

**Accelerated Academy, LLC
Denham Springs, Louisiana
November 30, 2023**

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Independent Auditor's Report

To the Members
of Accelerated Academy, LLC
Denham Springs, Louisiana

Opinion

We have audited the accompanying financial statements of Accelerated Academy, LLC (a Limited Liability Company), which comprise the balance sheet as of November 30, 2023, and the related statements of income and changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Accelerated Academy, LLC as of November 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Accelerated Academy, LLC 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 Accelerated Academy, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted 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 Accelerated Academy, LLC'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 Accelerated Academy, LLC'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.

Hawthorn, Waymouth & Carroll, LLP

February 19, 2024

Accelerated Academy, LLC
Balance Sheet
November 30, 2023

Assets

Current Assets

Cash	\$ 343,304
Accounts receivable, net	325,333
Prepaid expenses	<u>533,944</u>
Total current assets	1,202,581

Fixed Assets, net

123,663

Total assets

\$ 1,326,244

Liabilities and Members' Equity

Current Liabilities

Accounts payable	\$ 53,791
Accrued liabilities	42,488
Tuition received in advance	<u>813,224</u>
Total current liabilities	909,503

Members' Equity

416,741

Total liabilities and members' equity

\$ 1,326,244

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

Accelerated Academy, LLC
Statement of Income and Changes in Members' Equity
Year Ended November 30, 2023

Revenue	
Tuition and related fees	<u>\$ 8,176,171</u>
 Operating Expenses	
Advertising	518,505
Bad debts	277,076
Bank charges and fees	112,497
Class materials and supplies	262,921
Computer and software	175,298
Depreciation	103,429
Employee benefits	118,934
Guaranteed payments	265,623
Insurance	19,148
Meals and entertainment	24,031
Miscellaneous	3,042
Office	153,855
Professional fees	142,847
Rent	1,296,300
Salaries and related taxes	2,530,842
Taxes and licenses	197,987
Travel and lodging	4,211
Utilities and telephone	17,265
Website	<u>31,130</u>
Total operating expenses	<u>6,254,941</u>
 Other Income	
	<u>7,103</u>
 Net Income	
	1,928,333
 Members' Equity, beginning balance	
	406,664
Distributions to members	<u>(1,918,256)</u>
 Members' Equity, ending balance	
	<u><u>\$ 416,741</u></u>

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

Accelerated Academy, LLC
Statement of Cash Flows
Year Ended November 30, 2023

Cash Flows From Operating Activities	
Net income	\$ 1,928,333
Adjustments to reconcile net income to net cash provided by operating activities:	
Bad debts	277,076
Depreciation	103,429
(Increase) Decrease in current assets:	
Accounts receivable	(270,932)
Prepaid expenses	(248,558)
Other assets	2,000
Increase (Decrease) in current liabilities:	
Accounts payable	(4,707)
Accrued liabilities	(12,871)
Tuition received in advance	<u>6,851</u>
Net cash provided by operating activities	<u>1,780,621</u>
Cash Flows From Investing Activities	
Purchase of fixed assets	<u>(29,975)</u>
Net cash used in investing activities	<u>(29,975)</u>
Cash Flows From Financing Activities	
Distributions to members	<u>(1,918,256)</u>
Net cash used in financing activities	<u>(1,918,256)</u>
Net Change in Cash	(167,610)
Cash, beginning of year	<u>510,914</u>
Cash, end of year	<u><u>\$ 343,304</u></u>

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

Accelerated Academy, LLC
Notes to Financial Statements
November 30, 2023

Note 1–Nature of Operations

Accelerated Academy, LLC (the “Company”) is a Louisiana limited liability company, operating training facilities in several states to teach dental assistants. Substantially all of its revenue is derived from student tuition and related fees.

Note 2–Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred.

B. 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, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for doubtful accounts.

C. Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. As of November 30, 2023, the Company had no cash equivalents.

D. Accounts Receivable

Accounts receivable are presented at net realizable value, net of allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income and is maintained at a level believed adequate by management to absorb estimated bad debts based upon a periodic review of the accounts by management. The Company charges off old receivables on a case-by-case basis. As of November 30, 2023, the Company had an allowance for doubtful accounts of \$11,578.

E. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Useful lives of fixed assets are as follows:

Software	3 – 5 years
Leasehold improvements	15 years

Expenditures for major repairs and improvements that extend the useful lives of fixed assets are capitalized at cost. Expenditures for maintenance and minor repairs are charged to expense as incurred.

Accelerated Academy, LLC
Notes to Financial Statements
November 30, 2023

Note 2—Summary of Significant Accounting Policies (Continued)

F. Revenue Recognition

The Company's major source of revenue is student tuition and related fees and these transactions are recognized in accordance with FASB ASC 606 (Topic 606). Revenue is measured based on the amount of consideration specified in the contract with the student. Tuition pricing may vary by state, depending on each state's particular requirements, and based on the timing of when a student enrolls for a particular semester.

