

**ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)**

**REPORT ON AUDIT OF THE FINANCIAL STATEMENTS AND ON
FEDERAL AWARDS PROGRAMS IN ACCORDANCE WITH
THE OMB UNIFORM GUIDANCE**

for the year ended December 31, 2023

**Weworski & Associates
Certified Public Accountants**

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
for the year ended December 31, 2023

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Part I

**Financial Statement and
Schedule of Expenditures of Federal Awards**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
Provo, Utah

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Rocky Mountain University of Health Professions Foundation (a Utah Non-Profit Corporation), herein referred to as “the Organization”, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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* (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 Financial Statements section of our report. We are required to be independent of the Organization 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 and *Government Auditing Standards* 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 the Organization'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 the Organization'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.

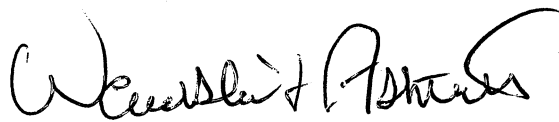
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on the Organization's schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 May 7, 2024 on our consideration of the Organization'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 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 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 the Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Wendy A. Peters".

San Diego, California

May 7, 2024

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
December 31, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 752,584
Investments	172,788
Grant receivable	<u>454,385</u>

Total current assets	1,379,757
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Property and equipment, net	3,073,702
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Other assets:

Operating lease right-of-use asset, net	<u>1,680,712</u>
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Total assets	<u><u>\$ 6,134,171</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 5,607
Accrued expenses	1,575
Due to related party	1,092,968
Current portion of operating lease liability	<u>313,189</u>

Total current liabilities	1,413,339
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Operating lease liability, net of current portion	<u>1,377,691</u>
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Total liabilities	2,791,030
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Net assets:

Without donor restrictions	3,096,368
With donor restrictions	<u>246,773</u>

Total net assets	<u><u>3,343,141</u></u>
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Total liabilities and net assets	<u><u>\$ 6,134,171</u></u>
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The accompanying notes are an integral part of these financial statements.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
STATEMENT OF ACTIVITIES
for the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenue, gains, and other support:</u>			
Contributions:			
Cash donations	\$ 19,115	\$ 142,057	\$ 161,172
In-kind donations	499,482	-	499,482
Material donations	187,902	-	187,902
Grants	3,029,367	-	3,029,367
Other revenue	3,641	-	3,641
Release from net assets	68,227	(68,227)	-
	<hr/>	<hr/>	<hr/>
Total revenue, gains, and other support	3,807,734	73,830	3,881,564
<u>Expenses:</u>			
Program services	117,688	-	117,688
Fundraising	87,993	-	87,993
General and administrative	834,493	-	834,493
	<hr/>	<hr/>	<hr/>
Total expenses	1,040,174	-	1,040,174
	<hr/>	<hr/>	<hr/>
Change in net assets	2,767,560	73,830	2,841,390
<u>Net assets, Beginning</u>	<hr/> 328,808	<hr/> 172,943	<hr/> 501,751
<u>Net assets, Ending</u>	<hr/> \$ 3,096,368	<hr/> \$ 246,773	<hr/> \$ 3,343,141

The accompanying notes are an integral part of these financial statements.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
STATEMENTS OF CASH FLOWS
for the years ended December 31, 2023

<u>Cash flow from operating activities:</u>	
Cash received from support and other revenues	\$ 3,427,179
Cash paid for program and supporting services	<u>(958,055)</u>
Net cash provided by operating activities	2,469,124
<u>Cash flow from investing activities:</u>	
Purchase of property and equipment	<u>(2,048,831)</u>
Net increase in cash	420,293
<u>Cash and cash equivalents, Beginning</u>	<u>332,291</u>
<u>Cash and cash equivalents, Ending</u>	<u><u>\$ 752,584</u></u>

The accompanying notes are an integral part of these financial statements.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
STATEMENT OF CASH FLOWS, Continued
for the years ended December 31, 2023

Reconciliation of change in net assets to net cash
provided by operating activities:

Change in nets assets	\$ 2,841,390
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	70,997
Changes in assets and liabilities:	
Grant receivable	(454,385)
Prepaid expenses	138
Operating lease right-of-use asset and liability, net	10,168
Accounts payable	(557)
Accrued expenses	1,373
	<hr/>
Net cash provided by operating activities	<u><u>\$ 2,469,124</u></u>

The accompanying notes are an integral part of these financial statements.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

Note 1: Summary of Significant Accounting Policies

The following items comprise the significant accounting policies of the Organization. The policies reflect industry practices and conform to accounting principles generally accepted in the United States of America.

