OPE NO: 033164-00
EIN NO: 04-3315930
UEI NO: MFL3H7ABYXU9

FINE MORTUARY COLLEGE, LLC
AUDITED FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

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Report on the Financial Statements Accompanied by Financial Responsibility Supplemental Schedule *(Unmodified Opinion on the Financial Statements and Unmodified Opinion on the Financial Responsibility Supplemental Schedule via a Supplementary Information Section)*

Independent Auditor's Report

To the Member
Fine Mortuary College, LLC
DBA Fine Mortuary College
150 Kerry Place
Norwood, MA 02062

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fine Mortuary College, LLC (hereafter referred to as "Fine Mortuary College" or "the Institution"), which comprise the balance sheets as of May 31, 2024 and 2023, and the related statements of income, changes in Member's equity, 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 Fine Mortuary College as of May 31, 2024 and 2023, and the results of its operations 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* (*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 the Fine Mortuary College, 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 the Fine Mortuary College's ability to continue as a going concern for 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 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 Fine Mortuary College'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 Fine Mortuary College'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 Financial Responsibility Supplemental Schedule, as required by 34 C.F.R. Section 668.172 and Appendix A to Subpart L of Part 668, the Institution's calculation of its Title IV 90/10 revenue test, the Institution's Cohort Default Rate, and Profitability, Current Ratio, Acid Test Ratio & Tangible Net Worth, are presented for purposes of additional analysis and are not a required part of the financial statements. The Financial Responsibility Supplemental Schedule, the Institution's calculation of its Title IV 90/10 revenue test, the Institution's Cohort Default Rate, and Profitability, Current Ratio, Acid Test Ratio & Tangible Net Worth are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the 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 Financial Responsibility Supplemental Schedule, the Institution's calculation of its Title IV 90/10 revenue test, the Institution's Cohort Default Rate, and Profitability, Current Ratio, Acid Test Ratio & Tangible Net Worth are 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 November 15, 2024 on our consideration of Fine Mortuary College'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 the Fine Mortuary College'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 Fine Mortuary College's internal control over financial reporting and compliance.

David A Levy CPA LLC

David A Levy CPA LLC
Needham, Massachusetts
November 15, 2024

Assets	2024	2023
Current Assets		
Cash and Cash Equivalents	$ 477,716	$ 396,435
Accounts Receivable - Students	41,137	77,143
Inventory	71,845	67,190
Prepaid Expenses	48,416	36,708
Total Current Assets	$ 639,114	$ 577,476
Fixed Assets, Net	13,607	27,190
Other Assets		
Lease Right-of-Use Assets, Net	224,064	341,189
Security Deposits	13,888	13,888
Notes Receivable Related Party - Unsecured	-	289,068
Organization Cost, Net	26,916	32,568
Total Other Assets	264,868	676,713
Total Assets	$ 917,589	$ 1,281,379
Liabilities & Members' Equity		
Current Liabilities		
Accounts Payable & Accrued Expenses	$ 166,701	$ 163,375
Current Portion of Notes Payable	-	-
Current Portion of Lease Right-of-Use Liability	120,689	117,125
Deferred Tuition	253,538	63,596
Total Current Liabilites	540,928	344,096
Long Term Liabilities		
Notes Payable, Net of Current Portion	140,700	140,700
Lease Right-of-Use Liability, Net of Current Portion	103,375	224,064
Total Long Term Liabilities	244,075	364,764
Total Liabilities	$ 785,003	$ 708,860
Member's Equity		
Member's Equity	132,586	572,519
Total Member's	132,586	572,519
Total Liabilities & Member's Equity	$ 917,589	$ 1,281,379

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

Fine Mortuary College
Statements of Income
For the Years Ended May 31, 2024 and 2023

Revenue	2024	2023
Earned Tuition	$ 2,691,461	$ 1,956,989
Retail Income	2,345	1,079
Total Revenue	2,693,806	1,958,068
Expenses		
Administrative	563,428	526,774
Payroll and Payroll Taxes	1,140,086	830,806
Occupancy	201,662	190,200
Operating	147,128	87,607
Depreciation and Amortization	19,235	19,235
Total Operating Expenses	2,071,539	1,654,622
Net Income from Operations	622,267	303,446
Interest Expenses	(8,232)	(4,802)
Interest Income	7,904	235
Other Income	5,342	7,553
Net Income for the Period	$ 627,281	$ 306,432

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

	2024	2023
Member's Equity Beginning of Year	$ 572,519	$ 1,029,380
Net Income for the Period	627,281	306,432
Contributions	-	123,449
Distributions	(1,067,214)	(886,742)
Member's Equity End of Year	$ 132,586	$ 572,519

