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FINE MORTUARY COLLEGE, LLC
AUDITED FINANCIAL STATEMENTS
MAY 31, 2023 AND 2022

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668.172 and 34 C.F.R. 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, Acid Test Ratio & Tangible Net Worth calculations are presented for purposes of additional analysis and are not a required part of the financial statements. The Financial Responsibility Supplemental Schedule, Title IV 90/10 revenue test, Cohort Default Rate, and Profitability, Acid Test Ratio & Tangible Net Worth calculations 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, Title IV 90/10 revenue test, Cohort Default Rate, and Profitability, Acid Tai956.2a. ET 3&d & Tts. Ne3(ountaT 3(W)4(orth)-88(c)4(a)4(l)-11(17i956.2)

Assets		2023		2022
Current Assets				
Cash and Cash Equivalents	$	396,435	$	705,237
Accounts Receivable - Students		77,143		100,358
Inventory		67,190		57,823
Prepaid Expenses		36,708		63,683

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

Revenue	2023	2022
Earned Tuition	$ 1,956,989	$ 1,848,254
Retail Income	1,079	3,391
Kits and Books	-	5,700
Total Revenue	1,958,068	1,857,345
Expenses		
Administrative	522,209	355,546
Payroll and Payroll Taxes	830,806	740,341
Occupancy	190,200	199,708
Operating	92,172	136,360
Depreciation and Amortization	19,235	13,860
Total Operating Expenses	1,654,622	1,445,815
Net Income from Operations	303,446	411,530
Interest Expenses	(4,802)	-
Interest Income	235	184
Other Income	7,553	690
Net Income for the Period	$ 306,432	$ 412,404

The accompanying notes are integral part of these financial statements

Cash Flow from Operating Activities	2023	2022
Net Income	$ 306,432	$ 412,404
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and Amortization	19,235	13,860
Change in Operating Assets and Liabilities		
Accounts Receivable - Students	23,215	(33,143)
Inventory	(9,367)	(51)
Prepaid Expenses	26,975	(46,139)

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 Po

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 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 28, 2023, the date of this report. No material subsequent events have occurred that require recognition or disclosure in these financial statements.

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

K) Fair Value Measurement

NOTE 2: ACCOUNTS RECEIVABLE, DEFERRED TUITION & ALLOWANCE FOR DOUBTFUL ACCOUNTS

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.

Allowance for Doubtful Accounts

The Institution maintains an allowance for doubtful accounts and has established a reserve based on the likelihood of collection. Bad debts are written off using an allowance account. As of May 31, 2023 and 2022, the allowance for uncollectable accounts was $4,100 and $5,300 respectively

Accrual

As of May 31, 2023, the

NOTE 8: NOTE PAYABLE

As of May 31, 2023 and 2022, the Institution had an outstanding note payable as detailed below:

	Short Term	Long Term	Total	Short Term	Long Term	Total
30 Yr-$140,700 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.	$ 2,676	$ 138,024	$ 140,700	$ 2,676	$ 138,024	$ 140,700
$ Total	$ 2,676	$ 138,024	$ 140,700	$ 2,676		

Future minimum debt obligations were detailed as below:

Year Ended May 31,	Amount
2024	$ 2,676
2025	2,947
2026	3,060
2027	3,176
2028	3,298
Thereafter	125,543
Total	$ 140,700

NOTE 9: ORGANIZATIONAL COSTS

Organizational costs represent the expenses incurred in establishing the Institution and are amortized over 15 years. Amortization expense related to organizational costs for the years ended May 31, 2023 and 2022 was $5,652.

NOTE 10: 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 11: REFUNDS AND REPAYMENTS TO THE U.S. DEPARTMENT OF EDUCATION

As of May 31, 2023 and 2022, there were no unpaid refunds to the Department of Education or to lenders who issued SFA loans. Accordingly, as of May 31, 2023, and 2022 there were no unpaid refunds as part of the current liabilities. The Institution processes and posts studentsô 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 12: 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 is a one-year lease expiring in May 2023.

The Institution adopted ASU 2016-02 and related standards (collectively ASC 842, "Leases"), which replaced previous lease accounting guidance, on January 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

NOTE 12: LEASE OBLIGATIONS

Occupancy Expenses

Occupancy expenses for the years ended May 31, 2023, and 2022 were $190,200 and $199,708, respectively, as detailed below:

	2023	2022
Rent	$ 157,803	$ 156,573
Utilities	11,517	12,388
Repairs and Maintenance	20,463	30,314
Taxes	417	433
	$ 190,200	$ 199,708

Security Deposit

As of May 31, 2023, and 2022 the Institution had a security deposit on account with MBK Realty in the amount of $13,888 for each year.

NOTE 13: 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. Those regulations require that all related party transactions be disclosed, regardless of their materiality to the financial statements.

Members' Distributions

During the years ended May 31, 2023 and 2022, there were members' distributions of $886,742 and $861,680, respectively.

Members' Contributions

During the years ended May 31, 2023 and 2022, there were members' contributions of $123,449 and $0, respectively.

Unsecured Related Party Notes Receivable

As of May 31, 2023 and 2022 the Institution had unsecured related party notes receivable with Vanede, LLC, of $247,325 and $242,786, respectively, and GLC Solutions, LLC, or $41,743 and $38,988, respectively. Both LLCs have common ownership as the Institution.

NOTE 14: 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-19 pandemic. Of that money, approximately

A. 90/10 REVENUE TEST

Current Year

Adjusted Student Title IV Revenue	$ 1,099,986	54.54%
Adjusted Student title IV Revenue + Sum of Student Non-Title IV Revenue + Total Revenue from Other Sources	$ 2,016,701	

Revenue Category	Amount Disbursed	Adjusted Amount
Student Title IV Revenue	-	-
Subsidized Loan	$ 314,837	$ 314,837
Unsubsidized Loan	$ 548,900	$ 548,900
Pell Grant	$ 263,776	$ 263,776
FSEOG	$ 7,648	$ 5,736
FWS		
Student Title IV Revenue	-	$ 1,133,249
Revenue Adjustment	-	-
The amount of Funds Applied First plus Student Title IV Reve in excess of Tuition and Fees		
The amount of Title IV funds returned for students that withdrew		$ (33,263)
Total Adjusted Student Title IV Revenue	-	$ 1,099,986

Revenue Category	Amount Disbursed	Adjusted Amount
Student Non-Title IV Revenue	-	-
Grant funds for the student from non-Federal public agencies private sources independent of the school	-	$ 36,778
Funds provided for the student under a contractual arrangem with a Federal, State, or local government agency for the pur 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 qua special tax treatment under the Internal Revenue Code	-	
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B. PROFITABILITY, ACID TEST RATIO, TANGIBLE NET WORTH

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

Description		2023	2022	2021
Operating Net Income	$	303,446	411,530	764,64(
Net Income				

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% (FY2020).

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

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D. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

Note for Line 8 - Net Property, Plant and Equipment

A.	Pre-Implementation Property, Plant and Equipment		5,246
B.	Post-Implementation Property, Plant and Equipment		-
	Equipment & Furniture	-	
	Leasehold Improvements	-	
	Vehicle	-	
C.	Construction in progress		-
D.	Post-Implementation Property, Plant and Equipment		21,944
	Total		27,190