

Illuminate Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2021 and 2020



Illuminate Colorado
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December 31, 2021 and 2020

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**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditor's Report

Board of Directors
Illuminate Colorado
Denver, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Illuminate Colorado (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 Illuminate Colorado as of December 31, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Illuminate Colorado and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility 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 Illuminate Colorado's ability to continue as a going concern for one year after the date that the financial statements are issued.

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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 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, 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 Illuminate Colorado'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 Illuminate Colorado'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.

Hick & Company, PC

Englewood, Colorado
June 23, 2022



Illuminate Colorado
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 166,417	\$ 381,799
Accounts Receivable	522,427	405,727
Prepaid Expenses	6,595	13,912
Total Current Assets	695,439	801,438
<i>Property and Equipment:</i>		
Furniture and Equipment	8,693	8,693
Childcare Mobile Homes	703,232	483,731
Accumulated Depreciation	(85,601)	(35,445)
Total Property and Equipment	626,324	456,979
Total Assets	\$ 1,321,763	\$ 1,258,417
Liabilities and Net Assets		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 141,842	\$ 79,695
Accrued Liabilities	22,184	215,563
Total Current Liabilities	164,026	295,258
<i>Net Assets:</i>		
Net Assets Without Donor Restrictions	739,691	385,086
Net Assets With Donor Restrictions	418,046	578,073
Total Net Assets	1,157,737	963,159
Total Liabilities and Net Assets	\$ 1,321,763	\$ 1,258,417

Illuminate Colorado
Statement of Activities
For the Year Ended December 31, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenue			
Contributions:			
Foundations	\$ 130,300	\$ 465,500	\$ 595,800
Corporations	14,080	-	14,080
Individuals	35,147	-	35,147
Workplace Giving	1,812	-	1,812
Board of Directors	15,357	-	15,357
In-kind Contributions	-	-	-
Government Grants	1,530,396	-	1,530,396
Program Service Fees	287,498	-	287,498
Miscellaneous Income	191,918	-	191,918
Interest Income	94	-	94
Net Assets Released from Restriction	<u>625,527</u>	<u>(625,527)</u>	<u>-</u>
Total Support and Revenue	<u>2,832,129</u>	<u>(160,027)</u>	<u>2,672,102</u>
Expenses			
Program Services	2,021,248	-	2,021,248
Supporting Services:			
General and Administrative	335,894	-	335,894
Fundraising	<u>120,382</u>	<u>-</u>	<u>120,382</u>
Total Expenses	<u>2,477,524</u>	<u>-</u>	<u>2,477,524</u>
Change in Net Assets	354,605	(160,027)	194,578
Net Assets, Beginning of Year	<u>385,086</u>	<u>578,073</u>	<u>963,159</u>
Net Assets, End of Year	<u>\$ 739,691</u>	<u>\$ 418,046</u>	<u>\$ 1,157,737</u>

Illuminate Colorado
Statement of Activities
For the Year Ended December 31, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenue			
Contributions:			
Foundations	\$ 59,634	\$ 731,000	\$ 790,634
Corporations	6,364	-	6,364
Individuals	37,781	-	37,781
Workplace Giving	3,240	-	3,240
Board of Directors	12,315	-	12,315
In-kind Contributions	-	-	-
Government Grants	1,333,137	-	1,333,137
Program Service Fees	311,045	-	311,045
Miscellaneous Income	9,191	-	9,191
Interest Income	116	-	116
Net Assets Released from Restriction	737,564	(737,564)	-
Total Support and Revenue	2,510,387	(6,564)	2,503,823
Expenses			
Program Services	1,971,245	-	1,971,245
Supporting Services:			
General and Administrative	118,090	-	118,090
Fundraising	150,846	-	150,846
Total Expenses	2,240,181	-	2,240,181
Change in Net Assets	270,206	(6,564)	263,642
Net Assets, Beginning of Year	114,880	584,637	699,517
Net Assets, End of Year	\$ 385,086	\$ 578,073	\$ 963,159