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

Cash Flow from Operating Activities	2024	2023
Net Income	$ 627,281	$ 306,432
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and Amortization	19,235	19,235
Change in Operating Assets and Liabilities		
Accounts Receivable - Students	36,006	23,215
Inventory	(4,655)	(9,367)
Prepaid Expenses	(11,708)	26,975
Lease Right-of-Use Assets, Net	117,125	(341,189)
Accounts Payable & Accrued Expenses	3,326	63,813
Lease Right-of-Use Liability	(117,125)	341,189
Deferred Tuition	189,942	44,349
HEERF Unexpended	-	(10,319)
Cash Provided by Operating Activities	859,427	464,333
Cash Flows from Investing Activities		
Acquisition of Fixed Assets	-	(2,548)
Repayment of Note Receivable	289,068	-
Issuance of Note Receivable	-	(7,294)
Cash Provided / (Used) by Investing Activities	289,068	(9,842)
Cash Flows from Financing Activities		
Member's Contribution	-	123,449
Member's Distribution	(1,067,214)	(886,742)
Cash Used by Financing Activities	(1,067,214)	(763,293)
Change in Cash and Cash Equivalents	81,281	(308,802)
Beginning Cash Balance	396,435	705,237
Ending Cash Balance	$ 477,716	$ 396,435
Supplementary Information		
Cash Paid For:		
Income Taxes	$ -	$ -
Interest Expenses	$ 8,232	$ 4,802

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

NOTE 1: NATURE OF BUSINESS & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Formation

Fine Mortuary College, LLC dba Fine Mortuary College (the Institution) was established on May 9, 1996 in the commonwealth of Massachusetts as an educational training institution.

Principal Activity

The principal activity of Fine Mortuary College is to educate and train students in Funeral Service Profession.

Educational Programs

The Institution is licensed to offer the following programs:

- Funeral Direction/Service (70-credit hours program)

Licenses and Accreditation

The Institution is licensed by Massachusetts Board of Higher Education, is accredited by the American Board of Funeral Service Education (ABFSE) and is approved by the United States Department of Education for participation in Federal Title IV Student Financial Assistance Programs for the funeral direction/service program. The Institution's accreditation status was "Accreditation approved" on October 25, 2019, for seven years.

A) Basis of Accounting

The Financial Statements are prepared on the accrual basis of accounting in accordance with the U.S. generally accepted accounting principles (GAAP).

B) Revenue and Cost Recognition

The Institution bills tuition throughout the period of enrollment and recognizes the revenue on a pro rata basis over the period of instruction. As of the end of the fiscal year, the Institution had tuition from academic periods where the associated revenue has not yet been earned in accordance with GAAP. Accordingly, these amounts have been recorded as unearned tuition in the accompanying balance sheets.

If a student withdraws from the Institution, the standards of the U.S. Department of Education, the state education authority, the accrediting commission that accredit the Institution and the Institution's own internal policies (collectively, "Refund Policies") limit a student's obligation for tuition and fees to the school depending on when the student withdraws during the period of enrollment. The greater the portion of the enrollment period that has elapsed at the time the student withdraws, the greater the student's obligation to the school. The Institution records revenue after applying all applicable refund policies.

C) Cash and Cash Equivalents

For purposes of reporting cash flows, cash equivalents include highly liquid assets with an original maturity of three months or less. Highly liquid assets include cash, federal funds and certificates of deposit. As of May 31, 2024 and 2023, the Institution did not have balances in excess of the $250,000 FDIC insured limit.

NOTE 1: NATURE OF BUSINESS & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D) Inventory

Inventory consists of goods purchased primarily for resale to the students and clientele. It is stated at the lower of cost or market.

E) Property and Equipment

Property and Equipment are stated at cost, net of accumulated depreciation. The cost of property and equipment is depreciated over the estimated useful lives of the related assets.

F) Advertising Costs

Advertising costs, except for direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are to be received. There were no direct-response advertising costs for the current fiscal year.

G) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

H) Concentration of Economic Dependency

The Institution derives a significant portion of its revenue from student financial assistance originating from the U.S. Department of Education's Title IV Higher Education Act of 1965. For the students to receive financial assistance at the Institution, it must maintain eligibility requirements established by the U.S. Department of Education.

I) Uncertain Tax Positions

The company accounts for uncertain tax positions in accordance with FASB ASC 740.

J) Subsequent Events

The Institution evaluates subsequent events through November 15, 2024, the date of this report. No material subsequent events have occurred that require recognition or disclosure in these financial statements.

K) Reclassification

The presentation of certain prior year balances has been reclassified to conform to the current year presentation.

NOTE 1: NATURE OF BUSINESS & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L) Fair Value Measurement

The Institution reports its qualified assets and liabilities in accordance with the Fair Value Measurements and Disclosure Standards and accounting principles generally accepted in the United States. These standards define fair value; establish a framework for measuring fair value, and expand disclosures about fair value measurements. This policy establishes a Fair Value framework that prioritizes the inputs and assumptions used to measure fair value. The three levels of the fair value hierarchy and a description of the valuation techniques used for instruments measured at fair value are as follows:

- Level 1- Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.
- Level 2- Pricing inputs other than quoted prices included in Level 1, which are either directly observable or that can be derived or supported from observable data as of the reporting date.
- Level 3- Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed techniques that result in management's best estimate of fair value.

