



**TABLE OF CONTENTS**

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1
BALANCE SHEETS .....	3
STATEMENTS OF INCOME .....	4
STATEMENTS OF MEMBERS' EQUITY .....	5
STATEMENTS OF CASH FLOWS.....	6
NOTES TO THE FINANCIAL STATEMENTS.....	7
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND ON 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)	

**INDEPENDENT AUDITOR'S REPORT**

To the Members  
Fine Mortuary College, LLC  
dba Fine Mortuary College  
150 Kerry Place  
Norwood, MA 02062

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Fine Mortuary College, LLC, dba Fine Mortuary College, (hereinafter referred to as "Institution ' R U ³ ) L Q H 0 R U W ) X w D i t h \ & R O O H ) P H P E Equity, and cash flow for the year then ended, and the related notes to the financial statement.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fine Mortuary College as of May 31, 2022 and 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## OTHER MATTERS

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Note 15 R Q W K H , Q V W L W X W L R Q ¶ V F D O F X O D W L R G test and Note 14 on related party transactions are required by the U.S. Department of Education and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Note 16 R Q W K H , Q V W L W X W L R Q ¶ V F D O F X O D W L R G for purposes of additional analysis and are not a required part of the basic 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 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 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 November 18, 2022, on our consideration of ) L Q H 0 R U W X D U n t e r n a l C o n t r o l O v e r ¶ V 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 ) L Q H 0 R U W X D U n t e r n a l C o n t r o l O v e r ¶ V financial reporting and compliance.

  


David A Levy CPA PC  
Needham, Massachusetts  
November 18, 2022



**FINE MORTUARY COLLEGE  
STATEMENTS OF**



**FINE MORTUARY COLLEGE  
STATEMENTS OF CASH FLOWS**



**FINE MORTUARY COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

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**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:

- x 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),

**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-

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

**K) 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:

- x Level 1- Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.
  - x 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.
  - x 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 estimate of fair value.
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**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

**FINE MORTUARY COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

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**NOTE 8: NOTE PAYABLE**

As of May 31, 2022 and 2021, the Institution had an outstanding note payable as detailed below:

	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 01/24/19.						

Future minimum debt obligations were detailed as below:

<u>Year Ended May 31,</u>	<u>Amount</u>
2023	\$ 2,676
2024	\$ 2,778
2025	\$ 2,884
2026	\$ 2,994
2027	\$ 3,108
2028 and thereafter	\$ 126,260
<b>Total</b>	<b>\$ 140,700</b>

**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, 2022 and 2021, there were no unpaid refunds to the Department of Education or to lenders who issued SFA loans. Accordingly, as of May 31, 2022 and 2021 there were no unpaid UHIXQGV DV SDUW RI WKH FXUUHQW OLDELWLHV 7KH , C 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.



**FINE MORTUARY COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

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**NOTE 13: HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF FUNDS)**

The Coronavirus Aid, Relief, and Economic Security Act or, CARES Act, was passed by Congress on March 27th, 2020. This bill allotted \$2.2 trillion to provide fast and direct economic aid to the American people negatively impacted by the COVID 646.18 Tm0 g0 G[ 646.18 Tm0 g0 G[ 645646.18 Tm0 g0 C







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## **SUPPLEMENTARY INFORMATION**

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**B. PROFITABILITY, ACID TEST RATIO, TANGIBLE NET WORTH**

**Profitability**

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<b>Description</b>	<b>2022</b>	<b>2021</b>
Gross Income	\$ 1,858,219	1,945,635
Total Expenses (excluding Taxes)	(1,445,815)	(1,180,989)
Profit before Tax	412,404	764,646
Tax Expenses	-	-
Net Profit After Taxes	\$ 412,404	764,646

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

<b>Description</b>	<b>2022</b>	<b>2021</b>
Current Assets	\$ 927,101	994,488
Current Liabilities	131,804	90,943
Acid Test Ratio	7.03:1	10.94:1

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

<b>Description</b>	<b>2022</b>	<b>2021</b>
Total Assets	\$ 1,299,208	1,710,199
Less: Total Liabilities	(269,828)	(231,543)
Equity	1,029,380	1,478,656
Less: Unsecured Related Party Receivables	-	-
Less: Intangible Assets	(319,994)	(688,565)
Tangible Net Worth \$	709,386	790,091

This information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

**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

**FINE MORTUARY COLLEGE**  
**SUPPLEMENTARY INFORMATION**  
**MAY 31, 2022 AND 2021**

Lines		<b>Primary Reserve Ratio:</b>		
		<b>Adjusted Equity</b>		
31	Balance Sheet - Total Equity	Total equity		1,029,380
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-implementation	Property, plant and equipment, net - pre-implementation less any construction in progress	38,225	
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		8,154
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		30,071
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	-	
Excluded 9 Note Leases	Note of Financial Statements - Balance Sheet - Lease right-of-use asset pre-implementation	Lease right-of-use asset - pre-implementation		-
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		319,994
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	-	
Excluded 17, 25 Leases	Balance Sheet - Lease right-of-use assets liability (both current and long-term)	Pre-implementation right-of-use		-
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:		1,445,815

**FINE MORTUARY COLLEGE**  
**SUPPLEMENTARY INFORMATION**  
**MAY 31, 2022 AND 2021**

**Equity Ratio:**

	<b><u>Modified Equity:</u></b>		
Balance Sheet - Total Equity	Total Equity		1,029,380
Balance Sheet - Lease right-of-use assets liability (both current and long-term)	Pre-implementation right-of-use leases		-
Note of Financial Statements - Balance Sheet - Lease right-of-use asset pre-implementation	Lease right-of-use asset - pre-implementation		-
Balance Sheet - Goodwill	Intangible Assets		319,994
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	-	
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		-
	<b><u>Modified Assets:</u></b>		
Balance Sheet - Total Assets	Total Assets		1,299,208
Note of Financial Statements - Balance Sheet - Lease right-of-use asset pre-implementation	Lease right-of-use asset - pre-implementation		-
Balance Sheet - Goodwill	Intangible Assets		319,994
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	-	
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		-

**Net Income Ratio:**

Statement of (Loss) Income - Net Income Before Income Taxes	<b><u>Income Before Taxes</u></b>		412,404
Statement of (Loss) Income - Total Revenue, Interest income, and Other miscellaneous income	<b><u>Total Revenues and Gains</u></b>		1,858,219