Illuminate Colorado
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program	General & Administrative	Fundraising	Total
Personnel				
Salaries and Wages	\$ 1,073,002	\$ 196,581	\$ 90,930	\$ 1,360,513
Employee Benefits	108,593	25,875	8,892	143,360
Payroll Taxes	85,423	16,119	7,303	108,845
Total Personnel	<u>1,267,018</u>	<u>238,575</u>	<u>107,125</u>	<u>1,612,718</u>
Direct Program Costs				
Fundraising Expenses	-	-	295	295
Meetings/Meals	-	-	28	28
Mini Grants	15,614	-	-	15,614
Program Supplies	190,300	495	47	190,842
Printing and Copying	4,706	379	1,207	6,292
Training, Conferences and Meetings	14,886	225	-	15,111
Travel and Lodging	2,567	-	-	2,567
Total Direct Program Costs	<u>228,073</u>	<u>1,099</u>	<u>1,577</u>	<u>230,749</u>
Office Administration				
Bank Fees and Finance Charges	352	4,009	877	5,238
Dues and Subscriptions	51,485	4,449	461	56,395
Insurance	8,501	2,875	-	11,376
Office Supplies	1,972	2,546	-	4,518
Phone	683	1,040	-	1,723
Postage, Fax and Copier	1,874	645	5,085	7,604
Rent	-	14,663	-	14,663
Depreciation	-	50,154	-	50,154
Total Office Administration	<u>64,867</u>	<u>80,381</u>	<u>6,423</u>	<u>151,671</u>
Professional Services				
Payroll and Benefit Services	3,689	-	-	3,689
Professional Service Fees	457,601	15,839	5,257	478,697
Total Professional Services	<u>461,290</u>	<u>15,839</u>	<u>5,257</u>	<u>482,386</u>
Total Expenses	<u>\$ 2,021,248</u>	<u>\$ 335,894</u>	<u>\$ 120,382</u>	<u>\$ 2,477,524</u>

Illuminate Colorado
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program	General & Administrative	Fundraising	Total
Personnel				
Salaries and Wages	\$ 1,057,309	\$ 78,028	\$ 116,294	\$ 1,251,631
Employee Benefits	91,980	16,277	5,453	113,710
Payroll Taxes	83,155	6,487	9,277	98,919
Total Personnel	<u>1,232,444</u>	<u>100,792</u>	<u>131,024</u>	<u>1,464,260</u>
Direct Program Costs				
Fundraising Expenses	-	-	3,325	3,325
Marketing and Promotion	68,086	-	1,856	69,942
Meetings/Meals	553	172	208	933
Mini Grants	40,195	-	-	40,195
Program Supplies	139,875	2,200	-	142,075
Printing and Copying	8,101	8,434	46	16,581
Training, Conferences and Meetings	10,172	25	360	10,557
Travel and Lodging	10,101	-	-	10,101
Depreciation	-	-	-	-
Total Direct Program Costs	<u>277,083</u>	<u>10,831</u>	<u>5,795</u>	<u>293,709</u>
Office Administration				
Bank Fees and Finance Charges	275	53	1,289	1,617
Dues and Subscriptions	13,755	227	3,838	17,820
Insurance	6,241	982	150	7,373
Office Supplies	2,718	144	1,188	4,050
Phone	514	30	39	583
Postage, Fax and Copier	947	890	2,985	4,822
Rent	15,264	1,236	1,608	18,108
Depreciation	28,709	676	-	29,385
Total Office Administration	<u>68,423</u>	<u>4,238</u>	<u>11,097</u>	<u>83,758</u>
Professional Services				
Payroll and Benefit Services	12,212	389	636	13,237
Professional Service Fees	377,559	1,840	1,941	381,340
Lobbyist	-	-	-	-
Website Hosting and IT Services	3,524	-	353	3,877
Total Professional Services	<u>393,295</u>	<u>2,229</u>	<u>2,930</u>	<u>398,454</u>
Total Expenses	<u>\$ 1,971,245</u>	<u>\$ 118,090</u>	<u>\$ 150,846</u>	<u>\$ 2,240,181</u>

Illuminate Colorado
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 194,578	\$ 263,642
Adjustments to reconcile Increase in Net Assets to Cash Provided by Operating Activities		
Depreciation Expense	50,154	29,385
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(116,700)	(234,856)
Contributions Receivable	-	20,000
Prepaid Expenses	7,317	(11,989)
Accounts Payable	place order	59,805
Accrued Liabilities	(193,379)	199,175
	(58,030)	325,162
Cash Provided by Operating Activities		
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(219,499)	(483,730)
	(219,499)	(483,730)
Cash Used in Investing Activities		
Net Increase in Cash	(277,529)	(158,568)
Cash and Cash Equivalents, <i>Beginning of Year</i>	381,799	540,367
Cash and Cash Equivalents, <i>End of Year</i>	\$ 104,270	\$ 381,799

