Notes Payable	7,995	7,654
TOTAL CURRENT LIABILITIES	**70,416**	**61,139**
LONG-TERM LIABILITIES		
Notes Payable, less Current Portion above	568,568	576,663
TOTAL LIABILITIES	**638,984**	**637,802**
NET ASSETS		
Total Net Assets without Donor Restrictions	2,190,205	1,291,023
Total Net Assets with Donor Restrictions	31,032	598,011
	2,221,237	**1,889,034**
TOTAL LIABILITIES AND NET ASSETS	**$ 2,860,221**	**$ 2,526,836**

The accompanying notes are an integral part of these financial statements.

THE CENTER FOR TRAUMA & RESILIENCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities						
Revenues:						
Grant Revenue	$ 1,127,801	$ -	$ 1,127,801	$ 1,235,778	$ 563,220	$ 1,798,998
Contributions	580,958	-	580,958	532,823	-	532,823
Translation Fees	118,703	-	118,703	69,806	-	69,806
Change in Value of Beneficial Interest in Perpetual Trusts	-	2,040	2,040	-	2,168	2,168
Net Assets Released from Restriction	569,019	(569,019)	-	8,857	(8,857)	-
Total Revenue and Other Support	**2,396,481**	**(566,979)**	**1,829,502**	**1,847,264**	**556,531**	**2,403,795**
Expenses:						
Program Services - Translation Center	147,133	-	147,133	168,719	-	168,719
Program Services - Victim Support Programs	1,257,704	-	1,257,704	1,275,549	-	1,275,549
Management and General	170,275	-	170,275	154,406	-	154,406
Fundraising	161,695	-	161,695	129,554	-	129,554
Total Operating Expenses	**1,736,807**	**-**	**1,736,807**	**1,728,228**	**-**	**1,728,228**
Change in Net Assets from Operations	**659,674**	**(566,979)**	**92,695**	**119,036**	**556,531**	**675,567**
Nonoperating Activities						
Forgivness of PPP Loan	257,400	-	257,400	-	-	-
Interest Expense	(17,931)	-	(17,931)	(18,451)	-	(18,451)
Interest Income	39	-	39	377	-	377
Total Non Operating Activities:	**239,508**	**-**	**239,508**	**(18,074)**	**-**	**(18,074)**
CHANGE IN NET ASSETS	**899,182**	**(566,979)**	**332,203**	**100,962**	**556,531**	**657,493**
NET ASSETS, beginning of year	**1,291,023**	**598,011**	**1,889,034**	**1,190,061**	**41,480**	**1,231,541**
NET ASSETS, end of year	**$ 2,190,205**	**$ 31,032**	**$ 2,221,237**	**$ 1,291,023**	**$ 598,011**	**$ 1,889,034**

The accompanying notes are an integral part of these financial statements.

THE CENTER FOR TRAUMA & RESILIENCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services			Supporting Services			
	Translation Services	Victims Support Services	Total Program Services	Administrative	Fundraising	Total Support Services	Total
Salaries and Benefits	$ 48,658	$ 888,511	$ 937,169	$ 112,226	$ 64,160	$ 176,386	$ 1,113,555
Contract Services	86,195	30,670	116,865	-	-	-	116,865
Charitable Donations	-	-	-	30,869	-	30,869	30,869
Dues and Subscriptions	287	5,238	5,525	662	378	1,040	6,565
Insurance	995	18,161	19,156	2,294	1,312	3,606	22,762
Legal Clinic	575	-	575	-	-	-	575
Travel & Mileage	327	5,965	6,292	753	430	1,183	7,475
Postage	114	2,086	2,200	263	150	413	2,613
Professional services	-	74,820	74,820	7,784	85,664	93,448	168,268
Publications and printing	238	4,352	4,590	550	314	864	5,454
Repairs and maintenance	1,936	13,549	15,485	2,323	1,547	3,870	19,355
Supplies	856	15,638	16,494	1,975	1,129	3,104	19,598
Telephone	1,079	19,704	20,783	2,489	1,423	3,912	24,695
Training	173	3,161	3,334	399	228	627	3,961
Rent	2,063	14,443	16,506	2,476	1,650	4,126	20,632
Utilities	477	3,340	3,817	573	382	955	4,772
Victim Assistance	-	127,326	127,326	-	-	-	127,326
Depreciation	2,394	16,760	19,154	2,873	1,916	4,789	23,943
Miscellaneous	766	13,980	14,746	1,766	1,012	2,778	17,524
Total Expenses Included in the Operating Expense Section on Statement of Activities	$ 147,133	$ 1,257,704	$ 1,404,837	$ 170,275	$ 161,695	$ 331,970	$ 1,736,807