A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. The Institution's qualifying assets or liabilities are recorded at fair value using Level 1 inputs.

M) New Pronouncements & Adoption

On February 25, 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The objective of this ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. This ASU codifies FASB Accounting Standards Codification (ASC) 842, Leases, and makes conforming amendments to other FASB ASC topics. Under the new provisions, all lessees will report a right-of-use asset and a liability for the obligation to make payments for all leases with the exception of those leases with a term of 12 months or less. ASU No. 2016-02, as amended by ASU No. 2020-05, is effective for nonpublic entities for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Institution adopted the requirement of the new guidance on January 1, 2022.

Effective January 1, 2023, the company adopted the Financial Accounting Standards Board's update, "Financial Instruments -- Credit Losses (Topic 326)", as amended. The standard requires a valuation allowance for credit losses be recognized for certain financial assets that reflects the current expected credit loss over the asset's contractual life. The valuation allowance considers the risk of loss, even if remote, and considers past events, current conditions, and expectations of the future. The standard is expected to have minimal impact on the Institution's financial statements.

NOTE 2: ACCOUNTS RECEIVABLE, DEFERRED TUITION & BAD DEBTS

Accounts Receivable at the balance sheet date consist of amounts related to revenue from current or former students for classes that have been completed, or obligations of current students for tuition in progress for which payment has not been received in accordance with GAAP. If a student withdraws from the Institution, the standards of the U.S. Department of Education, the state education authority, the accrediting commission that accredit the Institution and the Institution's own internal policies (collectively, "Refund Policies") limit a student's obligation for tuition and fees to the school depending on when the student withdraws during the period of enrollment. The greater the portion of the enrollment period that has elapsed at the time the student withdraws, the greater the student's obligation to the school. The Institution records revenue after applying all applicable refund policies.

Current Expected Credit Losses
The Institution maintains an allowance account for currently expected credit losses and has established a reserve based on the likelihood of collection. As of May 31, 2024 and 2023, the allowance for uncollectable accounts was $2,200 and $4,100, respectively.

Accounts Receivable & Deferred Tuition
Upon student admission, the contract price is recorded in a subsidiary ledger. As the student progresses through the program, the Institution earns the contract tuition ratably. Accounts receivable represent balances owed to the school for education provided but not yet paid for. Deferred Tuition represents payments paid on account in excess of amounts earned for tuition.

Contract Vs Accrual
As of May 31, 2024, the following table represents the remaining contracts vs. the accrual method reported in accordance with GAAP.

	Contract	Accrual	Contract vs Accrual
Deferred Tuition	$ 558,840	$ 253,538	$ 305,302
Accounts Receivable	348,639	43,337	305,302
Less:Allowance for expected credit losses		(2,200)	
Accounts Receivable, Net		$ 41,137	

NOTE 3: PREPAID EXPENSES

As of May 31, 2024 and 2023 there were prepaid expenses of $48,416 and $36,708, respectively, which comprise of prepaid insurance and software support fees.

NOTE 4: INVENTORY

The Institution's inventory consists of goods purchased primarily for resale to the students and clientele. It is stated at the lower of cost or market. As of May 31, 2024 and 2023, inventory was valued at $71,845 and $67,190, respectively.

NOTE 5: PROPERTY & EQUIPMENT

Property and equipment are recorded at cost. Depreciation and amortization of property and equipment, including assets recorded as capital leases, are provided on the straight-line and accelerated methods over their estimated useful lives. Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred.

The major classifications of property and equipment as of May 31, 2024 and 2023 consisted of the following:

	Estimated Useful Life	2024	2023
Leasehold Improvements	15 Years	$ 13,663	$ 13,663
Equipment & Furniture	5-7 Years	34,327	34,327
Software	3-5 Years	29,034	29,034
Gross Property & Equipment		77,024	77,024
Less: Accumulated Depreciation &Amortization		(63,417)	(49,834)
Property & Equipment, Net		$ 13,607	$ 27,190
Depreciation & Amortization		$ 19,235	$ 19,235

Capitalization

Expenditures for maintenance and repairs are charged to expenses, whereas major betterments are capitalized. The Institution capitalizes property and equipment with useful life of greater than one year for costs in excess of $2,000.

NOTE 6: DUE FROM RELATED PARTIES-UNSECURED

As of May 31, 2024 and 2023, the Institution had Notes Receivable-due from related parties, Vanede, LLC of $0 and $247,325, respectively, and GLC Solutions, LLC of $0 and $41,743, respectively, and were unsecured and carry no stated repayment schedule.