Illuminate Colorado
Notes to Financial Statements
December 31, 2021 and 2020

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Illuminate Colorado was formed in December 2015, when the following three organizations entered into a joint services agreement to provide certain executive management, administrative and operational support, and related services to each other, and operate under the name Illuminate Colorado. A common Board of Directors was elected from each organization's existing Board of Directors, and the organizations were formally merged January 1, 2017.

Colorado Alliance for Drug Endangered Children (CODEC) was established in 2003 to promote the health, safety, and well-being of drug endangered children through statewide training, technical assistance, and advocacy. CODEC partners with numerous state agencies, local communities, and professionals statewide to increase the identification of appropriate services to children impacted by caregiver substance use.

Prevent Childhood Abuse Colorado (PCA) educates, connects, and mobilizes communities and families so our children can grow and develop free from abuse and neglect through parental resilience, social connections, knowledge of parenting and child development, support in times of need, and children's social and emotional development.

NOFAS Colorado (NOFAS) is the Colorado affiliate of the National Organization for Fetal Alcohol Spectrum Disorders. NOFAS provides prevention, identification, intervention, support, and education about Fetal Alcohol Spectrum Disorders. NOFAS works with individuals with Fetal Alcohol Spectrum Disorders, as well as their families, caregivers, and the community, and strives to provide a forum for collaboration and a unified voice for prenatal alcohol and drug exposure prevention, education, identification, and intervention.

Beginning October 1, 2016, Illuminate Colorado added a fourth agency to the strategic partnership - Sexual Abuse Forever Ending (SAFE). SAFE works to educate and empower children and adults to reduce stigma and prevent child sexual abuse. Full consolidation of the four organizations was complete on January 1, 2017.

Basis of Accounting

The accrual basis of accounting is used for financial reporting purposes in accordance with generally accepted accounting principles.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC 958-210, "*Financial Statements of Not-for-Profit Organizations*". Under this guidance, Illuminate Colorado is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restrictions.

Illuminate Colorado
Notes to Financial Statements
December 31, 2021 and 2020

Note 1: Nature of Operations and Summary of Significant Accounting Policies
(Continued)

Net Assets Without Donor Restrictions - consists of assets, public support, and program revenues, which are available and used for general operations and programs. Contributions are considered available for general use unless specifically restricted by the donor.

Net Assets With Donor Restrictions - includes funds with donor-imposed restrictions, which permit Illuminate Colorado to expend the assets as specified and is satisfied either by the passage of time or by the actions of Illuminate Colorado. Resources of this nature originate from gifts, grants, bequests, contracts, and investment income earned on restricted funds.

Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in checking and savings accounts, certificates of deposit, and temporary investments having a maturity of three months or less.

Accounts and Contributions Receivable

Accounts and contributions receivable are considered fully collectible with one year; therefore, neither an allowance for uncollectible receivables nor a discount to net present value has been recorded.

Property and Equipment

Property and equipment with a cost of \$2,500 or more is capitalized over a period of three to four years. Donated property and equipment is recorded at fair market value at the time of the gift.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of donor restrictions. Support which is restricted by the donor is recorded as temporarily restricted, whether or not the restriction is satisfied in the same reporting period.

Functional Expenses

The costs attributable to program services and expenses associated with management and general expenses and financial development have been reported in the accompanying financial statements on a functional basis. Accordingly, certain costs have been allocated among the program expenses, management and general expenses, and financial development expenses based on estimates made by management based on the time expended or another reasonable basis.

Illuminate Colorado
Notes to Financial Statements
December 31, 2021 and 2020

Note 1: Nature of Operations and Summary of Significant Accounting Policies
(Continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

Illuminate Colorado is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Illuminate Colorado follows FASB ASC 740 *Income Taxes*, which requires entities to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority. Illuminate Colorado has evaluated tax positions taken related to its tax-exempt status, and none are considered to be uncertain; therefore, no amounts have been recognized as of December 31, 2021.

Subsequent Events

Subsequent events have been evaluated through June 23, 2022, the date the financial statements were available to be issued.