The accompanying notes are an integral part of these financial statements.

THE CENTER FOR TRAUMA & RESILIENCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services			Supporting Services			
	Translation Services	Victims Support Services	Total Program Services	Administrative	Fundraising	Total Support Services	Total
Salaries and Benefits	$ 73,386	$ 842,293	$ 915,679	$ 118,148	$ 107,912	$ 226,060	$ 1,141,739
Bank Fees	84	961	1,045	135	124	259	1,304
Contract Services	77,395	39,600	116,995	-	36	36	117,031
Charitable Donations	-	-	-	3,057	-	3,057	3,057
Dues and Subscriptions	1,177	13,510	14,687	1,895	1,731	3,626	18,313
Insurance	5,944	68,222	74,166	9,569	8,741	18,310	92,476
Legal Clinic	650	-	650	-	-	-	650
Travel & Mileage	144	1,650	1,794	231	211	442	2,236
Postage	146	1,672	1,818	235	213	448	2,266
Professional services	-	96,232	96,232	7,700	-	7,700	103,932
Publications and printing	103	1,181	1,284	166	151	317	1,601
Repairs and maintenance	2,260	15,819	18,079	2,712	1,807	4,519	22,598
Supplies	1,383	15,877	17,260	2,227	2,034	4,261	21,521
Telephone	1,646	18,898	20,544	2,651	2,421	5,072	25,616
Training	973	11,168	12,141	1,566	1,431	2,997	15,138
Rent	979	6,850	7,829	1,174	782	1,956	9,785
Utilities	536	3,755	4,291	644	429	1,073	5,364
Victim Assistance	-	124,468	124,468	-	-	-	124,468
Depreciation	1,913	13,393	15,306	2,296	1,531	3,827	19,133
Total Expenses Included in the Operating Expense Section on Statement of Activities	$ 168,719	$ 1,275,549	$ 1,444,268	$ 154,406	$ 129,554	$ 283,960	$ 1,728,228

The accompanying notes are an integral part of these financial statements.

THE CENTER FOR TRAUMA & RESILIENCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 332,203	$ 657,493
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of PPP Loan	(257,400)	-
Depreciation expense	23,943	19,133
(Increase) decrease in assets:		
Grants receivable	(10,649)	27,973
Prepaid expenses and other current assets	6,355	5,213
Employee Advances	(357)	3,226
Beneficial interest in perpetual trust	529	(1,845)
Increase (decrease) in liabilities:		
Accounts payable	(702)	(31,310)
Accrued expenses	9,638	(1,268)
CASH PROVIDED BY OPERATING ACTIVITIES	103,560	678,615
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Purchases of Fixed Assets	(9,784)	(20,000)
CASH USED FOR INVESTING ACTIVITIES	(9,784)	(20,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	257,400	257,400
Principal payments on Long Term Debt	(7,754)	(7,235)
CASH PROVIDED BY FINANCING ACTIVITIES	249,646	250,165
NET INCREASE IN CASH & RESTRICTED CASH	343,422	908,780
CASH & RESTRICTED CASH AT BEGINNING OF YEAR	1,353,278	444,498
CASH & RESTRICTED CASH AT END OF YEAR	$ 1,696,700	$ 1,353,278
CASH PAID DURING THE YEAR FOR:		
INTEREST	$ 17,931	$ 18,451

The accompanying notes are an integral part of these financial statements.