NOTE 7: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts Payable and Accrued Expenses as of May 31, 2024 and 2023 were as detailed below:

	2024	2023
Due to Vendors	$ 104,360	$ 124,005
Accrued Expenses	62,341	39,370
Total	$ 166,701	$ 163,375

NOTE 8: NOTE PAYABLE

As of May 31, 2024 and 2023, the Institution had an outstanding note payable as detailed below:

	2024			2023		
	Short Term	Long Term	Total	Short Term	Long Term	Total
30 Yr-$140,600 SBA Loan obtained July 7, 2020, secured by all tangible & intangible personal property, interest rate 3.75%. The entire unpaid principal and interest will be payable and due upon maturity.	$ -	$ 140,700	$ 140,700	$ -	$ 140,700	$ 140,700
Total	$ -	$ 140,700	$ 140,700	$ -	$ 140,700	$ 140,700

Future minimum debt obligations were detailed as below:

May 31,	Amount
2025	$ -
2026	-
2027	1,351
2028	3,059
2029	3,175
Thereafter	133,115
Total	$ 140,700

NOTE 9: INCOME TAXES

As a limited liability Company, Fine Mortuary College is treated as a pass-through entity for income tax purposes. Accordingly, the taxable income or loss incurred by the Institution is reported on the tax returns of its members. Therefore, no provision for income taxes is made on the financial statement of the Institution.

NOTE 10: REFUNDS AND REPAYMENTS TO THE U.S. DEPARTMENT OF EDUCATION

As of May 31, 2024 and 2023, there were no unpaid refunds to the Department of Education or to lenders who issued SFA loans. Accordingly, as of May 31, 2024 and 2023, there were no unpaid refunds as part of the current liabilities. The Institution processes and posts students' refunds within 45 days of the date a student withdraws or is terminated from the school. The Institution had no monetary obligations as a result of the most recent SFA audit.

NOTE 11: LEASE OBLIGATIONS

The Institution currently leases its premises from MBK Realty, an unrelated party, with monthly payments of $10,480 including the common area maintenance charges. The lease expires in March 2026. The Institution also leases an apartment from Cottonwood with monthly payments of $2,475. This was a one-year lease that expired in May 2024.

Occupancy Expenses

The Institution's occupancy expenses for the years ended May 31, 2024 and 2023 were as detailed below:

	2024	2023
Rent	$ 171,570	$ 157,803
Utilities	12,157	11,517
Repairs and Maintenance	17,145	20,463
Taxes	790	417
Total	$ 201,662	$ 190,200

Right of Use

The Institution adopted ASU 2016-02 and related standards (collectively ASC 842, "Leases"), which replaced previous lease accounting guidance, on July 1, 2022, using the modified retrospective method of adoption. The Institution elected the transition method expedient which allows entities to initially apply the requirements by recognizing a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. As a result of electing this transition method, prior periods have not been restated. Due to the cumulative net impact of adopting ASC 842, the balance of deferred rent was decreased to $0. In addition, adoption of the new standard resulted in the recording of right-of-use assets and associated lease liabilities as shown. The Institution's accounting for finance leases (previously called capital leases) remains substantially unchanged. ASC 842 did not have a material impact on the Institution's income statement. The company elected the package of practical expedients permitted under the transition guidance within ASC 842, which include not reassessing lease classification of existing leases. The Institution did not elect the hindsight practical expedient.

Operating lease right of use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The discount rate used to calculate present value is the Institution's incremental borrowing rate or, if available, the rate implicit in the lease. The Institution determines the incremental borrowing rate for each lease based primarily on the lease term and the economic environment of the applicable country or region.

NOTE 11: LEASE OBLIGATIONS

The components of lease expense are as follows:

Lease Right of Use Asset		$	224,064
Due in	2025	$	125,760
	2026		125,760
	2027		104,800
	Total	$	356,320
Less: Amounts representing Interest		$	132,256
Present Value of future minimum lease payments		$	224,064
Current obligations		$	120,689
Long-term obligations		$	103,375

NOTE 12: RELATED PARTY TRANSACTIONS

The Institution participates in Federal programs authorized by Title IV of the Higher Education Act of 1965, as amended (HEA), which are administered by the U.S. Department of Education. The Institution must comply with the regulations promulgated under the HEA. The below information is required by the U.S. Department of Education and is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Members' Distributions
During the years ended May 31, 2024 and 2023, there were members' distributions of $1,067,214 and $886,742, respectively.

Members' Contributions
During the years ended May 31, 2024 and 2023, there were members' contributions of $0 and $123,449, respectively.

Unsecured Related Party Notes Receivable
As of May 31, 2024 and 2023, the Institution had unsecured related party notes receivable with Vanede, LLC, of $0 and $247,325, respectively, and GLC Solutions, LLC, of $0 and $41,743, respectively. Both LLCs have common ownership as the Institution. The remaining amounts have been deemed uncollectable from these other entities as of May 31, 2024.