Note 2: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 166,417	\$ 381,799
Accounts Receivable	<u>522,427</u>	<u>405,727</u>
Available Assets at December 31,	688,844	787,526
Less: Those Unavailable for general expenditures within one year, due to:		
Donor-imposed Time or Purpose Restrictions	<u>(418,046)</u>	<u>(578,073)</u>
Totals	<u>\$ 270,798</u>	<u>\$ 209,453</u>

Illuminate Colorado is substantially supported by grants and contributions. Financial assets are managed to be available as its general expenditures, liabilities, and other obligations come due.

Illuminate Colorado
Notes to Financial Statements
December 31, 2021 and 2020

Note 3: Accounts and Contributions Receivable

Accounts receivable reflected in the statement of financial position for the years ended December 31, 2021 and 2020 are \$522,427 and \$405,727, respectively, and represent amounts due for services provided and expenses reimbursable under certain grants. Receivables are considered to be fully collectible within one year; therefore, no allowance for uncollectible accounts has been recorded.

Note 4: Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2021 and 2020 consist of the unspent contributions restricted by the donor for a specific purpose of \$398,046 and \$564,637, respectively, and time restricted contributions of \$20,000 and \$20,000, respectively.

Note 5: In-kind Contributions

Illuminate Colorado utilizes volunteers for administrative, program and fundraising support. During the year ended December 31, 2021, 12 volunteers provided 700 hours of donated services valued at \$19,978. During the year ended December 31, 2020, 15 volunteers provided 990 hours of donated services valued at \$25,176. However, these donated services do not meet the criteria to be recognized in the financial statements, and accordingly, are not recorded.

Note 6: Functional 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. An analysis of time spent by personnel in each of the functional areas has been performed by management. Personnel expenses, certain professional service fees, office supplies, office rent, phone/internet, liability insurance, and credit card processing fees are allocated based on estimates of time and effort.

Illuminate Colorado
Notes to Financial Statements
December 31, 2021 and 2020

Note 7: Retirement Plan

Illuminate Colorado has established a 401(k) plan whereby eligible personnel can make salary deferral contributions which are matched by Illuminate Colorado dollar for dollar up to 3%. Illuminate Colorado contributed \$28,082 and \$17,268, respectively, to the plan during the years ended December 31, 2021 and 2020.

Note 8: Lease Obligations

Illuminate Colorado occupies office space located at 1530 West 13th Avenue, Denver, Colorado, under a month-to-month lease. On August 1, 2021, a new lease agreement was executed which provided for monthly rent of \$820. The lease is for a 11-month period ending June 30, 2022. Beginning July 1, 2022, the lease will auto-renew on a monthly basis with a required 60 day notice to terminate the lease.

Note 9: SBA CARES ACT Loan

On April 17, 2020, Illuminate Colorado received a \$191,500 Paycheck Protection Program loan through the Small Business Administration under the CARES Act. The loan is intended to maintain employee and compensation levels during the financial downturn caused by the pandemic. The loan proceeds are to be expended on payroll costs, rent and utilities, and if spent on these costs within six months, the loan will be forgiven and considered a grant to Illuminate Colorado. It is expected that the entire loan will be used to fund the specified costs and will be forgiven.

In the year ended December 31, 2021, the loan was forgiven on full. The proceeds of the loan are considered to be a conditional contribution, whose conditions were met prior to December 31, 2020, and therefore reported in the accompanying financial statements as a contribution revenue.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
Illuminate Colorado
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 Illuminate Colorado, as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon June 23, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Illuminate Colorado'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 Illuminate Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Illuminate Colorado's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 Illuminate Colorado's internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Illuminate Colorado'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 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.

Hick & Company, PC

Englewood, Colorado
June 23, 2022





Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Directors
Illuminate Colorado
Denver, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Illuminate Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the Illuminate Colorado's major federal programs for the year ended December 31, 2021. Illuminate Colorado'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, Illuminate Colorado 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 Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of American (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 Illuminate Colorado 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 Illuminate Colorado's compliance with the compliance requirements referred to above.

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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 controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Illuminate Colorado'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 Illuminate Colorado's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore I 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 judgement made by a reasonable user of the report on compliance about Illuminate Colorado's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Governmental Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Illuminate Colorado'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 Illuminate Colorado'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Illuminate Colorado'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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 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 Illuminate Colorado's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Illuminate Colorado'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.