NOTE 1-NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization. The Center for Trauma & Resilience (the "Center") is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Formerly known as The Denver Center for Crime Victims, the Center was established in 1987 and was organized exclusively for charitable and educational purposes, including assisting victims who have been directly or indirectly injured by another's criminal act resulting in physical, psychological, social, or economic harm.

The Center's major programs and activities are described below:

Program Services

Victim Services - Victim services include helping victims with accessing legal and medical services, obtaining or providing food, crisis housing and necessities to victims, conducting educational programs for the general public on the problems and issues related to victimization and providing consultation services for victims, and training to professional and para-professionals.

Translation and Interpretation Services- The Translation & Interpreting Center provides more than 35 different languages, including American Sign Language. Services are offered in-person throughout Colorado, via conference calling nationwide, and electronically across the world.

Supporting Services

Management and General - Includes functions necessary to administer the programs and other financial and corporate governing the Center.

Fund-raising - To encourage and secure public and private financial support from individuals, foundations, corporations, and government agencies.

Basis of Accounting. The financial statements of The Center have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require The Center to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of The Center. These net assets may be used at the discretion of The Center's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The Center or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations. The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to The Center's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and interest expense which are considered to be of a more unusual or nonrecurring nature.

Functional allocation of expenses. The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Expenses that can be directly identified with the program or supporting service to which they relate are allocated accordingly. Certain other expenses by function have been allocated by The Center between program and supporting services based on methodology determined to be reasonable by The Center.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and wages	Time and effort
Bank Fees	Time and effort
Dues and Subscriptions	Time and effort
Travel & Mileage	Time and effort
Postage	Time and effort
Publications and Printing	Time and effort
Repairs and Maintenance	Head count
Supplies	Time and effort
Telephone	Time and effort
Training	Time and effort
Rent	Head count
Utilities	Head count
Depreciation	Head count
Miscellaneous	Time and effort

Revenue Recognition. The Organization applies the guidance in Financial Accounting Standards Board *Revenue from Contracts with Customers* (Topic 606) with respect to exchange (reciprocal) transactions and *Not-for-profit Entities* (Topic 958) with respect to contributions (nonreciprocal transactions).

The Center recognizes revenue from interpretation and translation services at the time services are provided, net of sales taxes.

The Center 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. At December 31, 2021 there were no contributions that were deferred due to measurable performance barrier, right of return or other conditions in place.

A portion of The Center's revenue is derived from cost-reimbursable federal 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 Center 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. The Center received cost-reimbursable grants of $857,713 and $- that have not been recognized at December 31, 2021 and 2020, respectively, because qualifying expenditures have not yet been incurred. No amounts have been received in advance under our state contracts and grants.

Donated Property and Equipment - 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 support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment are reported as restricted support. The Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Goods and Services - Under ASC Topic 958, subtopic 605, contributed services are recorded if they create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended December 31, 2014 the Center also received a donated timeshare valued at $4,200 that is being held for resale, the value of this asset has been recorded as an other asset on the statement of financial position.

For the years ended December 31, 2021 and 2020 there were no donated property and equipment, or donated goods and services.

Promises to Give. Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Agency Transactions. During the year The Center served as a fiscal agent for an unrelated non-profit organization. A total of $690,000 was received and distributed to the named beneficiary as stipulated by the grant agreement. The Center had no ability to redirect or otherwise use these funds. The grant was not considered grant income for The Center. The Center recognized $34,500 in administrative fee revenue for their involvement in distributing these funds.

Beneficial Interest in Assets Held by Community Foundation During 2004, The Center established a permanent endowment fund (the Fund) under a community foundation's (the CF) Non-profit Preservation Endowment Challenge Grant program, and named The Center as beneficiary. The Center granted variance power to CF which allows CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by CF for our benefit, and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

Cash and Cash Equivalents. For purposes of the statements of cash flow, The Center considers all short-term debt securities purchased with a maturity of less than three months to be cash equivalents.

