MOSSADAMS

Report of Independent Auditors

The Board of Directors
University Lab Partners

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of University Lab Partners, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities 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 University Lab Partners as of December 31, 2021 and 2020, and the changes in 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 University Lab Partners 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.

Responsibilities of Management 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 University Lab Partners' ability to continue as a going concern within one year after the date that the financial statements are available to be 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, 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 University Lab Partners' 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 University Lab Partners' 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.

Moss Adams LLP

San Diego, California
August 1, 2022

ASSETS

	December 31, 2021		December 31, 2020	
ASSETS				
Cash	$	158,663	$	510,359
Accounts receivable		137,212		289,425
Due from related party		-		77,292
Prepaid expenses and other assets		261,594		100,892
Property and equipment, net		2,612,556		2,679,675
Total assets	$	3,170,025	$	3,657,643

LIABILITIES AND NET ASSETS

	December 31, 2021		December 31, 2020	
LIABILITIES				
Accounts payable	$	104,771	$	158,834
Accrued expenses		209,127		99,977
Deferred revenue		19,862		47,193
Deferred rent expense		432,678		612,571
Note payable		-		44,000
Total liabilities		766,438		962,575
COMMITMENTS (NOTE 9)				
NET ASSETS				
Net assets without donor restrictions		2,386,920		2,695,068
Net assets with donor restrictions		16,667		-
Total net assets		2,403,587		2,695,068
Total liabilities and net assets	$	3,170,025	$	3,657,643

University Lab Partners
Statements of Activities

	Years Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Resident fee revenue	$ 1,715,675	$ -	$ 1,715,675	$ 787,437	$ -	$ 787,437
Contract revenue	1,602,012	-	1,602,012	744,721	-	744,721
Grant revenue	260,627	-	260,627	801,382	-	801,382
Contributions	41,833	16,667	58,500	1,059,740	-	1,059,740
Other revenue	75,606	-	75,606	29,731	-	29,731
Gain on extinguishment of note payable and interest	44,280	-	44,280	-	-	-
Total revenue and support	3,740,033	16,667	3,756,700	3,423,011	-	3,423,011
EXPENSES						
Program services	2,945,218	-	2,945,218	1,968,245	-	1,968,245
General and administrative	992,598	-	992,598	738,966	-	738,966
Membership development	80,389	-	80,389	90,828	-	90,828
Fundraising	29,976	-	29,976	600	-	600
Total expenses	4,048,181	-	4,048,181	2,798,639	-	2,798,639
CHANGE IN NET ASSETS	(308,148)	16,667	(291,481)	624,372	-	624,372
NET ASSETS						
Beginning of period	2,695,068	-	2,695,068	2,070,696	-	2,070,696
End of period	$ 2,386,920	$ 16,667	$ 2,403,587	$ 2,695,068	$ -	$ 2,695,068

See accompanying notes.

	Years Ended December 31, 2021	2020
OPERATING ACTIVITIES		
Change in net assets	$ (291,481)	$ 624,372
Reconciliation to net cash (used in) provided by operating activities		
Depreciation expense	337,276	307,669
Gain on extinguishment of note payable and interest	(44,000)	-
Changes in operating assets and liabilities		
Accounts receivable	152,213	(289,425)
Due from related party	77,292	-
Prepaid expenses and other assets	(160,702)	35,262
Accounts payable	(54,063)	(756,874)
Accrued expenses	109,150	66,352
Deferred revenue	(27,331)	16,568
Deferred rent expense	(179,893)	612,571
Net cash (used in) provided by operating activities	(81,539)	616,495
INVESTING ACTIVITIES		
Purchases of property and equipment	(270,157)	(472,974)
Refunded property and equipment	-	138,219
Net cash (used in) investing activities	(270,157)	(334,755)
FINANCING ACTIVITIES		
Proceeds from issuance of note payable	-	44,000
Net cash provided by financing activities	-	44,000
(DECREASE) INCREASE IN CASH	(351,696)	325,740
CASH		
Beginning of period	510,359	184,619
End of period	$ 158,663	$ 510,359