

TRAILHEAD INSTITUTE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022
TOGETHER WITH INDEPENDENT AUDITORS' REPORTS
ON THE ABOVE SCHEDULE, ON INTERNAL CONTROLS,
AND ON COMPLIANCE WITH LAWS AND REGULATIONS

TRAILHEAD INSTITUTE
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FOR THE YEAR ENDED DECEMBER 31, 2022
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CONTROLS, AND ON COMPLIANCE WITH LAWS AND REGULATIONS

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TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

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, 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 October 2, 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
October 2, 2023

TAYLORROTH

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF 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, 2022. 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, 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; 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, 2022, and have issued our report thereon dated October 2, 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
October 2, 2023

TRAILHEAD INSTITUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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
Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

Major Programs:

<u>Assistance Listing 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)
17.268	H-1B Job Training Grants

Dollar threshold used to distinguish Type A and type B programs	\$750,000
Auditee qualified as a low-risk auditee?	No

TRAILHEAD INSTITUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022

<u>Federal Agency or Department/Cluster</u> <u>Pass-through Entity</u> <u>Program Title</u>	<u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Grant</u> <u>Control</u> <u>Number</u>	<u>Total</u> <u>Federal</u> <u>Expenditures</u>	<u>Expenditures</u> <u>to</u> <u>Subrecipients</u>
<u>Department of Health and Human Services</u>				
Received as a sub-recipient from				
Colorado Department of Public Health and Environment Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	2021*3810 Option Letter #4	\$ 501,929	\$ 14,127
COVID-19: CK19-1904 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		2022*3503	61,964	-
			<u>563,893</u>	<u>14,127</u>
Received as a sub-recipient from				
Colorado Department of Public Health and Environment COVID-19: National Bioterrorism Hospital Preparedness Program	93.889	2022*0400 Amend. #2	190,636	36,251
COVID-19: National Bioterrorism Hospital Preparedness Program		2023*0287 Amendment #3	143,005	18,357
COVID-19: National Bioterrorism Hospital Preparedness Program		2023*0483	105,243	23,000
			<u>438,884</u>	<u>77,608</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, 2021-2022	93.898	NU58DP006347	128,874	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations, 2022-2023		2020*2109 Amendment #2	49,518	-
Cancer Prevention and Early Detection (CPED): The Community Outreach (TCO) Strategy		2023*0087 Option Letter #3	6,905	6,905
			<u>185,297</u>	<u>6,905</u>
Received as a sub-recipient from				
Colorado Department of Human Services Refugee Support Services 2021-2022	93.566	22 IHGA 172893	155,649	-
Refugee Support Services 2022-2023		PO,IHGA,202300005158	2,827	-
			<u>158,476</u>	<u>-</u>
Received as a sub-recipient from				
Colorado Department of Public Health and Environment EBITAs (Links of Care) 2021-2022	93.800	NU58DP006769 NU58DP006347	81,254	-
EBITAs (Links of Care) 2022-2023		2021*3419 Option Letter #3	55,993	-
			<u>137,247</u>	<u>-</u>
Received as a sub-recipient from				
National Network of Public Health Institutes COVID-19: Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	G2389_AG-1018	61,405	-

TRAILHEAD INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Agency or Department/Cluster Pass-through Entity Program Title	Assistance Listing Number	Grant Control Number	Total Federal Expenditures	Expenditures to Subrecipients
<u>Department of Health and Human Services (Continued)</u>				
Received as a sub-recipient from				
Denver Health and Hospital Authority				
Substance Abuse and Mental Health Services Projects of Regional and National Significance, 2021-2022	93.243	5H79SP081358-03	10,717	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance, 2022-2023		A19-0087-V002-A06	4,786	-
			<u>15,503</u>	<u>-</u>
Total Department of Health and Human Services			<u>1,560,705</u>	<u>98,640</u>
<u>Research and Development Cluster</u>				
<i>Department of Health and Human Services</i>				
Received as a sub-recipient from				
University of Colorado				
COVID-19: Community Engagement Research Alliance Against COVID-19 Disparities, 2021-2022	93.UNKNOWN	FY23.682.005	55,131	-
COVID-19: Community Engagement Research Alliance Against COVID-19 Disparities, 2022-2023		FY22.682.010_AMD1	221,886	-
			<u>277,017</u>	<u>-</u>
Received as a sub-recipient from				
University of Colorado				
National Center for Advancing Translational Sciences	93.350	5UL1TR002535-04	95,321	-
National Center for Advancing Translational Sciences		5UL1TR002535-05	155,520	-
			<u>250,841</u>	<u>-</u>
Received as a sub-recipient from				
University of Colorado				
Public Health Training Centers Program 2021-2022	93.516	5UB6HP31683-04-00	88,178	-
Public Health Training Centers Program 2022-2023		FY23.641.001	46,478	-
Direct funding				
Public Health Training Centers Program 2022-2025		1 T29HP46735-01-00	16,241	12,100
			<u>150,897</u>	<u>12,100</u>
Received as a sub-recipient from				
University of Colorado				
COVID-19: REACH-OUT	93.310	FY23.1160.006_AMD1	57,623	-
Received as a sub-recipient from				
University of Colorado				
Cancer Center Support Grants 2021-2022	93.397	3P30CA046934-33S3	758	-
Cancer Center Support Grants 2022-2023		FY22.921.004	11,654	-
			<u>12,412</u>	<u>-</u>
Total Research and Development Cluster			<u>748,790</u>	<u>12,100</u>

TRAILHEAD INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Federal Agency or Department/Cluster</u> <u>Pass-through Entity</u> <u>Program Title</u>	<u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Grant</u> <u>Control</u> <u>Number</u>	<u>Total</u> <u>Federal</u> <u>Expenditures</u>	<u>Expenditures</u> <u>to</u> <u>Subrecipients</u>
<u>Corporation for National and Community Service</u>				
Received as a sub-recipient from				
State of Colorado: Serve Colorado				
AmeriCorps: Mountain Roots Healthy Futures Program	94.006	CTGG1 22-2864A2	429,899	390,583
COVID-19: AmeriCorps: Mountain Roots Healthy Futures Program - ARPA		CTGG1 22-2864A2	24,302	-
COVID-19: AmeriCorps Planning Grant - ARPA		CTGG1 22-2865	59,885	-
Public Health AmeriCorps		CTGG1 23-185	47,835	2,307
Total Corporation for National and Community Service			561,921	392,890
<u>Department of Labor</u>				
Received as a sub-recipient from				
Arapahoe Community College				
H-1B Job Training Grants	17.268	P0007401	94,898	-
Total Department of Labor			94,898	-
<u>SNAP Cluster</u>				
<i>U.S. Department of Agriculture</i>				
Received as a sub-recipient from				
Colorado Department of Human Services, Hunger Free Colorado				
SNAP Outreach 2021-2022	10.561	203CO401S2514	6,200	-
SNAP Outreach 2022-2023		N/A	2,794	-
Total SNAP Cluster			8,994	-
<u>Department of the Treasury</u>				
Received as a sub-recipient from				
Colorado Department of Labor and Employment				
COVID-19: Building Capacity to Advance Evidence Based Practice in Colorado	21.027	CT KADA (2022-3961) (176047)(7191)	5,400	-
Total Department of the Treasury			5,400	-
Total Expenditures of Federal Awards			\$ 2,980,708	\$ 503,630

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, 2022. 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

- 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.
- 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, 2022

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