Restricted cash includes money that was given with a specified purpose; as such amounts have been segregated from cash available for general operations.

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows:

	2021	2020
Cash and Cash Equivalents	$ 1,685,668	$ 1,338,487
Restricted Cash	11,032	14,791
Total Cash and Restricted Cash shown in the Statement of Cash Flows	$ 1,696,700	$ 1,353,278

Concentration of Risks. The Center places its cash and equivalents in high quality financial institutions and, from time to time, cash balances may be in excess of the FDIC insurance limits. Management believes that credit risk related to cash balances and investments are minimal. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Property, Equipment and Depreciation. The Center records property and equipment at cost or fair market value, if donated. Depreciation is computed by the use of the straight-line method over estimated useful lives of five years. The Center capitalizes all fixed asset purchases over $2,500 with an estimated useful life greater than one year.

Property as of December 31, 2021 and December 31, 2020, is as follows:

	2021	2020
Building	$698,851	$698,851
Land	258,220	258,220
Equipment	77,135	67,351
Furniture and Fixtures	62,061	62,061
Total Fixed Assets	1,096,267	1,086,483
Less Accumulated Depreciation	(280,946)	(257,003)
	$815,321	$829,480

Depreciation expense for the years ended December 31, 2021 and 2020 was $23,943 and $19,133, respectively.

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.

Income Taxes. The Center is organized as a Colorado nonprofit corporations and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualify for the charitable contribution deduction under Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under Sections 509(a)(1) and (3), respectively. Each entity is annually required to file a Return of Organization

Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Center have determined that each entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Center believe that each entity has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Center would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Recently issued accounting standards. In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The update is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The update is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Center is currently evaluating the effect that this Update will have on its financial statements.

NOTE 2 - ECONOMIC DEPENDENCY

The Center received a substantial amount of its total revenue and other support from Caring for Denver (32% for 2020) the Victims Assistance and Law Enforcement (approximately 4% and 17% in 2021 and 2020, respectively), Law Assistance for Victims Grant (approximately 8% and 8% in 2021 and 2020, respectively), and Victims of Crime Act (approximately 46% and 33% in 2021 and 2020, respectively). A significant reduction in the level of such support, if this were to occur, may have an adverse effect on the Center's programs and activities.

NOTE 3 - GRANTS RECEIVABLE

Management believes that grants receivable at year-end are deemed fully collectible. An allowance for doubtful accounts is required by generally accepted accounting standards. However, based on the historical collection experience of The Center for Trauma & Resilience, management feels that all pledges are collectible and an allowance for doubtful accounts is not deemed appropriate.

NOTE 4 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures,* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB 820 are described as follows:

Level 1— Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2—Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Beneficial Interest in Assets held by Community First: Valued at the fair value of the underlying assets, as reported to The Center by Community First.

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while The Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, The Center's assets at fair value as of December 31, 2021 and 2020:

Assets at Fair Value as of December 31, 2021

	Level 1	Level 2	Level 3	Total
Beneficial Interest in Assets held by Community First	$ -	$22,012	$ -	$22,012
Total assets at fair value	$ -	$22,012	$ -	$22,012

Assets at Fair Value as of December 31, 2020

	Level 1	Level 2	Level 3	Total
Beneficial Interest in Assets held by Community First	$ -	$ 22,541	$ -	$22,541
Total assets at fair value	$ -	$ 22,541	$ -	$22,541

NOTE 5 – BENEFICIAL INTEREST IN PERPETUAL TRUST

The Center is named as a beneficiary in assets held by the Community First Foundation. The agreement provides distributions of income; however the underlying assets will not be distributed to The Center. The Center values these beneficial interests at the fair value of the underlying assets, which approximates the present value of the estimated future cash flows. The Foundation determines the investments in which the money is invested. The Center may request distributions from the Foundation for amounts in excess of the underlying assets. At this time, the Board of Directors has decided not to request any distributions unless there is a significant financial need. The underlying assets have been classified as permanently restricted, while all income earned on those assets has been classified as temporarily restricted until the Board makes a request for distribution. The change in fair value of this trust is reported in the statement of activities as change in value of beneficial interest in perpetual trusts. The Center values these beneficial interests at the fair value of the underlying assets, which approximates the present value of the estimated future cash flows.