Organization's Activities

Rocky Mountain University of Health Professions Foundation (the Organization) is a Utah Non-Profit Corporation that was founded in 2008 as a public charity. The Organization is dedicated to advancing the quality and accessibility of healthcare. The Organization facilitates this access through its Community Rehabilitation Clinics and other strategic initiatives. The Organization fosters learning and sponsors research from students and faculty in healthcare fields, and collaborating with organization that have shared missions and objectives.

The Organization is funded by charitable gifts, grants, donations, group and service club contributions, bequests, sponsorships and ongoing fundraising activities.

Financial Statement Presentation

The Organization's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Presentation of Financial Statements of Not-for-Profit Entities*. This standard requires the classification of the Organization's financial position and activities according to two classes of net assets; without donor restrictions and with donor restrictions.

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board designated endowment.

Net assets with donor restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

As of December 31, 2023, the Organization has net assets without donor restrictions of \$2,189,270 and net assets with donor restrictions of \$246,773.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS, Continued
for the year ended December 31, 2023

Note 1: Summary of Significant Accounting Policies, Continued

Basis of Accounting

The accounting records and accompanying financial statements have been maintained and prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

The Organization equity securities consist of common stock held in a privately held company. The Organization accounts for the equity securities in accordance with ASC 321, *Investments - Equity Securities*. In accordance with ASC 321, the Organization has elected to account for the equity investments under measurement alternative, in that the equity investment is recorded at cost less impairment, and the carrying value is subsequently increased or decreased for observable price changes. The Organization reassess each reporting period to ensure the measurement alternative remains the appropriate manner to value the equity investments. The changes in the carrying value is recorded as investment income on the accompanying statement of activities. The election for the measurement alternative is made for each eligible equity investment, once made the election is applied to all equity investments with the same issuer.

Accounts Receivable

Accounts receivable consist of amounts due from students. An allowance for estimated uncollectible accounts receivable has been recorded based on management's assessment of collectability of the accounts. The Organization reviews its past due balances and accounts deemed uncollectible are written-off.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair value on the donation date. Fixed assets are depreciated on the straight-line method over 5 to 15 years. Construction in progress represents items not yet placed in service and are not depreciated.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS, Continued
for the year ended December 31, 2023

Note 1: Summary of Significant Accounting Policies, Continued

Leases

The Organization accounts for leases in accordance with ASC Topic 842 which requires the recognition of assets and liabilities by lessees for those leases classified as operating leases under GAAP. The guidance requires that a lessee should recognize on the statement of financial position a liability to make lease payments and a right-to-use asset representing the Organization's right to use the underlying assets for the term of the lease. The guidance allows a lessee who enters into a lease with a term of 12 months or less to make an accounting policy election by class of underlying assets not to recognize assets and liabilities. The Organization determines if an arrangement is a lease at inception and evaluates the lease agreement to determine whether the lease is a finance or operating lease. Right-of-use ("ROU") assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Organization uses the risk free rate at the commencement to determine the present value of lease payments over the lease term. At lease inception, the Organization determines the lease term. As of December 31, 2023, the Organization has one lease that consists of operating and administrative space.

Revenue Recognition

Contributions and Grants

The Organization accounts for contributions and grants in accordance with ASC Topic 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Topic 958 clarifies the principles for recognizing transactions to depict whether they should be classified as a contribution or an exchange. The guidance affects entities that receive or make contributions. Cash contributions are recorded as revenue upon receipt or promise to give. Net assets with donor-imposed restrictions are reclassified to net assets without donor restrictions when an event occurs which satisfies the donor-imposed restriction. Non-cash contributions of assets are recorded as contributions at fair value at the date the donation is received. Contributions of services are recognized if the services received create or enhance non-financial assets, require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased by the Organization. No amounts have been reflected in the financial statements for non-cash contributions or donated services.

