

**THE CENTER FOR TRAUMA & RESILIENCE
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021**

THE CENTER FOR TRAUMA & RESILIENCE

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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 statements of financial position as of December 31, 2022 and 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.

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, 2022 and 2021, 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 June 20, 2023 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
CENTENNIAL, COLORADO
June 20, 2023

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

ASSETS		2022	2021
		<u></u>	<u></u>
CURRENT ASSETS			
Cash and Cash Equivalents	\$	1,483,327	\$ 1,685,668
Grants Receivable		411,592	316,474
Promises to Give Receivable		175,113	-
Employee Advances		4,886	5,154
Prepaid Expenses and Other Assets		2,909	4,560
TOTAL CURRENT ASSETS		<u>2,077,827</u>	<u>2,011,856</u>
NONCURRENT ASSETS			
Property and Equipment, net		807,887	815,321
Cash in Bank - Restricted		11,032	11,032
Beneficial Interest in a Perpetual Trust		17,088	22,012
		<u>836,007</u>	<u>848,365</u>
TOTAL ASSETS	\$	<u>2,913,834</u>	<u>\$ 2,860,221</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	\$	7,556	\$ 1,182
Accrued Expenses		88,894	61,239
Current Portion of Notes Payable		8,556	7,995
TOTAL CURRENT LIABILITIES		<u>105,006</u>	<u>70,416</u>
LONG-TERM LIABILITIES			
Notes Payable, less Current Portion above		302,522	568,568
TOTAL LIABILITIES		<u>407,528</u>	<u>638,984</u>
NET ASSETS			
Total Net Assets without Donor Restrictions		2,303,073	2,190,205
Total Net Assets with Donor Restrictions		203,233	31,032
		<u>2,506,306</u>	<u>2,221,237</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>2,913,834</u>	<u>\$ 2,860,221</u>

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

THE CENTER FOR TRAUMA & RESILIENCE
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities						
Revenues:						
Grant Revenue	\$ 1,412,113	\$ 177,125	\$ 1,589,238	\$ 1,221,279	\$ -	\$ 1,221,279
Contributions	356,424	-	356,424	487,480	-	487,480
Translation Fees	127,731	-	127,731	118,703	-	118,703
Change in Value of Beneficial Interest in Perpetual Trusts	-	(3,749)	(3,749)	-	2,040	2,040
Net Assets Released from Restriction	1,175	(1,175)	-	569,019	(569,019)	-
Total Revenue and Other Support	1,897,443	172,201	2,069,644	2,396,481	(566,979)	1,829,502
Expenses:						
Program Services - Translation Center	145,980	-	145,980	147,133	-	147,133
Program Services - Victim Support Programs	1,425,015	-	1,425,015	1,257,704	-	1,257,704
Management and General	245,531	-	245,531	170,275	-	170,275
Fundraising	218,500	-	218,500	161,695	-	161,695
Total Operating Expenses	2,035,026	-	2,035,026	1,736,807	-	1,736,807
Change in Net Assets from Operations	(137,583)	172,201	34,618	659,674	(566,979)	92,695
Nonoperating Activities						
Forgiveness of PPP Loan	257,400	-	257,400	257,400	-	257,400
Interest Expense	(17,600)	-	(17,600)	(17,931)	-	(17,931)
Interest Income	10,651	-	10,651	39	-	39
Total Non Operating Activities:	250,451	-	250,451	239,508	-	239,508
CHANGE IN NET ASSETS	112,868	172,201	285,069	899,182	(566,979)	332,203
NET ASSETS, beginning of year	2,190,205	31,032	2,221,237	1,291,023	598,011	1,889,034
NET ASSETS, end of year	\$ 2,303,073	\$ 203,233	\$ 2,506,306	\$ 2,190,205	\$ 31,032	\$ 2,221,237