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
(No Material Weaknesses Identified; No Significant Deficiencies Identified; No Reportable Instances of Noncompliance or Other Matters Identified)

Independent Auditor's Report

To the Member
Fine Mortuary College, LLC
DBA Fine Mortuary College
150 Kerry Place
Norwood, MA 02062

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 Fine Mortuary College, which comprise the balance sheets as of May 31, 2024 and 2023 and the related statements of income, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 15, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fine Mortuary College'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 Fine Mortuary College's internal control. Accordingly, we do not express an opinion on the effectiveness of Fine Mortuary College'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 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fine Mortuary College'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. Such tests included compliance tests as set forth in the 2023 edition of the *Guide For Financial Statement Audits of Proprietary Schools and For Compliance Attestation Examination Engagements of Proprietary Schools and Third-Party Servicers Administering Title IV Programs*, issued by the U.S. Department of Education, Office of Inspector General (the Guide) including those relating to related parties and percentage of revenue derived from Title IV programs. 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* or the Guide.

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 Fine Mortuary College'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.

David A Levy CPA LLC
Needham, Massachusetts
November 15, 2024

SUPPLEMENTARY INFORMATION

A. 90/10 REVENUE TEST

The Institution derives a substantial portion of its revenues from financial aid received by its students under programs authorized by Title IV of the HEA, which are administered by the U.S. Department of Education. To continue to participate in the programs, the Institution must comply with the regulations promulgated under HEA. According to 34 C.F.R. § 668.28(c)(i) if an Institution does not derive at least 10 percent of its revenue from sources other than Title IV program funds for two consecutive fiscal years, it loses its eligibility to participate in the Title IV programs for at least two fiscal years. For any fiscal year an Institution does not derive at least 10 percent of its revenue from sources other than Title IV program funds, it becomes provisionally certified under 34 C.F.R. § 668.13(c)(1)(ii) for two fiscal years after the fiscal year it fails to satisfy the revenue requirement (34 C.F.R. § 668.28(c)(2)). The Institution must notify ED no later than 45 days after the end of its fiscal year that it failed to meet the 90/10 revenue requirement (34 C.F.R. § 668.28(c)(3)).

Prior Year

For the fiscal year ended May 31, 2023, the Institution received $1,099,986 of Title IV funds, total eligible cash receipts of $2,016,701, resulting in a percentage of 54.54%.

Current Year

Adjusted Student Title IV Revenue	$ 2,058,908	65.09%
Adjusted Student title IV Revenue + Sum of Student Non-Title IV Revenue + Total Revenue from Other Sources	$ 3,163,229	

Revenue Category	Amount Disbursed	Adjusted Amount
Student Title IV Revenue	-	-
Title IV Credit Balance Carried Over from Prior Year	$ -	$ -
Federal Direct Loan	$ 1,533,141	$ 1,476,587
Federal Pell Grant	$ 509,203	$ 497,541
FSEOG (subject to matching reduction)	$ 173	$ 130
Total Student Title IV Revenue	$ 2,042,517	$ 1,974,258
Refunds Paid to Students	$ -	$ -
Student /Other Federal Funds Paid Directly to Student	-	-
Federal Funds 3	$ -	$ -
Federal Funds 4	$ -	$ -
Total Student/Other Federal Funds Paid Directly to Student	$ -	$ -
Refunds Paid to Students	$ -	$ -
Adjusted Student/Other Federal Funds Paid Directly to Student	$ -	$ -
Adjusted Student Federal Revenue	$ 2,127,167	$ 2,058,908
Adjusted Student Title IV Revenue	$ 2,042,517	$ 1,974,258

Revenue Category	Amount Disbursed	Adjusted Amount
Student /Other Federal Funds Paid Directly to the Institution	-	-
Dept. of Veterans Affairs	$ 84,650	84,650
Federal Funds 2	$ -	$ -
Federal Portion of Other Funds	$ -	$ -
Total Student/Other Federal Funds Paid Directly to the Institution	$ 84,650	$ 84,650
Refunds Paid to Students	$ -	$ -
Adjusted Student/Other Federal Funds Paid Directly to the Institution	$ 84,650	$ 84,650
Revenue from Other Sources (Totals for the Fiscal Year)	-	-
Activities conducted by the institution that are necessary for education and training	$ -	$ -
Funds paid by the institution by, or on behalf of, students for education and training in qualified non-Title IV eligible programs	$ -	$ -
Revenue from Other Sources	$ -	$ -
Adjusted Student Non-Federal Revenue and Revenue from Other Sources	$ 40,862	$ 1,104,321
Total Federal and Non-Federal Revenue	$ 2,168,029	$ 3,163,229

