

KLEIN BUENDEL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS UNDER
THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
YEAR ENDED DECEMBER 31, 2023



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INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
Klein Buendel, Inc.
Golden, Colorado

Report on the Audit of the Schedule of Expenditures of Federal Awards Under the Department of Health and Human Services

Opinion

We have audited the accompanying schedule of expenditures of federal awards under the U.S. Department of Health and Human Services (the Schedule) of Klein Buendel, Inc. (the Company) for the year ended December 31, 2023, and the related notes to the Schedule.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the schedule of expenditures of federal awards under the U.S. Department of Health and Human Services of Klein Buendel, Inc. for the year ended December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of Klein Buendel, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule 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 the Schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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, *Government Auditing Standards* and Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards*, 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 Schedule.

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 statement, 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 Schedule.
- 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 Klein Buendel, Inc.'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 Schedule.

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.

Board of Directors and Stockholders
Klein Buendel, Inc.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of Klein Buendel, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 Klein Buendel, Inc.'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 Klein Buendel, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 28, 2024



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

Board of Directors and Stockholders
Klein Buendel, Inc.
Golden, 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 schedule of expenditures of federal awards under the Department of Health and Human Services (the Schedule) of Klein Buendel, Inc. (the Company) for the year ended December 31, 2023, and the related notes to the Schedule and have issued our report thereon dated June 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's Schedule will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's Schedule is 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 Schedule. 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 result of that testing, and not to provide an opinion on the effectiveness of the Company'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.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 28, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR A
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE WHEN
USING THE PROGRAM-SPECIFIC OPTION TO SATISFY THE U.S. DEPARTMENT OF HEALTH
AND HUMAN SERVICES AUDIT REQUIREMENTS IN ACCORDANCE WITH 45 CFR 75.501(h)(i)(2)**

Board of Directors and Stockholders
Klein Buendel
Golden, Colorado

Report on Compliance for the National Institutes of Health Research and Development Cluster
Opinion on Compliance for the National Institutes of Health Research and Development Cluster

We have audited Klein Buendel, Inc.'s (the Company) compliance with the types of compliance requirements described in Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards*, that could have a direct and material effect on the National Institutes of Health Research and Development Cluster for the year ended December 31, 2023.

In our opinion, Klein Buendel Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the National Institutes of Health Research and Development Cluster for the year ended December 31, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; the Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards*; and the requirements under the grant agreement. Our responsibilities under those standards are further described in the Auditors' Responsibilities for Audit of Compliance section of our report.

We are required to be independent of Klein Buendel, Inc. 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 the National Institutes of Health Research and Development Cluster. Our audit does not provide a legal determination of Klein Buendel Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules and provisions of contracts or grant agreements applicable to Klein Buendel Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Klein Buendel Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS; *Government Auditing Standards*; the Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards*; and the requirements under the grant agreement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Klein Buendel Inc.'s compliance with the requirements of the National Institutes of Health Research and Development Cluster program.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Title 45 U.S. CFR Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Klein Buendel Inc.'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 Klein Buendel Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Klein Buendel Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 28, 2024