NOTE 6 -LONG-TERM DEBT

In September 2011, First Bank approved financing for the Purchase of the building. Monthly principal and interest payments commenced on October 1, 2011 and were due through September, 2021. The loan was modified effective May 21, 2018. The modification agreement established a fixed interest rate of 5.5% with monthly payments of $2,140 to be made from June 1, 2018-April 1, 2028. A single balloon payment of the entire unpaid balance of Principal and interest is due May 1, 2028.

The Center was granted a $514,800 total through two loans under the Paycheck Protection Program "PPP" administered by a Small Business Administration (SBA) approved partner in 2021 and 2020. The loans are uncollateralized and is fully guaranteed by the Federal government. The Center is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Center has initially recorded the loans as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan or when such conditions are explicitly waived. Proceeds from the loan are eligible for forgiveness if The Center maintains employment levels during its 24-week covered period and uses the funds for certain payroll, rent, and utility expenses.

During 2021, The Center received forgiveness from the SBA for the 2020 PPP loan for the full principal amount of $257,400. Forgiveness of the PPP loan was recorded as a non-operating activity in the statement of activities for the year-ended December 31, 2021.

The Center recorded the 2021 PPP loan on the statement of net position within notes payable and will be required to repay any remaining balance, plus interest accrued at 1% per annum at the maturity date, April 1, 2023. The Center believe this loan will also qualify for forgiveness and will apply for such in 2022.

The outstanding principal balance at December 31, 2021 and 2021 was:

	2021	2020
Promissory Note Payable	$ 319,163	$ 326,917
Paycheck Protection Program Loan	257,400	257,400
	576,563	576,563
Less: Current Portion	(7,995)	(7,995)
Notes Payable, Net of Current Portion	$ 568,568	$ 568,568

Following are maturities of long-term debt for each of the next five years:

2022	$ 7,995
2023	265,999
2024	9,196
2025	9,851
Thereafter	283,522
Total:	$ 576,563

NOTE 7-RETIREMENT PLAN

Employees who have completed four months of employment may participate in a tax-deferred retirement plan. This is a voluntary method for employees to use their pre-tax dollars to save for retirement. The Center does not provide any matching contributions.

NOTE 8 - AVAILABLE RESOURCES AND LIQUIDITY.

Financial assets available for general expenditure within one year of the balance sheet consist of the following:

	2021	2020
Cash and Cash Equivalents and Restricted Cash	$ 1,696,700	$ 1,353,278
Grants Receivable	316,474	298,405
Foundations Receivable	-	7,420
Total Financial Assets	2,013,174	1,659,103
Less net assets with Donor Restrictions	(33,573)	(598,011)
Financial Available for General Expenditure	$ 1,979,601	$ 1,061,092

As part of The Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

The Center has received certain contributions with donor imposed purpose restrictions.

Net assets with donor restriction consists of the following at December 31:

	2021	2020
Restricted for Victims of the Aurora Theater Shooting	$ 11,032	$ 14,791
Restricted for Use in Future Period	-	563,220
Held in Trust at Community First Foundation (Note 5)	20,000	20,000
Net Assets with Donor Restriction	$ 31,032	$ 598,011

Net assets released from net assets with donor restrictions are as follows:

	2021	2020
Funds released from time restriction	$ 563,220	$ -
Funds spent for specified purpose	5,799	8,857
Total Funds released	$ 569,019	$ 8,857

NOTE 10- SUBSEQUENT EVENTS

In preparing these financial statements, The Center has evaluated events and transactions for potential recognition or disclosure through the date of the report which is the date the financial statements were available to be issued.