Revenue Category	Amount Disbursed	Adjusted Amount
Student Non-Federal Revenue	-	-
Grant funds for the student from non-Federal public agencies or private sources independent of the institution		
- Funeral Service Foundation	$ 5,000	$ 5,000
- Kathryn Cantillon-White Scholarship	$ 10,000	$ 10,000
- Newcomer Funeral Service Group	$ 3,000	$ 3,000
- Nikki's Way Scholarship	$ 2,000	$ 2,000
- State of Massachusetts	$ 3,038	$ 3,038
- State of Montana	$ 4,076	$ 4,076
- State of Nevada	$ 3,150	$ 3,150
- State of New Hampshire	$ 4,298	$ 4,298
- State of Oregon	$ 6,300	$ 6,300
Funds provided for the student under a contractual arrangement with a Federal, State, or local government agency for the purpose of providing job training to low-income individuals	$ -	$ -
Funds used by a student from savings plans for educational expenses established by or on behalf of the student that qualify for special tax treatment under the Internal Revenue Code	$ -	$ -
Qualified institutional scholarships disbursed to students	$ -	$ -
Student Payments		
- Third Party Loans	$ -	$ -
- Third Party Loans-related Party/Institutional Loans	$ -	$ -
- ISA Institutional or Related Party	$ -	$ -
- ISA	$ -	$ -
- Student Cash	$ -	$ -
Student Non-Federal Revenue	$ 40,862	$ 40,862
Refunds Paid to Students	$ -	$ 1,063,459
Adjusted Student Non-Federal Revenue	$ 40,862	$ 1,104,321

B. PROFITABILITY, ACID TEST RATIO, TANGIBLE NET WORTH

Profitability

The Institution's profitability for the current and previous two audit years were as follows:

Description		2024	2023	2022
Operating Net Income	$	622,267	303,446	764,646
Net Income	$	627,281	306,432	764,646

Current Ratio

For the current and previous audit years, the Institution's current ratio was as detailed below:

Description		2024	2023
Current Assets	$	639,114	577,476
Current Liabilities		540,928	344,096
Current Ratio		1.18:1	1.68:1

Acid Test Ratio

For the current and previous audit years, the Institution's acid test ratio was as detailed below:

Description		2024	2023
Cash + Accounts Receivable	$	518,853	473,578
Current Liabilities		540,928	344,096
Acid Test Ratio		0.96:1	1.38:1

Tangible Net worth

The tangible net worth of the Institution as of the current and previous audit years was as detailed below:

Description		2024	2023	2022
Total Assets	$	917,589	1,281,379	1,299,208
Less: Total Liabilities		(785,003)	(708,860)	(269,828)
Equity		132,586	572,519	1,029,380
Less: Unsecured Related Party Receivables		-	-	-
Less: Intangible Assets		(26,916)	(321,636)	(319,994)
Tangible Net Worth	$	105,670	250,883	709,386

C. COHORT DEFAULT RATE

According to the USDOE, an Institution is not considered to be administratively capable, if its cohort default rate for Federal Stafford/SLD Loan or for Direct Loans made to students for attendance at the school equals or exceeds 30% for the three most recent financial years, or if the most recent cohort default rate is greater than 40%. The Institution must continue to have a default management plan in effect if it equals or exceeds these thresholds. The USDOE will defer any sanctions until there are three sets of official three-year rates published. Currently, the three-year Cohort Default Rate published online by the USDOE for this institution was 0% (FY2021).

D. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

The U.S. Department of Education determines an Institution to be financially responsible if the Institution has a composite score of at least 1.5, the Institution has sufficient cash reserves to make the required refunds, including the return of Title IV funds (these requirements are known as the refund reserve standards), the Institution is current in its debt payments, and the Institution is meeting all of its financial obligations, including making required refunds, including the return of Title IV funds and making repayments to cover FSA program debts and liabilities. For an Institution to participate in any Title IV, HEA program, the Institution must be financially responsible (34 C.F.R. § 668.171(a)). An Institution that is not financially responsible because its composite score is between 1.0 and 1.4 but meets all other standards of financial responsibility may participate in the Title IV programs under the Zone Alternative, as described in 34 C.F.R. §668.175(d). In general, Institutions participating under the Zone Alternative receive a letter from ED notifying the Institution of this condition of its participation. These Institutions are required to use the cash monitoring or reimbursement payment method of funding (34 C.F.R. §668.175(d)(2)(i)).

Composite score

The composite score standard combines different measures of fundamental elements of financial responsibility to yield a single measure of a school's overall financial responsibility. This score, which has not been calculated by the U.S. Department of Education, is currently 1.6 in the fiscal year ended May 31, 2024 as detailed below:

Type	Ratio	Weight	Weighted Ratio
Primary Reserve	0.8820	30%	0.2646
Equity	0.9511	40%	0.3804
Net Income	3.0000	30%	0.9000
Composite Score			1.5

D. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

Lines		**Primary Reserve Ratio:**		
		Adjusted Equity		
31	Balance Sheet - Total Equity	Total equity		132,586
4, 5, 10	Balance Sheet - All Related party receivable from affiliate, net and Related party note	Secure and Unsecured related party receivables and/or other related party assets	-	
4, 10	Balance Sheet - Related party receivable, net and Receivable from affiliate, net and Related party note	Unsecured related party receivables and/or other related party assets		-
8	Balance Sheet - Property, Plant and Equipment, net - pre-implemenation	Property, plant and equipment, net - pre-implementation less any construction in progress	13,607	
FS Note line 8A	Note of the Financial Statements Balance Sheet Property, Plant and Equipment, net - pre-implementation	Property, plant and equipment, net - pre-implementation less any construction in progress		-
FS Note line 8B	Note of the Financial Statements - Balance Sheet - Property, Plant and Equipment, net - post-implementation with outstanding debt for original purchase	Property, plant and equipment, net - post-implementation less any construction in progress with outstanding debt for original purchase with debt		-
FS Note line 8D	Note of the Financial Statements Balance Sheet - Property, Plant and Equipment, net - post-implementation without outstanding debt for original purchase	Property, plant and equipment, net - post-implementation less any construction in progress without outstanding debt for original purchase with debt		13,607
FS Note line 8C	Note of the Financial Statements Balance Sheet - Property, Plant and Equipment - Construction in process	Construction in progress		-
9	Balance Sheet - Lease right-of-use-asset	Lease right-of-use-asset	224,064	
Excluded 9 Note Leases	Note of Financial Statements - Balance Sheet - Lease right-of-use asset pre-implementation	Lease right-of-use asset - pre-implementation		224,064
M9 Note Leases	Note of Financial Statements - Balance Sheet - Lease right-of-use asset pre-implementation	Lease right-of-use asset - post-implementation		-
11	Balance Sheet - Goodwill	Intangible Assets		26,916
27	Balance Sheet - Post-employment and pension liability	Post-employment and defined pension plan liabilities		-
15, 19, 20, 23, 24	Balance Sheet - Notes payable and Line of Credit(both current and long-term) and Line of Credit for Construction in process	Long-term debt - for long-term purposes and Construction in process debt	140,700	
M15, 19, 20, 23, 24, Note Debt A.	Balance Sheet - Notes payable and Line of Credit (both current and long-term) and Line of Credit for Construction in process	Long-term debt for long-term purposes pre-implementation		-
Debt Note B	Balance Sheet - Notes payable and Line of Credit (both current and long-term) for purchase of Property, Plant and Equipment	Qualified Long-term debt for long-term purposes post-implementation for purchase of Property, Plant and Equipment		-
Debt Note C	Balance Sheet - Notes payable and Line of Credit for Construction in process	Line of Credit for Construction in process		-
17, 25	Balance Sheet - Lease right-of-use assets liability (both current and long-term)	Lease right-of-use asset liability	224,064	
Excluded 17, 25 Leases	Balance Sheet - Lease right-of-use assets liability (both current and long-term)	Pre-implementation right-of-use		224,064
M17, 25 FS Note	Balance Sheet - Lease right-of-use assets liability (both current and long-term)	Post-implementation right-of-use		-
40, 42, 44, 45	Statement of (Loss) Income - Total Operating Expenses, Interest Expense, Loss on Impairment of Assets and Loss on Disposal of Assets	Total Expenses and Losses:		2,079,771

D. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

Lines		Equity Ratio:		
		Modified Equity:		
31	Balance Sheet - Total Equity	Total Equtiy		132,586
Excluded 17, 25 Leases	Balance Sheet - Lease right-of-use assets liability (both current and long-term)	Pre-implementation right-of-use leases		224,064
Excluded 9 Note Leases	Note of Financial Statements - Balance Sheet - Lease right-of-use asset pre-implementation	Lease right-of-use asset - pre-implementation		224,064
11	Balance Sheet - Goodwill	Intangible Assets		26,916
4, 5, 10	Balance Sheet - All related party receivable from affiliate, net and Related party note	Secure and Unsecured related party receivables and/or other related party assets	-	
4, 10	Balance Sheet - Related party receivable, net and Receivable from affiliate, net and Related party note	Unsecued related party receivables and/or other related party assets		-
		Modified Assets:		
13	Balance Sheet - Total Assets	Total Assets		917,589
Excluded 9 Note Leases	Note of Financial Statements - Balance Sheet - Lease right-of-use asset pre-implementation	Lease right-of-use asset - pre-implementation		224,064
11	Balance Sheet - Goodwill	Intangible Assets		26,916
4, 5, 10	Balance Sheet - All Related party receivable from affiliate, net and Related party note	Secure and Unsecured related party receivables and/or other realted party assets	-	
4, 10	Balance Sheet - Related party receivable, net and Receivable from affiliate, net and Related party note	Unsecured related party receivables and/or other related party assets		-

Lines		Net Income Ratio:		
48	Statement of (Loss) Income - Net Income Before Income Taxes	**Income Before Taxes**		627,281
35, 43, 46	Statement of (Loss) Income - Total Revenue, Interest income, and Other miscellaneous income	**Total Revenues and Gains**		2,707,052

D. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

Balance Sheet

Line		
	Current Assets	
1	Cash and Cash Equivalents	477,716
2	Accounts Receivable, Net	41,137
3	Prepaid Expenses / Inventory / Investments	120,261
4	Related party receivable	-
5	Related party receivable, secured	-
6	Student loans receivable, net	-
7	**Total Current Assets**	639,114
8	Property & Equipment, Net	13,607
9	Lease right-of-use assets, net	224,064
10	Receivable from affiliate, net	-
11	Goodwill & Other Intangibles	26,916
12	Deposits	13,888
13	**Total Assets**	**917,589**
	Current Liabilities	
14	Accounts Payable / Accrued Expenses	166,701
15	Line of credit - short term CIP	-
16	Deferred Revenue	253,538
17	Leases right-of-use asset liability	120,689
18	Line of credit - operating	-
19	Line of credit - for long term purposes	-
20	Note Payable	-
21	**Total Current Liabilities**	540,928
22	Line of credit - operating	140,700
23	Line of credit - for long term purposes	-
24	Notes Payable	-
25	Leases right-of-use asset liability	103,375
26	Other Liabilities	-
27	Post-employment and pension liability	-
28	**Total Liabilities**	785,003
	Equity	
29	Common stock	-
30	Retained Earnings	132,586
31	**Total Equity**	132,586
32	**Total Liabities and Equity**	**917,589**

Statement of (Loss) Income

Line		
	Revenue	
33	Tuition and fees, net	2,691,461
34	Clinic revenue	2,345
35	**Total Revenue**	2,693,806
	Operating Expenses	
36	Education expense	1,287,214
37	General expense	563,428
38	Occupancy expense	201,662
39	Depreciation and Amortization	19,235
40	**Total Operating Expenses**	2,071,539
	Operating Income (Loss)	622,267
41	**Other Income (Expense)**	
42	Interest expense	(8,232)
43	Interest income	7,904
44	Loss on impairment of assets	-
45	Loss on disposal of assets	-
46	Other miscellaneous income	5,342
47	**Total Other Income (Expense)**	5,014
48	Net Income Before Income Taxes	627,281
49	Income Taxes	
50	**Net Income (Loss)**	627,281

Calculating the Composite Score	Lines		Ratio		Strength Factor	Weight	Composite Score
*Primary Reserve Ratio = Adjusted Equity	31-11-(4+10)-(8+9)+27+15+17+19+20+23+24+25	92,063	0.0441	20	0.882	30%	0.2646
/ Total Expenses and Losses	40+42+44+45	2,087,675					
*Equity Ratio = Modified Equity	31-(4+10)-11	105,670	0.1585	6	0.951	40%	0.3804
/Modified assets	13-(4+10)-11	666,609					
Net Income Ratio = Income Before Taxes	+48	627,281	0.2317	1	3.000	30%	0.9000
Total Revenue and Gains	35+43+46	2,707,052					
				33.3			1.5450
					Total Composite Score		1.5

D. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

Note for Line 8 - Net Property, Plant and Equipment

A.	Pre-Implementation Property, Plant and Equipment		-
B.	Post-Implementation Property, Plant and Equipment		-
	Equipment & Furniture	-	
	Leasehold Improvements	-	
	Vehicle	-	
C.	Construction in progress		-
D.	Post-Implementation Property, Plant and Equipment		13,607
	Total		13,607

A. This is the ending balance on the last financial statement submission prior to the implementation of the regulations -- Less any depreciation or disposals.
B. This is the balance of assets purchased after the implementation of the regulations that was purchased by obtaining debt.
C. Asset value of the Construction in progress
D. Post-Implementation Property, Plant and Equipment with no outstanding debt

Note for Line 9 - Lease right -of-use-assets

A.	Lease right-of-use assets - pre-implementation	224,064	Removed from Assets
B.	Lease right-of-use assets - post-implementation	-	
	Total	224,064	

Note for Line 15, 19, 20, 23 & 24 - Long-term debt for long term purposes

A.	Pre-Implementation Long-Term Debt		-
B.	Post-Implementation Long-Term Debt		-
	Equipment & Furniture	-	
	Leasehold Improvements	-	
	Vehicle	-	
C.	Construction in progress - Debt		-
D.	Long-term debt not for the purchase of Property, Plant and Equipment or liability greater than assets value		140,700
	Total		140,700

A. This is the ending balance on the last financial statement submission prior to the implementation of the regulations -- Less in repayments
B. This is the lessor of actual outstanding debt of each assets or the value of the asset.
C. This is the debt associated with Construction in progress up to the asset value for construction in process included.
D. Long-tem debt not for the purchase or Property, Plant and Equipment.

Note for Line 17 - Lease right -of-use-asset liability

A.	Lease right-of-use assets liability - pre-implementation	224,064	Removed from Liabilities
B.	Lease right-of-use assets liability - post-implementation	-	
	Total	224,064	