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, 2022**

	Program Services			Supporting Services			
	Translation Services	Victims Support Services	Total Program Services	Administrative	Fundraising	Total Support Services	Total
Salaries and Benefits	\$ 41,897	953,435	\$ 995,332	162,309	70,549	\$ 232,858	\$ 1,228,190
Contract Services	92,085	65,727	157,812	-	-	-	157,812
Charitable Donations	-	-	-	3,802	-	3,802	3,802
Dues and Subscriptions	258	5,880	6,138	1,001	435	1,436	7,574
Insurance	-	-	-	17,253	-	17,253	17,253
Legal Clinic	1,804	-	1,804	-	-	-	1,804
Travel & Mileage	311	7,072	7,383	1,204	523	1,727	9,110
Postage	83	1,891	1,974	322	139	461	2,435
Professional services	-	120,859	120,859	37,077	135,754	172,831	293,690
Publications and printing	209	4,748	4,957	808	351	1,159	6,116
Repairs and maintenance	2,066	15,905	17,971	3,305	1,858	5,163	23,134
Supplies	1,220	27,753	28,973	4,725	2,054	6,779	35,752
Telephone	706	16,060	16,766	2,734	1,188	3,922	20,688
Training	201	4,578	4,779	779	339	1,118	5,897
Rent	980	7,549	8,529	1,569	881	2,450	10,979
Utilities	1,041	8,013	9,054	1,665	937	2,602	11,656
Victim Assistance	-	148,370	148,370	-	-	-	148,370
Depreciation	2,244	17,278	19,522	3,590	2,019	5,609	25,131
Miscellaneous	875	19,897	20,772	3,388	1,473	4,861	25,633
Total Expenses Included in the Operating Expense Section on Statement of Activities	\$ 145,980	\$ 1,425,015	\$ 1,570,995	\$ 245,531	\$ 218,500	\$ 464,031	\$ 2,035,026

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	<u>\$ 147,133</u>	<u>\$ 1,257,704</u>	<u>\$ 1,404,837</u>	<u>\$ 170,275</u>	<u>\$ 161,695</u>	<u>\$ 331,970</u>	<u>\$ 1,736,807</u>

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 285,069	\$ 332,203
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of PPP Loan	(257,400)	(257,400)
Depreciation expense	25,131	23,943
(Increase) decrease in assets:		
Grants receivable	(270,231)	(10,649)
Prepaid expenses and other current assets	1,651	6,355
Employee Advances	268	(357)
Beneficial interest in perpetual trust	4,924	529
Increase (decrease) in liabilities:		
Accounts payable	6,374	(702)
Accrued expenses	27,655	9,638
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(176,559)</u>	<u>103,560</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Purchases of Fixed Assets	(17,697)	(9,784)
CASH USED FOR INVESTING ACTIVITIES	<u>(17,697)</u>	<u>(9,784)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	-	257,400
Principal payments on Long Term Debt	(8,085)	(7,754)
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	<u>(8,085)</u>	<u>249,646</u>
NET INCREASE (DECREASE) IN CASH & RESTRICTED CASH	<u>(202,341)</u>	<u>343,422</u>
CASH & RESTRICTED CASH AT BEGINNING OF YEAR	<u>1,696,700</u>	<u>1,353,278</u>
CASH & RESTRICTED CASH AT END OF YEAR	<u><u>\$ 1,494,359</u></u>	<u><u>\$ 1,696,700</u></u>
CASH PAID DURING THE YEAR FOR:		
INTEREST	\$ 17,600	\$ 17,931

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

THE CENTER FOR TRAUMA & RESILIENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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.

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:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 1,483,326	\$ 1,685,668
Restricted Cash	<u>11,032</u>	<u>11,032</u>
Total Cash and Restricted Cash shown in the Statement of Cash Flows	<u>\$ 1,494,359</u>	<u>\$ 1,696,700</u>

Grants and Promises to Give Receivable. The Center records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Center determines the allowance for uncollectable promises to give based on historical

THE CENTER FOR TRAUMA & RESILIENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2022 and 2021, all amounts were considered collectible and no allowance was deemed necessary.

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. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

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 the benefit of the Center, 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.

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.

Net Assets. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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 donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Center reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Center reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

THE CENTER FOR TRAUMA & RESILIENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Revenue Recognition. The Center 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 when the performance obligations of providing the services are met, 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, 2022 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 \$298,509 and \$857,713 that have not been recognized at December 31, 2022 and 2021, respectively, because qualifying expenditures have not yet been incurred. No amounts have been received in advance under our state contracts and grants.

In-kind contributions. Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Center does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2022 and 2021, respectively.

Functional allocation of expenses. The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Agency Transactions. During the year ended December 31, 2021 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.

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.

THE CENTER FOR TRAUMA & RESILIENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Income Taxes. The Center is organized as a Colorado nonprofit corporations and has 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 has been determined not to be private foundations under Sections 509(a)(1) and (3), respectively. The Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Center is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Center has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires the Center to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk. The Center manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Center has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Center's mission. Investments are made by a Community Foundation with diversified investment managers whose performance is monitored by the investment committee of that Foundation. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Concentration Risk. The Center received a substantial amount of its total revenue and other support from five donors/grantors. Money received from these sources totaled 72% and 74% of revenue for the years ending December 31, 2021 and 2022, 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.

