

Illuminate Colorado
Financial Statements
with Independent Auditor's Report
December 31, 2022 and 2021



Illuminate Colorado
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December 31, 2022 and 2021

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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, 2022 and 2021, 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, 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 audits 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 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.

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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.

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 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 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.

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 September 14, 2023 on our consideration of Illuminate Colorado'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 Illuminate Colorado'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 Illuminate Colorado's internal control over financial reporting and compliance.

Hick & Company, PC

Englewood, Colorado
September 14, 2023



Illuminate Colorado
Statements of Financial Position
December 31, 2022 and 2021

| | 2022 | 2021 |
|---------------------------------------|--------------|--------------|
| Assets | | |
| <i>Current Assets:</i> | | |
| Cash and Cash Equivalents | \$ 166,299 | \$ 166,417 |
| Accounts Receivable | 500,450 | 522,427 |
| Prepaid Expenses | 4,798 | 6,595 |
| Total Current Assets | 671,547 | 695,439 |
| <i>Property and Equipment:</i> | | |
| Furniture and Equipment | 8,693 | 8,693 |
| Childcare Mobile Homes | 703,232 | 703,232 |
| Accumulated Depreciation | (156,539) | (85,601) |
| Total Property and Equipment | 555,386 | 626,324 |
| | | |
| Total Assets | \$ 1,226,933 | \$ 1,321,763 |
| | | |
| Liabilities and Net Assets | | |
| <i>Current Liabilities:</i> | | |
| Accounts Payable | \$ 178,025 | \$ 141,842 |
| Accrued Liabilities | 21,809 | 22,184 |
| Total Current Liabilities | 199,834 | 164,026 |
| | | |
| <i>Net Assets:</i> | | |
| Net Assets Without Donor Restrictions | 827,969 | 739,691 |
| Net Assets With Donor Restrictions | 199,130 | 418,046 |
| Total Net Assets | 1,027,099 | 1,157,737 |
| | | |
| Total Liabilities and Net Assets | \$ 1,226,933 | \$ 1,321,763 |

Illuminate Colorado
Statement of Activities
For the Year Ended December 31, 2022

| | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total |
|--------------------------------------|---------------------------------------------|------------------------------------------|---------------------|
| Support and Revenue | | | |
| Contributions: | | | |
| Foundations | \$ 96,459 | \$ 417,908 | \$ 514,367 |
| Corporations | 1,907 | - | 1,907 |
| Individuals | 46,038 | - | 46,038 |
| Workplace Giving | 354 | - | 354 |
| Board of Directors | 16,638 | - | 16,638 |
| Government Grants | 3,089,140 | - | 3,089,140 |
| Program Service Fees | 95,652 | - | 95,652 |
| Miscellaneous Income | 1,310 | - | 1,310 |
| Interest Income | - | - | - |
| Net Assets Released from Restriction | <u>636,824</u> | <u>(636,824)</u> | <u>-</u> |
| Total Support and Revenue | <u>3,984,322</u> | <u>(218,916)</u> | <u>3,765,406</u> |
| Expenses | | | |
| Program Services | 2,959,749 | - | 2,959,749 |
| Supporting Services: | | | |
| General and Administrative | 883,767 | - | 883,767 |
| Fundraising | <u>52,528</u> | <u>-</u> | <u>52,528</u> |
| Total Expenses | <u>3,896,044</u> | <u>-</u> | <u>3,896,044</u> |
| Change in Net Assets | 88,278 | (218,916) | (130,638) |
| Net Assets, Beginning of Year | <u>739,691</u> | <u>418,046</u> | <u>1,157,737</u> |
| Net Assets, End of Year | <u>\$ 827,969</u> | <u>\$ 199,130</u> | <u>\$ 1,027,099</u> |

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 |
| 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 | 625,527 | (625,527) | - |
| Total Support and Revenue | 2,832,129 | (160,027) | 2,672,102 |
| Expenses | | | |
| Program Services | 2,021,248 | - | 2,021,248 |
| Supporting Services: | | | |
| General and Administrative | 335,894 | - | 335,894 |
| Fundraising | 120,382 | - | 120,382 |
| Total Expenses | 2,477,524 | - | 2,477,524 |
| Change in Net Assets | 354,605 | (160,027) | 194,578 |
| Net Assets, Beginning of Year | 385,086 | 578,073 | 963,159 |
| Net Assets, End of Year | \$ 739,691 | \$ 418,046 | \$ 1,157,737 |