Prospective students may sign up for any one of three semesters offered by the Company: Spring, Summer, or Fall. The duration of each semester is 10 weeks, with one class held each week. The semesters do not overlap the Company's fiscal year-end. At the time of enrollment, students are required to pay a \$200 deposit, of which \$100 is non-refundable and recognized into revenue in the period the student enrolls. Students have the option of paying the full amount of tuition up front or through an approved payment plan. Tuition payments received in advance of the semester commencement date are deferred in the period received and are reflected as Tuition Received in Advance on the accompanying balance sheet. The Company recognizes tuition and fee revenue over a period of time, ratably over each semester. If a student withdraws from the course before instruction begins, the Company retains the \$100 non-refundable fee and refunds the student any remaining payments made. If a student withdraws or is terminated after the course begins, refunds are made on a pro-rata basis less certain fees, based on the number of weeks that have lapsed. Refunds are not permitted after the seventh week of the course.

The Company offers a payment plan for those students who are unable to pay the full balance of tuition up front. A one-time financing fee is charged on the tuition balance, which varies based on the length of the financing arrangement. The Company recognizes the finance fee pro-ratably over the length of the semester, rather than over the length of the loan in accordance with U.S. GAAP, the difference of which is immaterial to the financial statements.

Because the Company's performance obligations relate to contracts with a duration of less than one year, the Company has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components. Transaction prices are specific to a distinct performance obligation and do not consist of multiple transactions.

G. Advertising

Advertising costs are charged to operations when incurred and totaled \$518,505 for the year ended November 30, 2023. Advertising costs for courses subsequent to year end of \$253,877 were included in prepaid expenses as of November 30, 2023.

H. Income Taxes

The Company files its income tax returns as a partnership for federal and state income tax purposes. Accordingly, no provision is made for income taxes in the financial statements.

Accelerated Academy, LLC
Notes to Financial Statements
November 30, 2023

Note 2—Summary of Significant Accounting Policies (Continued)

H. Income Taxes (Continued)

Management has concluded that the Company is a pass-through entity for federal and certain states. As such, the Company does not pay income taxes. The Company's income or loss is included in the income tax returns of the individual members. Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. If the Company were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors.

I. Accounting Standards Pending Adoption

The FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Current GAAP requires an incurred loss methodology for recognizing credit losses that delays recognition until it is probable a loss has been incurred. The main objective of the ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this ASU replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to derive credit loss estimates. This ASU will be effective for fiscal years beginning after December 15, 2022. At this time, the Company is assessing the impact of this ASU on its financial statements.

Note 3—Fixed Assets

Fixed assets are comprised of the following at November 30, 2023:

Software	\$ 317,857
Leasehold improvements	44,639
Less: Accumulated depreciation	<u>(238,833)</u>
Fixed assets, net	<u>\$ 123,663</u>

Note 4—Retirement Plan

The Company has a defined contribution plan covering substantially all of its employees. For the year ended November 30, 2023, the Company had total costs of \$33,043 associated with the plan. These costs are included in employee benefits on the statement of income and changes in members' equity.

Accelerated Academy, LLC
Notes to Financial Statements
November 30, 2023

Note 5—Operating Leases

Accelerated Academy, LLC leases two office suites from a company related through common ownership. One of the suites is under a one-year operating lease. This lease did not include an option to purchase the underlying asset or extend the lease term, and therefore, was recognized as a short-term lease. The other lease is on a month-to-month basis and was also recognized as a short-term lease. For the year ended November 30, 2023, lease expense was \$51,000. These costs are included in rent on the statement of income and changes in members' equity. See Note 6 for related party footnote.

The Company has short-term leasing arrangements for its 10-week courses with various dental offices where classes are held. For the year ended November 30, 2023, this lease expense was \$1,245,300. These costs are included in rent on the statement of income and changes in members' equity.

Note 6—Related Party Transaction

As discussed in Note 5, the Company leases office suites from a company related through common ownership. Total lease expense paid to the related party for the year ended November 30, 2023 was \$51,000.

Note 7—Concentration of Credit Risk

At various times during the year, cash on deposit with one banking institution exceeded the amount insured by the Federal Deposit Insurance Corporation. Management monitors the financial condition of the institution on a regular basis, along with their balances in cash, to minimize this potential risk.

Note 8—Subsequent Events

Management has evaluated subsequent events through February 19, 2024, the date the financial statements were available to be issued. As a result, the Company noted no subsequent events that required adjustment to, or disclosure in, these financial statements.