During 2023, the Organization received a grant through the American Rescue Plan of 2021, passed through the County of Utah. The grant totaled \$3,000,000 and was to be used for the building of the clinic to provide medical services to low-income individuals. During the year ended December 31, 2023, the Organization received \$2,545,615. As of December 31, 2023, the Organization has a grant receivable of \$454,385.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS, Continued
for the year ended December 31, 2023

Note 1: Summary of Significant Accounting Policies, Continued

Advertising Costs

Advertising, promotion and similar costs are expensed as incurred and included in program services on the accompanying statement of activities.

Income Taxes

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code, and is not liable for federal or state income taxes. The Organization could be liable for unrelated business income tax, should it have any income from trade or business activities regularly carried on that are unrelated to the purposes for which it was granted tax exemption. Management does not believe the Organization has any unrelated business income.

U.S. GAAP requires the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service (IRS). The Organization has analyzed the tax positions taken by the Organization, and believes there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The Organization's tax filings are subject to audit by various taxing authorities. As of December 31, 2023, the earliest tax year still subject to examination is 2020 for federal purposes and 2019 for state purposes. The Organization believes their estimates are appropriate based on current facts and circumstances.

Functional Expenses

The costs of providing the program and supporting services have been summarized on a functional basis in Note 9. The allocation of functional expenses in Note 9 presents the natural classification detail of expenses by function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses are tracked using direct identification methodology of charging specific expenses as either program services or institutional support.

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Depending on the nature of the asset or liability, various techniques and assumptions can be used to estimate fair value.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS, Continued
for the year ended December 31, 2023

Note 1: Summary of Significant Accounting Policies, Continued

Fair Value, Continued

The definition of the fair value hierarchy is as follows:

Level 1 - Quoted prices in active markets for identical assets and liabilities.

Level 2 - Observable inputs other than quoted prices in active markets for similar assets and liabilities.

Level 3 - Inputs for which significant valuation assumptions are unobservable in a market and therefore value is based on the best available data, some of which is internally developed and considers risk premiums that market participants would require.

The Organization's investments are reported at fair value. The Organization's remaining financial instruments primarily consist of cash and cash equivalents, grant receivable, right-of-use asset and liability, accounts payable and accrued expenses. The carrying values of the Organization's financial instruments approximate fair value.

Concentration of Credit Risk

The Organization maintains its cash balance and cash equivalents in financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The Organization performs ongoing evaluations of these institutions to limit concentration risk exposure.

New Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). ASU 2016-02 provides guidance in GAAP about the recognition of assets and liabilities by lessees for those leases classified as operating leases under GAAP. The guidance requires that a lessee should recognize in the statement of financial position a liability to make lease payments and a right-to-use asset representing the entity's right to use the underlying assets for the term of the lease. The guidance allows a lessee who enters into a lease with a term of 12 months or less to make an accounting policy election to not recognize assets and liabilities. The provisions of ASU 2016-02 are effective for the fiscal periods beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020. During November 2019, the FASB issued ASU 2019-10, extending the effective date of the ASU to periods beginning after December 15, 2020. In June 2020, the FASB issued ASU 2020-05, extending the effective date to periods beginning after December 15, 2021. Early application is permitted. The Organization has not yet elected this accounting guidance.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS, Continued
for the year ended December 31, 2023

Note 2: Related Party Transactions

The Organization has related party transactions with Wasatch Education Inc. (WEI) and its subsidiary Rocky Mountain University of Health Professions, Inc. (RMU). The Companies are related parties as multiple members of the Board of Trustees are also owners of WEI.

During 2023, WEI and RMU made contributions of \$197,451 and \$10,164, respectively, to the Organization.

During 2023, the Organization paid RMU \$5,800 for clinical insurance and leasehold improvements of \$1,907,032 that RMU paid on the Organization's behalf. As of December 31, 2023, the Organization has a related party payable \$1,092,968 owed to RMU for leasehold improvements paid for on the Organization's behalf.

During 2023, the Organization paid \$135,500 of scholarships to RMU, which paid used to pay a of the cost of attendance for various students.

In September 2023, the Organization entered into a management services agreement with RMU, as described in Note 8. During 2023, the Organization made payments totaling \$197,865 related to this agreement.