Illuminate Colorado
Statement of Functional Expenses
For the Year Ended December 31, 2022

| | Program | General & Administrative | Fundraising | Total |
|------------------------------------|---------------------|-----------------------------|------------------|---------------------|
| Personnel | | | | |
| Salaries and Wages | \$ 1,001,986 | \$ 556,826 | \$ 25,205 | \$ 1,584,017 |
| Employee Benefits | 132,067 | 44,770 | 789 | 177,626 |
| Payroll Taxes | 80,877 | 45,717 | 2,022 | 128,616 |
| Total Personnel | <u>1,214,930</u> | <u>647,313</u> | <u>28,016</u> | <u>1,890,259</u> |
| Direct Program Costs | | | | |
| Fundraising Expenses | - | - | 20,937 | 20,937 |
| Meetings/Meals | 4,073 | - | 500 | 4,573 |
| Mini Grants | 16,078 | - | - | 16,078 |
| Program Supplies | 552,419 | - | - | 552,419 |
| Printing and Copying | 6,111 | 2,991 | - | 9,102 |
| Training, Conferences and Meetings | 9,482 | 1,028 | 300 | 10,810 |
| Travel and Lodging | 15,939 | 1,164 | - | 17,103 |
| Total Direct Program Costs | <u>604,102</u> | <u>5,183</u> | <u>21,737</u> | <u>631,022</u> |
| Office Administration | | | | |
| Communications and Marketing | 17,148 | 47,908 | - | 65,056 |
| Bank Fees and Finance Charges | (5,449) | 17,840 | 1,875 | 14,266 |
| Bad debt expense | - | 3,500 | - | 3,500 |
| Dues and Subscriptions | 25,386 | 19,906 | - | 45,292 |
| Insurance | - | 5,832 | - | 5,832 |
| Office Supplies | 12,822 | 3,480 | - | 16,302 |
| Phone | - | 958 | - | 958 |
| Postage, Fax and Copier | 1,998 | 2,361 | - | 4,359 |
| Rent | - | 11,746 | - | 11,746 |
| Depreciation | - | 70,939 | - | 70,939 |
| Total Office Administration | <u>51,905</u> | <u>184,470</u> | <u>1,875</u> | <u>238,250</u> |
| Professional Services | | | | |
| Payroll and Benefit Services | 1,135 | 9,502 | - | 10,637 |
| Lobbyist | - | 1,500 | - | 1,500 |
| Professional Service Fees | 1,087,677 | 35,799 | 900 | 1,124,376 |
| Total Professional Services | <u>1,088,812</u> | <u>46,801</u> | <u>900</u> | <u>1,136,513</u> |
| Total Expenses | <u>\$ 2,959,749</u> | <u>\$ 883,767</u> | <u>\$ 52,528</u> | <u>\$ 3,896,044</u> |

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 |
| Lobbyist | - | - | - | - |
| Website Hosting and IT Services | - | - | - | - |
| 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
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

| | 2022 | 2021 |
|------------------------------------------------------------|--------------|------------|
| Cash Flows from Operating Activities | | |
| (Decrease) Increase in Net Assets | \$ (130,638) | \$ 194,578 |
| Adjustments to reconcile Increase in Net Assets to | | |
| Cash Provided by Operating Activities | | |
| Depreciation Expense | 70,939 | 50,154 |
| Changes in Operating Assets and Liabilities: | | |
| Accounts Receivable | 21,976 | (116,700) |
| Prepaid Expenses | 1,797 | 7,317 |
| Accounts Payable | 36,183 | 62,147 |
| Accrued Liabilities | (375) | (193,379) |
| | (118) | 4,117 |
| Cash Flows from Investing Activities | | |
| Purchase of Fixed Assets | - | (219,499) |
| | - | (219,499) |
| Cash (Used in) Investing Activities | | |
| | - | (219,499) |
| Net (Decrease) in Cash | (118) | (215,382) |
| Cash and Cash Equivalents, <i>Beginning of Year</i> | 166,417 | 381,799 |
| Cash and Cash Equivalents, <i>End of Year</i> | \$ 166,299 | \$ 166,417 |

Illuminate Colorado
Notes to Financial Statements
December 31, 2022 and 2021

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, 2022 and 2021

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.

Revenue and Revenue Recognition

We recognize revenue from sales of conference registrations, and training services when the performance obligations of transferring the products and providing the services are met.

We recognize contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributions received are recorded as unrestricted or restricted depending on the existence or nature of donor restrictions. Support which is restricted by the donor is recorded as net assets with donor restrictions, whether or not the restriction is satisfied in the same reporting period.

A portion of our revenue is derived from cost-reimbursable federal and state 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 we have 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. No amounts have been received in advance under our federal and state contracts and grants.

Illuminate Colorado
Notes to Financial Statements
December 31, 2022 and 2021

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

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.

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, 2022.