Reclassifications. Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Recently Adopted Accounting Pronouncements. In February 2016, FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the year ended December 31, 2022. The Organization implemented the standard during the year ended December 31, 2022 with no material impact.

THE CENTER FOR TRAUMA & RESILIENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY.

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

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 1,494,359	\$ 1,696,700
Grants Receivable	411,592	316,474
Promises to Give Receivable	175,113	-
Total Financial Assets	2,081,064	2,013,174
Less net assets with Donor Restrictions	(186,145)	(11,032)
Financial Available for General Expenditure	\$ 1,894,919	\$ 2,002,142

Amounts above do not include the beneficial interest in perpetual trust which is restricted and not available for general expenditure.

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 3 - 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 CENTER FOR TRAUMA & RESILIENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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, 2022 and 2021.

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, 2022 and 2021:

Assets at Fair Value as of December 31, 2022

	Level 1	Level 2	Level 3	Total
Beneficial Interest in Assets held by Community First	\$ -	\$17,088	\$ -	\$17,088
Total assets at fair value	\$ -	\$17,088	\$ -	\$17,088

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

NOTE 4- PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2022 and 2021, is as follows:

	<u>2022</u>	<u>2021</u>
Building	\$698,851	\$698,851
Land	258,220	258,220
Equipment	94,831	77,135
Furniture and Equipment	<u>62,062</u>	<u>62,061</u>
Total Fixed Assets	1,113,964	1,096,267
Less Accumulated Depreciation	<u>(306,077)</u>	<u>(280,946)</u>
	<u>\$807,887</u>	<u>\$815,321</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$25,131 and \$23,943, respectively.

THE CENTER FOR TRAUMA & RESILIENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 5 -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 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 initially recorded the loans as a refundable advance. Forgiveness of the loans is recognized 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 and 2022 The Center received forgiveness from the SBA for each of the PPP loans for the full principal amount of \$257,400 in each of the years ended December 31, 2022 and 2021. Forgiveness of the PPP loan was recorded as a non-operating activity in the statement of activities for the years-ended December 31, 2021 and 2022.

The outstanding principal balance at December 31, 2022 and 2021 was:

	<u>2022</u>	<u>2021</u>
Promissory Note Payable	\$ 311,078	\$ 319,163
Paycheck Protection Program Loan	-	257,400
	<u>311,078</u>	<u>576,563</u>
Less: Current Portion	(8,556)	(7,995)
Notes Payable, Net of Current Portion	<u>\$ 302,522</u>	<u>\$ 568,568</u>

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

2023	\$ 8,556
2024	9,025
2025	9,432
2026	9,972
2027	10,543
Thereafter	<u>263,550</u>
Total:	<u>\$ 311,080</u>

THE CENTER FOR TRAUMA & RESILIENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 6 - 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:

	<u>2022</u>	<u>2021</u>
Restricted for Victims of the Aurora Theater Shooting	\$ 11,032	\$ 11,032
Restricted for Use in Future Period	175,113	-
Held in Trust at Community First Foundation	17,088	20,000
Net Assets with Donor Restriction	<u>\$ 203,233</u>	<u>\$ 31,032</u>

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

	<u>2022</u>	<u>2021</u>
Funds released from time restriction	\$ -	\$ 563,220
Funds disbursed from Trust held at Community First	1,175	5,799
Total Funds released	<u>\$ 1,175</u>	<u>\$ 569,019</u>

NOTE 7 - FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent, utilities, repairs and maintenance and depreciation, which are allocated based on employee head count, as well as salaries and wages, benefits, payroll taxes, bank fees, dues and subscriptions, travel and mileage, postage, publications and printing, supplies, telephone, training and miscellaneous expenses, which are allocated on the basis of estimates of time and effort.

NOTE 8-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 9- 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 June 20, 2023 the date the financial statements were available to be issued.