KLEIN BUENDEL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

<u>Federal Agency/Pass-through Agency</u>	<u>ALN#</u>	<u>Program Title</u>	<u>Grant Number</u>	<u>Provided to Subrecipients</u>	<u>Federal Expenditures</u>
HHS Direct Awards:					
National Institute of Health/National Cancer Institute	93.353	Using Technology to Scale-Up an Occupational Sun Protection Policy Program	CA210259	\$ 33,156	\$ 251,704
National Institute of Health/National Institute Alcohol Abuse & Alcoholism	93.273	Smartphone Help for DWI Offenders and Their Families: A B-Smart App	AA022850	-	38,783
National Institute of Health/National Institute on Aging	93.866	E-training of Inmate Peer Caregivers for Enhancing Geriatric and End-of-life Care in Prisons - Phase II	AG057239	102,598	201,472
National Institute of Health/National Cancer Institute	93.394	Using Retrospective and Real-Time Physical Activity Tracking to Predict Risk of Sunburn in Outdoor Exercisers on Strava	CA241637	22,930	81,575
National Institute of Health/National Institute on Aging	93.866	Computer-based Learning to Enhance ADRD Care in Prison: Just Care for Dementia	1R41AG078103-01	70,130	130,240
National Institute of Health/National Institute on Minority Health and Health Disparities	93.307	Translating an In-Person Brief, Bystander Bullying Intervention (STAC) to a Technology-Based - Phase II	2R42MD014943-02A1	222,034	554,777
National Institute of Health/National Institute Alcohol Abuse & Alcoholism	93.273	WayToServe Plus: In-service Professional Development Component to Improve Responsible Alcohol Service	4R44AA029364-02	116,336	665,932
National Institute of Health/National Cancer Institute	93.393	SSW Works: A Virtual Learning Environment for Occupational Skin Cancer Prevention	4R44CA257778-02	-	549,885
National Institute of Health/National Institute on Minority Health and Health Disparities	93.307	Smartphone App to Increase and Maintain Physical Activity in African American Men (FitBrothers)	4R42MD014947-02	157,208	451,139
National Institute of Health/National Cancer Institute	93.393	#4Corners4Health: A Social Media Cancer Prevention Program for Rural Emerging Adults	1R01CA268037-01A1	557,248	868,962
National Institute of Health/EUNICE KENNEDY SHRIVER NATIONAL INSTITUTE OF CHILD HEALTH & HUMAN DEVELOPMENT	93.865	An Interactive Education Program to Reduce High Risk Behavior in Adolescents	1R42HD110333-01	118,935	220,237
NIH/NATIONAL HEART, LUNG, AND BLOOD INSTITUTE	93.837	Feasibility and design of a novel smartphone app to deliver blood pressure-lowering inspiratory muscle strength training Ph I	1R41HL167375-01A1	20,805	87,395
National Institute of Health/National Institute on Minority Health and Health Disparities	93.865	An Interactive Education Program to Reduce High Risk Behavior in Adolescents Ph II	4R42HD110333-02	61,827	89,817
National Institute of Health/National Institute Alcohol Abuse & Alcoholism	93.273	Policy and Training Intervention in Responsible Marijuana Sales Practices to Reduce the Risk of Selling to Intoxicated Customers	1R01AA031591-01A1	8,026	66,285
Center for Disease Control/CDC	93.136	Beyond Blame: Development of an online media literacy curriculum for violence prevention	1 R43CE003635-01-00	3,789	15,912
HHS Direct Awards				\$ 1,495,022	\$ 4,274,115
Pass-through Awards:					
			<u>Contract Number</u>		
Rhode Island Hospital	93.865	Dating Violence Prevention Program Focusing on Middle School Boys	701-7137504/HD097126	\$ -	\$ 64,579
University of Utah	93.394	A personalized approach to skin cancer prevention among adolescents	CA244674/10052225-01	-	38,725
Rutgers, The State University of New Jersey	93.394	A Multi-Level Investigation of US Indoor Tanning Policy Enactment, Implementation Compliance, Impact, and Economics	1533/CA244370-02	-	195,238
PIRE	93.273	Evaluation of the California Alcohol Server Training Act	1032/AA028772	-	143,948
University of Kentucky	93.273	Cross-Tailoring Integrative Alcohol and Risky Sex Feedback for College Students: A Hybrid Type 1 Effectiveness-Implementation Trial	3200003971-21-305/AA028246	-	96,600
Ohio State University	93.865	Parent training for parents of toddlers born very premature: A factorial design to test	SPC-1000005476/HD104072	-	69,003
Emory University	93.135	Go Sun Smart @ Work: A Sun Safety Program for Underserved Outdoor Workers.	A738363	-	147,188
President and Fellows of Harvard College, Harvard T.H. Chan School of Public Health	93.135	Prevention Research Center on Nutrition and Physical Activity (Measuring the Impact of Free Sunscreen Dispensers in Community Settings Frequented by Youth)	115004-5123299	-	21,112
Total Pass-through Awards				\$ -	\$ 776,393
Totals				\$ 1,495,022	\$ 5,050,508

See accompanying Notes to Schedule of Expenditures of Federal Awards.

KLEIN BUENDEL, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards under the Department of Health and Human Services (the Schedule) includes the federal grant activity of Klein Buendel, Inc. (the Company) under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of *Title 45 U.S. Code of Federal Regulations (CFR) Part 75, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards*. Because the Schedule presents only a selected portion of the operations of the Company, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Company. Pass-through entity identifying numbers are presented where available.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, cost principles contained in *Title 45 CFR Part 75, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards and Title 48 CFR Subpart 31.2 Contracts with Commercial Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Company negotiates and receives approval on an indirect cost rate from the National Institutes of Health Division of Financial Advisory Services (DFAS) within the Department of Health and Human Services. The Schedule includes \$3,449,070 of direct costs, \$1,404,942 of indirect costs, and \$196,496 in NIH fees. NIH fees are awarded under Small Business Innovation Research/Small Business Technology Transfer programs. These fees are not a cost, but is an amount in excess of actual allowable direct and indirect costs. In accordance with normal commercial practice, a profit/fee may be paid to a contractor under an NIH grant providing routine goods or services to the recipient.

**KLEIN BUENDEL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

Section I – Summary of Auditors’ Results

Schedule of Expenditures of Federal Awards Under the Department of Health and Human Services

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
3. Noncompliance material to financial statements noted? yes no

Federal Awards

1. Internal control over the federal program:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are Required to be reported in accordance with Section 45 CFR 75? yes no

KLEIN BUENDEL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

KLEIN BUENDEL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

***Section III – Findings and Questioned Costs – National Institutes of Health Research and
Development Cluster***

Our audit did not disclose any matters required to be reported in accordance with Title 45 CFR Part 75 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*.



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