Subsequent Events

Subsequent events have been evaluated through September 13, 2023, 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>2022</u> | <u>2021</u> |
|------------------------------------------------------------------------------|-------------------|-------------------|
| Cash and Cash Equivalents | \$ 166,299 | \$ 166,417 |
| Accounts Receivable | <u>500,450</u> | <u>522,427</u> |
| Available Assets at December 31, | 666,749 | 688,844 |
| Less: Those Unavailable for general expenditures within one year, due to: | | |
| Donor-imposed Time or Purpose Restrictions | <u>(199,130)</u> | <u>(418,046)</u> |
| Totals | <u>\$ 467,619</u> | <u>\$ 270,798</u> |

Illuminate Colorado
Notes to Financial Statements
December 31, 2022 and 2021

Note 2: Liquidity and Availability (Continued)

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.

Note 3: Accounts and Contributions Receivable

Accounts receivable reflected in the statement of financial position for the years ended December 31, 2022 and 2021 are \$500,450 and \$522,427, 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, 2022 and 2021 consist of the unspent contributions restricted by the donor for a specific purpose of \$199,130 and \$418,046, respectively.

Note 5: In-kind Contributions

Illuminate Colorado utilizes volunteers for administrative, program and fundraising support. During the year ended December 31, 2022, 12 volunteers provided 552 hours of donated services valued at \$16,652. During the year ended December 31, 2021, 22 volunteers provided 879 hours of donated services valued at \$25,086. 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.

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 \$40,210 and \$36,321, respectively, to the plan during the years ended December 31, 2022 and 2021.

Illuminate Colorado
Notes to Financial Statements
December 31, 2022 and 2021

Note 8: Lease Obligations

Illuminate Colorado occupies office space located at 181 East 56th Avenue, Denver, Colorado, under a 13 month lease. On June 24, 2023, a new lease agreement was executed which provided for monthly rent of \$1,124. Beginning February 2024, Illuminate will have the option to renew the lease for one extended 24 month term.



**HINKLE &
COMPANY**
Strategic PC
Business Advisors

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, 2022, and the related notes to the financial statements, and have issued our report thereon September 14, 2023.

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
September 14, 2023





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, 2022. 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, 2022.

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.

Hick & Company, PC

Englewood, Colorado
September 14, 2023



Illuminate Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

| 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 | \$ 92,512 | \$ - |
| | | CAPTA Toxicology | | |
| Child Abuse & Neglect State Grants | 93.669 | Guide | 5,000 | - |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Children, Youth and Families</i> | | | | |
| <i>University of Denver</i> | | | | |
| Child Abuse & Neglect State Grants | 93.669 | COLAB / CAPTA PoSC | 24,447 | - |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Children, Youth and Families</i> | | | | |
| <i>Office of Early Childhood</i> | | | | |
| Child Abuse & Neglect State Grants | 93.669 | CDHS OEC SCFC | <u>100,000</u> | <u>-</u> |
| | | | <u>221,959</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 | CDEC OEC CPTF Backbone | 349,523 | - |
| Community Based Child Abuse Prevention | 93.590 | CDHS OEC SFPP | 48,753 | - |
| Community Based Child Abuse Prevention | 93.590 | CDHS OEC SCFC | <u>79,600</u> | <u>-</u> |
| | | | <u>477,876</u> | <u>-</u> |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Early Childhood</i> | | | | |
| Promoting Safe & Stable Families | 93.556 | CDHS OEC SCFC | 30,000 | - |
| Promoting Safe and Stable Families Program - Coronavirus Response and Relief Supplemental Act | 93.556 | CDEC OEC - Circle of Parents | 95,546 | - |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Children, Youth and Families</i> | | | | |
| <i>Office of Early Childhood</i> | | | | |
| Promoting Safe & Stable Families | 93.556 | CDHS OEC SCSK | 45,973 | - |
| Promoting Safe & Stable Families - Caseworker Visits Program | 93.556 | OCYF DCW Bloom CDHS FFTA HFA | 6,398 | - |
| Family First Prevention Services Act Transition Grant | 93.556 | Prog Intermediary | <u>6,255</u> | <u>-</u> |
| | | | <u>184,172</u> | <u>-</u> |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Early Childhood</i> | | | | |
| Family Support through Primary Prevention Demonstration Sites | 93.648 | CDEC OEC CPTF Backbone | 167,500 | - |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Early Childhood</i> | | | | |
| <i>Jefferson County Public Health</i> | | | | |
| Family Support through Primary Prevention Demonstration Sites | 93.648 | JeffCo - Family Connects | 20,000 | - |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Early Childhood</i> | | | | |
| <i>Boulder County Public Health</i> | | | | |
| Family Support through Primary Prevention Demonstration Sites | 93.648 | Boulder - Family Connects | 7,500 | - |

(Continued)