THE CENTER FOR TRAUMA & RESILIENCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<u>Direct:</u>			
Legal Assistance for Victims	16.524	Direct	\$ 31,591
Passed through Colorado Department of Public Safety			
Crime Victim Assistance (VOCA)	16.575	*	850,015
Total Department of Justice Programs			<u>881,606</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Mercy Housing, Inc.			
Substance Abuse And Mental Health Services Projects Of Regional and National Significance (SAMHSA)	93.243	109067298	<u>111,981</u>
Total U.S. Department of Health and Human Services Programs			<u>111,981</u>
<u>U.S. DEPARTMENT OF TREASURY</u>			
Passed through Colorado Department of Human Services (CDPHS)			
COVID- 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	*	39,635
Passed through Colorado Judicial Department, 2nd JD VALE Board			
COVID- 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	*	<u>97,822</u>
Total U.S. Department of Treasury Programs			<u>137,457</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 1,131,044</u></u>

* 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, 2022

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, 2022. 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, 2022.

4. NONCASH PROGRAM ACTIVITY

There was no noncash assistance included in the Schedule of Federal Expenditures for the year ended December 31, 2022.

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.

**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, 2022 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2023.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs) as item 2022-01.

The Center for Trauma & Resilience's Response to Findings

The Center for Trauma & Resilience's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Center for Trauma & Resilience's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

A handwritten signature in black ink that reads "Watson Coon Ryan, LLC". The script is cursive and fluid.

WATSON COON RYAN, LLC
CENTENNIAL, COLORADO
June 20, 2023

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, 2022. 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-01. Our opinion on each major federal program is not modified with respect to these matters. Government Auditing Standards requires the auditor to perform limited procedures on The Center for Trauma & Resilience's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Center for Trauma & Resilience's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as 2022-01, to be a significant deficiency.

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. Government Auditing Standards requires the auditor to perform limited procedures on The Center for Trauma & Resilience's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Center for Trauma & Resilience's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "Watson Coon Ryan, LLC". The script is cursive and fluid.

WATSON COON RYAN, LLC
CENTENNIAL, COLORADO
JUNE 20, 2023

The Center for Trauma & Resilience
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> 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)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Identification of major federal programs:	16.575 Crime Victim Assistance	
Dollar threshold used to distinguish between type A and type B programs:	\$ <u>750,000</u>	
Auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

The Center for Trauma & Resilience
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Section II: Financial Statement Findings

There were no findings for the year ended December 31, 2022.

Section III: Federal Awards Findings

Finding 2022-001

Information on the Federal Program: Assistance Listing Number 16.575—Crime Victim Assistance, United States Department of Justice. Pass-Through Entity: Colorado Department of Public Safety. Award Number: 2020-VA-21-506-02. Compliance Requirements: Allowable Costs Type of Finding Non-compliance and significant deficiency.

Criteria: As outlined in the grant agreement, payments of financial assistance for victims cannot be made directly to victims.

Condition: We identified one payment made directly to a crime victim.

Context: Out of our sample of 5 financial assistance for victims disbursements made, 1 was made directly to the crime victim.

Cause: There was confusion in the coding of the check to the grant noted above.

Effect or Potential Effect: Unallowable costs of \$1,353 were reimbursed under the grant.

Questioned Costs: \$1,353.

Recommendation: The Organization should improve review controls to ensure all payments made to assist victims are appropriately in line with grant requirements.

Views of Responsible Official: See Corrective Action Plan. Management agrees with this finding and immediate steps were taken to address the finding.

Section IV: Status of Prior Year Findings

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

The Center For Trauma & Resilience

P.O. Box 18975, Denver, CO

CORRECTIVE ACTION PLAN

Audit Finding Reference: 2022-001

Planned Corrective Action:

We agree with the auditor's finding and have taken immediate steps to address the finding. Immediately upon detection the check and the associated de minimis charge of 10% were immediately refunded to the grant via check 9418 dated May 31, 2023.

Additionally on May 26, 2023, which is when the issue was identified, we held a meeting with the supervisor in charge of the programmatic staff that assembles documentation charged to the grant. The supervisor communicated that this was an oversight that has never occurred before and will not occur again in the future. The lapse related to a staff error in coding that was not detected in the initial review of the transaction. The supervisor will also reemphasize the grant requirements in training of all staff and implement an additional review and approval before all documentation is sent to accounting/finance for their review and entry into the Accounting System. Specifically, the control will add an additional review that checks that pertain to the VOCA grant cannot be written directly to the victim.

We also made additional updates to our finance procedures and Finance Procedure Manual to further emphasize and increase the scrutiny of the reviews in place.

Name of Contact Person: Joan Hunter, MBA, Finance Director

Anticipated completion date:

The Corrective action plan above was implemented on May 26, 2023 was completed on May 31, 2023 when the check was mailed to Colorado Department of Public Safety. A General Ledger correction was also made with the writing of this check.