Note 3: Information about Financial Assets and Liquidity

The Organization's financial assets without donor or other restrictions limiting their use, available within one year of the statement of financial position date for general expenditure, are as follows for year ended December 31, 2023:

Cash and cash equivalents	\$ 752,584
Investments	172,788
Grant receivable	<u>454,385</u>
	<u><u>\$ 1,379,757</u></u>

The Organization's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS, Continued
for the year ended December 31, 2023

Note 4: Investments

The Organization's investments consisted of following as of December 31, 2023:

	Adjusted Cost	Unrealized Gains	Fair Value
Equity securities	<u>\$ 155,848</u>	<u>\$ 16,940</u>	<u>\$ 172,788</u>

The above equity securities represent common stock all in the same issuer. During the year ended December 31, 2023, there was no investment income recognized related to the equity securities. As of December 31, 2023, the accumulated unrealized gain for the equities securities is \$16,940. Equity securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in any of these factors could materially affect amounts reported.

Note 5: Fair Value Measurement

The following is a description of the valuation methodologies used for assets measured at fair value:

Equity securities: Valued based on the most recent observable transaction, which occurred in December 2023. WEI issued shares to Board members as compensation at a price of \$17 a share. Based on this the fair value is based on observable market transactions of level 2 of the fair value hierarchy.

The preceding method described may produce a settlement value calculation that may not be indicative of net realizable value or reflective of future settlement values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants the use of different methodologies or assumptions to determine the settlement value of certain financial instruments could result in a different settlement value measurement at the reporting date. The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2023:

	Fair Value	Level2
Equity Securities	<u>\$ 172,788</u>	<u>\$ 172,788</u>

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS, Continued
for the year ended December 31, 2023

Note 6: Property and Equipment

Property and equipment consist of the following as of December 31, 2023:

	2023
Leasehold improvements	\$ 3,000,000
Equipment	175,477
	<u>3,175,477</u>
Less: accumulated depreciation	<u>(101,775)</u>
	<u><u>\$ 3,073,702</u></u>

Depreciation expense for the year ended December 31, 2023 was \$70,997 and is included in program services on the accompanying statement of activities.

Note 7: Leases

The Organization leases one of its operating facility in Provo, Utah. The Company leases the facility under a non-cancelable operating lease from RMU. The lease requires monthly payments of \$30,604 and expires in August 2028. As described in Note 8, the agreement includes 3% annual rate increases.

The Organization's weighted-average remaining lease term relating to its operating leases is 4.67 years with a weighted-average discount rate of 4.29%. As of December 31, 2023, the Organization has no financing leases.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS, Continued
for the year ended December 31, 2023

Note 7: Leases, Continued

Future maturities of operating leases, which exist at December 31, 2023, by year and in aggregate, are as follows:

<u>Year ending June 30,</u>	
2024	\$ 378,265
2025	389,613
2026	401,302
2027	413,341
2028	283,827
Thereafter	<u>-</u>
	Total lease payments 1,866,348
	Imputed interest <u>(175,468)</u>
	Present value of lease payments 1,690,880
	Less: current portion <u>(313,189)</u>
	Long-term operating lease liability <u>\$ 1,377,691</u>

Total lease expense for the year ended December 31, 2023 was \$122,416 and is included in rent and occupancy expense on the accompanying statement of activities.

Note 8: Commitments and Contingencies

Agreements

During September 2023, the Organization entered into a management services agreement with RMU. RMU is to provide the Organization with certain management services encompassing, use of space, internet and phone services, furniture, fixtures and equipment, clinic management and other services (IT, accounting and operation support). For these services the Organization is to make monthly payments totaling \$49,467, beginning in September 1, 2023 and will adjust to \$58,364 effective January 1, 2024. The agreement requires annual 3% increase annually beginning on September 1, 2024. The agreement will expire on August 31, 2028. Given the agreement included the use of space, the Organization has recorded a right of use asset and liability for the portion of the payment that relates to the use of space.

Litigation

Management does not believe the Organization is currently party to any pending or threatened litigation arising from services currently or formerly performed by the Organization. To the

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS, Continued
for the year ended December 31, 2023

Note 8: Commitments and Contingencies, Continued

extent that there may be pending or threatened litigation that management is unaware of, they do not believe there to be any possible claims that could have a material adverse effect on their business, results of operations or financial condition.