Report on Schedule of Expenditure of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the financial statements of Illuminate Colorado as of and for the year ended December 31, 2021, and the related notes to the financial statements. We issued our report thereon dated June 23, 2022, which contained unmodified opinions on the financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

Hick & Company, PC

Englewood, Colorado
June 23, 2022



Illuminate Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U. S. Department of Health and Human Services				
<i>Passed Through by Colorado Department of Human Services</i>				
<i>Office of Children, Youth and Families</i>				
Child Abuse & Neglect State Grants	93.669	OCYF CAPTA SEN	\$ 77,127	\$ -
Child Abuse & Neglect State Grants	93.669	CAPTA Toxicology Guide	5,000	-
			<u>82,127</u>	<u>-</u>
<i>Passed Through by Colorado Department of Human Services</i>				
<i>Office of Early Childhood</i>				
Community Based Child Abuse Prevention	93.590	CDHS OEC CBCAP NORMS	44,906	-
Community Based Child Abuse Prevention	93.590	CDHS OEC SFPF	41,390	-
Community Based Child Abuse Prevention	93.590	CDHS OEC SCFC	7,500	-
			<u>93,796</u>	<u>-</u>
Promoting Safe & Stable Families	93.556	CDHS OEC SCFC	7,500	-
Promoting Safe & Stable Families	93.556	CDHS OEC SCSK	49,391	-
			<u>56,891</u>	<u>-</u>
Colroado State Opioid Response Grant	93.788	CDHS OEC CCP	78,572	-
Substance Abuse Block Grant	93.959	SIGNAL BHN	13,919	-
<i>Passed Through Colorado Judicial Department</i>				
Enhance Safety of Children Affected by Substance Abuse Regional Partnership	93.087	RPG	94,249	24,204
<i>Passed Through Georgetown University</i>				
<i>Passed Through Education Development Center</i>				
Head Start - National Center on Health, Behavioral Health & Safety	93.600	NC HBHS	37,503	-
Rural Communities Opioid Response Program	93.912	HRSA RCORP NAS	73,938	43,463
Total U.S. Department of Health and Human Services			<u>530,995</u>	<u>67,667</u>
US Department of Justice				
Crime Victim Assistance / Discretionary Grants	16.582	OVC	332,307	125,719
Total U.S. Department of Justice			<u>332,307</u>	<u>125,719</u>
Total Expenditures of Federal Awards			<u>\$ 863,302</u>	<u>193,386</u>

Illuminate Colorado
Notes to Schedule of Expenditures of Federal Awards
December 31, 2021

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of Illuminate Colorado under programs for the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Illuminate Colorado, it is not intended to and does not present the financial position, changes in net position, or cash flows of Illuminate Colorado.

Note 2: 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.

Illuminate Colorado
 Schedule of Findings and Questioned Costs
 December 31, 2021
 (Continued)

Summary of Auditor's Results

1. The opinion expressed in the independent auditor's report was:
 Unmodified Qualified Adverse Disclaimed

2. The independent auditor's report on internal control over financial reporting described:
 Significant deficiencies Yes None reported
 Material weaknesses? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:
 Significant deficiencies? Yes None reported
 Material weaknesses? Yes No

5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:
 Unmodified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported by the Uniform Guidance? Yes No

7. Illuminate Colorado's major program was:

Cluster/Program	CFDA Number
Enhance Safety of Children Affected by Substance Abuse	93.087
Crime Victim Assistance / Discretionary Grants	16.582

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.

9. Illuminate Colorado qualified as a low-risk auditee as that term is defined in Uniform Guidance. Yes No

Illuminate Colorado
Schedule of Findings and Questioned Costs
December 31, 2021
(Continued)

Section II - Findings Required to be Reported by Government Auditing Standards

None to report for the year ended December 31, 2021.

Section III - Findings Required to be Reported by the Uniform Guidance

None to report for the year ended December 31, 2021.

Illuminate Colorado
Summary Schedule of Prior Year Audit Findings
December 31, 2021

Findings Required to be Reported by Government Auditing Standards

None to report for the year ended December 31, 2020.

Findings Required to be Reported by the Uniform Guidance

None to report for the year ended December 31, 2020.