The Center for Trauma & Resilience
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct:			
Legal Assistance for Victims	16.524		$ 146,403
Passed through Colorado Office of Children, Youth & Families			
Family Violence Prevention and Services	93.671	*	72,347
Passed through Colorado Department of Public Safety			
Crime Victim Assistance (VOCA)	16.575	*	836,211
Total Department od Education Programs			1,054,961
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Mercy Housing, Inc.			
Substance Abuse And Mental Health Services Projects Of Regional and National Significance	93.243	109067298	69,840
Total Department of Health and Human Services Programs			69,840
TOTAL FEDERAL EXPENDITURES			$ 1,124,801

* Pass-through Entity Identifying Number NOT AVAILABLE

The Center for Trauma & Resilience
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of The Center for Trauma & Resilience under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of The Center for Trauma & Resilience, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Center for Trauma & Resilience

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on an 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. Negative amounts shown on the Schedule represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. SUBRECIPIENTS

No federal awards were passed through to subrecipients for the year-ended December 31, 2021.

4. NONCASH PROGRAM ACTIVITY

There was no noncash assistance included in the Schedule of Federal Expenditures for the year ended December 31, 2021.

5. INDIRECT COST RATE

The Center for Trauma & Resilience has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

WATSON COON RYAN
CERTIFIED PUBLIC ACCOUNTANTS

6025 SOUTH QUEBEC STREET, SUITE 260
CENTENNIAL, COLORADO 80111
303-792-3020 (O) | 303-232-7237 (F)
WWW.WCRCPA.COM

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*

Independent Auditor's Report

Board of Directors
The Center for Trauma & Resilience
Denver, Colorado

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 The Center for Trauma & Resilience, which comprise the statement of financial position as of December 31, 2021 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 July 11, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Center for Trauma & Resilience's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Center for Trauma & Resilience's internal control. Accordingly, we do not express an opinion on the effectiveness of The Center for Trauma & Resilience'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Center for Trauma & Resilience'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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Watson Coon Ryan, LLC

WATSON COON RYAN, LLC
CENTENNIAL, COLORADO
July 11, 2022

WATSON COON RYAN
CERTIFIED PUBLIC ACCOUNTANTS

6025 SOUTH QUEBEC STREET, SUITE 260
CENTENNIAL, COLORADO 80111
303-792-3020 (O) | 303-232-7237 (F)
WWW.WCRCPA.COM

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Independent Auditor's Report

Board of Directors
The Center for Trauma & Resilience
Denver, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Center for Trauma & Resilience'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 The Center for Trauma & Resilience's major federal programs for the year ended December 31, 2021. The Center for Trauma & Resilience's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Center for Trauma & Resilience complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Center for Trauma & Resilience 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 The Center for Trauma & Resilience'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 The Center for Trauma & Resilience's federal programs.

Auditor's 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 The Center

for Trauma & Resilience'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 GAAS, *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 The Center for Trauma & Resilience's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 The Center for Trauma & Resilience'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 The Center for Trauma & Resilience'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 The Center for Trauma & Resilience'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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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.

Watson Coon Ryan, LLC

WATSON COON RYAN, LLC
CENTENNIAL, COLORADO
July 11, 2022

The Center for Trauma & Resilience
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	____ Yes	_x_ No
Significant deficiencies identified?	____ Yes	_x_ No
Noncompliance material to financial statements noted?	____Yes	_x_ No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	____Yes	_x_No
Significant deficiencies identified?	____ Yes	_x_ None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	_x_ No
Identification of major federal programs:	**16.575** Crime Victim Assistance	
Dollar threshold used to distinguish between type A and type B programs:	$____750,000	
Auditee qualified as a low-risk auditee?	____ Yes	_x_ No

The Center for Trauma & Resilience
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Section II: Financial Statement Findings

There were no findings for the year ended December 31, 2021.

Section III: Federal Awards Findings

There were no findings for the year ended December 31, 2021.

Section IV: Status of Prior Year Findings

There were no findings for the year ended December 31, 2020.