Illuminate Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022
(Continued)

| Federal Grantor / Pass-Through Grantor / Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures | Passed Through to Subrecipients |
|---------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------------------------|-------------------------|---------------------------------------|
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Early Childhood</i> | | | | |
| <i>Denver Department of Public Health and Environment</i> | | | | |
| Family Support through Primary Prevention Demonstration Sites | 93.648 | Denver - Family Connects | 33,168 | - |
| | | | <u>228,168</u> | <u>-</u> |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Early Childhood</i> | | | | |
| Fatherhood Family-focused, Interconnected, Resilient, and Essential (Fatherhood FIRE) Grant | 93.086 | CDHS OEC SCFC | 30,000 | - |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Early Childhood</i> | | | | |
| Child Care Supplemental Discretionary Funds, American Rescue Plan Act | 93.575 | CDHS OEC Family Connects CDEC CCDF Family Connects | 26,917 | - |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Early Childhood</i> | | | | |
| Early Childhood Comprehensive Systems Grant | 93.110 | CDEC OEC ECCS | 157,040 | 60,320 |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Motherhood and Infant Health Initiative Programs</i> | | | | |
| | 93.946 | CDPHE ISSP | 7,500 | - |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Regents of the University of Colorado</i> | | | | |
| Behavioral Health Workforce Education and Training (BHWET) Program for Professionals | 93.732 | Univ of CO - BHCAPP | 7,000 | - |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Behavioral Health</i> | | | | |
| <i>Signal Behavioral Health Network</i> | | | | |
| Substance Abuse Prevention & Treatment Block Grant | 93.959 | JeffCo - Family Connects | 87,200 | 17,962 |
| Substance Abuse Prevention & Treatment Block Grant | 93.959 | Boulder - Family Connects | 25,107 | 22,825 |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Behavioral Health</i> | | | | |
| <i>Signal Behavioral Health Network</i> | | | | |
| Substance Abuse Prevention & Treatment Block Grant (49%) | 93.959 | Denver - Family Connects | 22,212 | 1,703 |
| | | | <u>134,519</u> | <u>42,490</u> |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Behavioral Health</i> | | | | |
| <i>Colorado Perinatal Care Quality Collaborative</i> | | | | |
| Community Mental Health Services Block Grant (51%) | 93.958 | CPCQC Impact | 23,119 | 1,773 |

(Continued)

Illuminate Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022
(Continued)

| Federal Grantor / Pass-Through Grantor / Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures | Passed Through to Subrecipients |
|------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------------|----------------------------|---------------------------------------|
| <i>Passed Through by Colorado Judicial Department</i> | | | | |
| Enhance Safety of Children Affected by Substance Abuse -- Regional Partnership Grants | 93.087 | RPG | <u>238,220</u> | <u>41,669</u> |
| Headstart Cluster: | | | | |
| <i>Passed Through Education Development Center</i> | | | | |
| <i>Georgetown University</i> | | | | |
| Head Start - National Center on Health, Behavioral Health, & Safety | 93.600 | NC HBHS | <u>85,396</u> | <u>-</u> |
| Rural Communities Opioid Response Program | 93.912 | HRSA RCORP NAS | <u>192,124</u> | <u>130,250</u> |
| <i>Passed Through by Colorado Department of Human Services</i> | | | | |
| <i>Office of Behavioral Health</i> | | | | |
| <i>Signal Behavioral Health Network</i> | | | | |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | SIGNAL BHN | <u>55,060</u> | <u>43,698</u> |
| Total U.S. Department of Health and Human Services | | | <u>2,069,070</u> | <u>320,200</u> |
| US Department of Justice | | | | |
| Crime Victim Assistance / Discretionary Grants | 16.582 | OVC | <u>85,796</u> | <u>68,311</u> |
| Total U.S. Department of Justice | | | <u>85,796</u> | <u>68,311</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 2,154,866</u> | <u>\$ 388,511</u> |

Illuminate Colorado
Notes to Schedule of Expenditures of Federal Awards
December 31, 2022

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, 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 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, 2022

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 |
|---------------------------------------------------------------------------------------|--------------------|
| Child Abuse & Neglect State Grants - Child Abuse Prevention and Treatment Act (CAPTA) | 93.669 |
| Community Based Child Abuse Prevention | 93.590 |
| Family Support through Primary Prevention Demonstration Sites | 93.648 |

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

(Continued)

Illuminate Colorado
Schedule of Findings and Questioned Costs
December 31, 2022
(Continued)

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

None to report for the year ended December 31, 2022.

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

None to report for the year ended December 31, 2022.

Illuminate Colorado
Summary Schedule of Prior Year Audit Findings
December 31, 2022

Findings Required to be Reported by Government Auditing Standards

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

Findings Required to be Reported by the Uniform Guidance

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