

**TRAILHEAD INSTITUTE**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
TOGETHER WITH INDEPENDENT AUDITORS' REPORTS  
ON THE ABOVE SCHEDULE, ON INTERNAL CONTROLS,  
AND ON COMPLIANCE WITH LAWS AND REGULATIONS

**TRAILHEAD INSTITUTE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**TOGETHER WITH INDEPENDENT AUDITORS' REPORTS ON THE ABOVE SCHEDULE, ON INTERNAL**  
**CONTROLS, AND ON COMPLIANCE WITH LAWS AND REGULATIONS**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Trailhead Institute  
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 **Trailhead Institute** (a nonprofit organization), 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 February 24, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Trailhead Institute's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Trailhead Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trailhead Institute'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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

## **Purpose of This Report**

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

*Taylor Roth and Company PLLC*

TAYLOR, ROTH AND COMPANY, PLLC  
Certified Public Accountants

Denver, Colorado  
February 24, 2023

# TAYLORROTH

*Certified Public Accountants*

WORKING EXCLUSIVELY WITH NONPROFITS

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF FEDERAL EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Trailhead Institute  
Denver, Colorado

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

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

We have audited **Trailhead Institute'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 Trailhead Institute's major federal programs for the year ended December 31, 2021. Trailhead Institute'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, Trailhead Institute complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Trailhead Institute 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 Trailhead Institute'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 Trailhead Institute's federal programs.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Trailhead Institute'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 Trailhead Institute'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 Trailhead Institute'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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Trailhead Institute as of and for the year ended December 31, 2021, and have issued our report thereon dated February 24, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Taylor Roth and Company PLLC*

TAYLOR, ROTH AND COMPANY, PLLC  
Certified Public Accountants

Denver, Colorado  
February 24, 2023

**TRAILHEAD INSTITUTE**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**A. SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported

Type of auditors' report issued on compliance for major programs	Unmodified
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Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
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Major Programs:

<u>CFDA Number</u>	<u>Name</u>
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(Project Protect Food Systems Workers)
94.006	AmeriCorps (Mountain Roots Healthy Futures Program)

Dollar threshold used to distinguish Type A and type B programs	\$750,000
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Auditee qualified as a low-risk auditee?	No
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**TRAILHEAD INSTITUTE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

There were no findings related to the financial statements audit.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no findings or questioned costs for the major federal award programs.

**TRAILHEAD INSTITUTE**  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Federal Grantor/ Pass-through Agency Program Title</u>	<u>CFDA Number</u>	<u>Grant Control Number</u>	<u>Total Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Health and Human Services</u>				
Received as a sub-recipient from				
Colorado Department of Public Health and Environment COVID-19: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK000552	\$ 1,327,207	\$ 102,797
Received as a sub-recipient from				
Colorado Department of Public Health and Environment COVID-19: National Bioterrorism Hospital Preparedness Program	93.889	2020*0525 Amend. #1 U3REP190556	246,686	-
COVID-19: National Bioterrorism Hospital Preparedness Program		2022*0400 Amend. #2	119,475	-
COVID-19: National Bioterrorism Hospital Preparedness Program		U3REP190556	96,633	-
COVID-19: National Bioterrorism Hospital Preparedness Program		U3REP190556-01-03	172,008	-
			<u>634,802</u>	<u>-</u>
Received as a sub-recipient from				
University of Colorado Public Health Training Centers	93.516	5SUB6HP31683-03-00	123,021	-
Public Health Training Centers		5SUB6HP31683-04-00	44,546	-
			<u>167,567</u>	<u>-</u>
Received as a sub-recipient from				
Colorado Department of Public Health and Environment Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations, 2020-2021	93.898	NU58DP006347	48,465	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations, 2021-2022		NU58DP006347	49,659	-
			<u>98,124</u>	<u>-</u>
Received as a sub-recipient from				
Colorado Department of Public Health and Environment Colorado Cancer Prevention and Control	93.800	NU58DP006347	100	-
CDPHE's Approach to Colorectal Cancer Control/ Colorado Cancer Prevention and Control		NU58DP006769 NU58DP006347	33,750	-
			<u>33,850</u>	<u>-</u>
Received as a sub-recipient from				
Denver Health and Hospital Authority Substance Abuse and Mental Health Services Projects of Regional and National Significance, 2020-2021	93.243	5H79SP081358-02	1,634	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance, 2021-2022		5H79SP081358-03	2,520	-
			<u>4,154</u>	<u>-</u>

**TRAILHEAD INSTITUTE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>Federal Grantor/ Pass-through Agency Program Title</b>	<b><u>CFDA Number</u></b>	<b><u>Grant Control Number</u></b>	<b><u>Total Federal Expenditures</u></b>	<b><u>Expenditures to Subrecipients</u></b>
<b><u>U.S. Department of Health and Human Services (Continued)</u></b>				
Received as a sub-recipient from Colorado Department of Human Services Refugee Support Services	93.566	RSS: 2201CORSSS	3,707	-
<i>Research and Development Cluster</i>				
Received as a sub-recipient from University of Colorado COVID-19: Community Engagement Research Alliance Against COVID-19 Disparities, 2021	93.UNKNOWN	1OT2HL156812-01	240,726	-
COVID-19: Community Engagement Research Alliance Against COVID-19 Disparities, 2021-2022		OT2HL158287	35,381	-
			<u>276,107</u>	<u>-</u>
Received as a sub-recipient from University of Colorado National Center for Advancing Translational Sciences National Center for Advancing Translational Sciences	93.350	5UL1TR002535-03 5UL1TR002535-04	84,211 182,236	28,429 39,953
			<u>266,447</u>	<u>68,382</u>
Received as a sub-recipient from University of Colorado Denver Cancer Center Support Grants	93.397	3P30CA046934-33S3	1,607	-
<i>Total Research and Development Cluster</i>			<u>544,161</u>	<u>68,382</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>2,813,572</u></b>	<b><u>171,179</u></b>
<b><u>Corporation for National and Community Service</u></b>				
Received as a sub-recipient from State of Colorado: Serve Colorado AmeriCorps	94.006	CNCS-09-11-20	289,818	4,609
<b>Total Corporation for National and Community Service</b>			<b><u>289,818</u></b>	<b><u>4,609</u></b>
<b><u>U.S. Department of Labor</u></b>				
Received as a sub-recipient from Arapahoe Community College COVID-19: H-1B Job Training Grants	17.268	N/A	253,626	-
<b>Total U.S. Department of Labor</b>			<b><u>253,626</u></b>	<b><u>-</u></b>

**TRAILHEAD INSTITUTE**  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Federal Grantor/ Pass-through Agency Program Title</u>	<u>CFDA Number</u>	<u>Grant Control Number</u>	<u>Total Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Agriculture</u>				
<i>SNAP Cluster</i>				
Received as a sub-recipient from				
Colorado Department of Human Services, Hunger Free Colorado				
State Administrative Matching Grants for the Supplemental				
Nutrition Assistance Program				
	10.561	203CO401S2514	11,000	-
<i>Total SNAP Cluster</i>			11,000	-
<b>Total U.S. Department of Agriculture</b>			<b>11,000</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 3,368,016</b>	<b>\$ 175,788</b>

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Trailhead Institute under programs of the federal government for the year ended December 31, 2021. The information in the 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 Trailhead Institute, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Trailhead Institute.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. Trailhead Institute has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**TRAILHEAD INSTITUTE**  
SUMMARY SCHEDULE OF **PRIOR YEAR** AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

There were no **prior year** audit findings.