Note 9: Functional Expenses

The following tables present expenses by both their nature and function for the year ended December 31, 2023:

	Program Services	Fundraising	General and Administrative	Total
Contractor Expenses	\$ 98,678	\$ -	\$ 448,665	\$ 547,343
Facility	217	-	43,295	43,512
Insurance	-	-	10,409	10,409
Legal	6,147	-	-	6,147
Marketing	-	373	231	604
Memberships	989	-	164	1,153
Subscriptions	-	-	47	47
Supplies	431	-	5,906	6,337
Software	-	-	2,657	2,657
Copier	-	-	758	758
Payroll Taxes	-	-	868	868
Other Expenses	-	-	46	46
Donation Campaigns	-	37,703	891	38,594
Rehab Equip	-	-	18,868	18,868
Fellowships	-	-	19,012	19,012
Fundraising	-	167	-	167
Management Agreement	-	-	208,033	208,033
Student Association	6,178	-	-	6,178
Board Expenses	261	-	-	261
Accounting Services	3,427	-	-	3,427
Research	-	-	805	805
Scholarships and Donations	-	49,750	-	49,750
Student Pantry	-	-	2,841	2,841
Depreciation	-	-	70,997	70,997
Interest	1,360	-	-	1,360
	<u>\$ 117,688</u>	<u>\$ 87,993</u>	<u>\$ 834,493</u>	<u>\$ 1,040,174</u>

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS, Continued
for the year ended December 31, 2023

Note 9: Functional Expenses, Continued

Operating expenses are allocated functionally on a direct basis. Certain categories of expenses are attributable to more than one function, such as salaries, benefits and payroll taxes, services and professional fees and supplies.

Note 10: Subsequent Events

Subsequent events were evaluated through May 7, 2024, which is the date the financial statements were available to be issued.

Supplementary Information

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended December 31, 2023

<u>Federal Grantor/Pass-Through Granter/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Department of Housing and Urban Development</u>			
<i>CDBG - Entitlement Grants-Cluster:</i>			
Community Development Block Grants/Entitlement Grants	14.218	A-2023-0180	<u>\$ 24,289</u>
<i>Total Department of Housing and Urban Development:</i>			<u>24,289</u>
<u>Department of the Treasury</u>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	2022-1220	<u>3,000,000</u>
<i>Total Department of the Treasury:</i>			<u>3,000,000</u>
<i>Total Expenditures of Federal Awards:</i>			<u><u>\$ 3,024,289</u></u>

The financial statements and accompanying notes should be
read in connection with the supplementary information.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
SUPPLEMENTARY INFORMATION, Continued
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended December 31, 2023

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes of net assets, or cash flows of the Organization.

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.

Note 3: Indirect Cost Rate

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

The financial statements and accompanying notes should be
read in connection with the supplementary information.

Part II

Reports on Internal Control and Compliance

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

To the Board of Trustees of
ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
Provo, Utah

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 Rocky Mountain University of Health Professions Foundation (a Utah Non-Profit Corporation), herein referred to as "the Organization", which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 7, 2024.

Report on Internal Control Over Financial Reporting

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

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

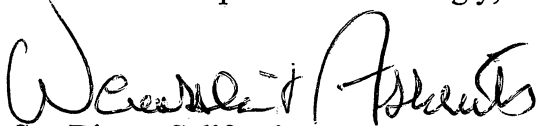
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Warren + Associates", is written over the printed text of the firm's name.

San Diego, California

May 7, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Board of Directors of
ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
Provo, Utah

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rocky Mountain University of Health Professions Foundation (a Utah Non-Profit Corporation), herein referred to as "the Organization", compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization'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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization'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 the Organization'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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



San Diego, California
May 7, 2024

Part III

Audit Findings and Questioned Costs

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended December 31, 2023

Section I - Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued Unmodified

Internal Control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified
not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements
noted: _____ Yes X No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified
not considered to be material weaknesses? _____ Yes X None Reported

Type of auditors' report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with section 2 CFR
200.516(a)? _____ Yes X No

Identification of major programs:

CFDA Number

Name of Federal Program

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between
Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes X No

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
for the year ended December 31, 2023

Section II – Financial Statement Finding:

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

ROCKY MOUNTAIN UNIVERSITY OF HEALTH PROFESSIONS FOUNDATION
(A Utah Non-Profit Corporation)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
for the year ended December 31, 2023

Section IV – Prior Year Findings and Questioned Costs for Financial Statements

The ` has not undergone a prior year audit under the requirements of Title 2 U.S. Code of *Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).