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MASSACHUSETTS SCHOOL OF LAW AT ANDOVER, INC.
DBA
MASSACHUSETTS SCHOOL OF LAW

AUDITED FINANCIAL STATEMENTS & REPORTS REQUIRED FOR AUDITS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS AND THE UNIFORM GUIDANCE
JULY 31, 2023 AND 2022

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Massachusetts School of Law at Andover, Inc.
dba Massachusetts School of Law
500 Federal Street
Andover, Massachusetts 01810

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Massachusetts School of Law at Andover, Inc. dba Massachusetts School of Law (hereafter referred to as "Massachusetts School of Law", or the "Institution"), which comprise the statements of financial position as of July 31, 2023 and 2022, and the related statements of activities and changes in net assets, cash flows and statements of functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Massachusetts School of Law as of July 31, 2023 and 2022, and the changes in its net assets 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 and the standards applicable to financial audits contained in *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 Massachusetts School of Law 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 opinions.

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 Massachusetts School of Law'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 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 generally accepted auditing standards 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 Massachusetts School of Law'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 Massachusetts School of Law'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 audits were 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 34 C.F.R. Appendix A to Subpart L of Part 668, the cohort default rate, and profitability, acid test ratio and 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 cohort default rate, and profitability, acid test ratio and 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 cohort default rate, and profitability, acid test ratio and 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 March 12, 2024 on our consideration of Massachusetts School of Law's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Massachusetts School of Law's internal control over financial reporting and compliance.

David A Levy CPA LLC

David A Levy CPA LLC
Needham, Massachusetts
March 12, 2024

ASSETS		2023		2022
Cash and Cash Equivalents	$	557,981	$	494,898
Accounts Receivable				
-Students		134,608		122,331
-Other		637,882		-
Investments		7,900,540		8,018,712
Bookstore Inventory		27,365		55,566
Prepaid Expenses		2,874		132,140
TOTAL CURRENT ASSETS		9,261,250		8,823,647
PROPERTY, EQUIPMENT AND LIBRARY BOOKS, NET		1,985,599		1,855,881
TOTAL ASSETS	$	**11,246,849**	$	**10,679,528**
LIABILITIES & NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	$	77,755	$	43,368
Deferred Tuition		47,948		52,169
TOTAL CURRENT LIABILITIES		125,703		95,537
TOTAL LIABILITIES		125,703		95,537
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Net Assets without Donor Restrictions		8,289,149		7,918,783
Net Investment in Property and Equipment		2,744,926		2,615,208
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS		11,034,075		10,533,991
Net Assets with Donor Restrictions		87,071		50,000
TOTAL NET ASSETS		11,121,146		10,583,991
TOTAL LIABILITIES & NET ASSETS	$	**11,246,849**	$	**10,679,528**

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

Massachusetts School of Law
Statements of Activities
For the Years Ended July 31, 2023 and 2022

Operating	2023			2022
Revenue	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**	**Total**
Earned Tuition and Fees	$ 5,114,447	$ -	$ 5,114,447	$ 5,320,791
Net Investment Income/(Loss)	481,828	-	481,828	(674,082)
Bookstore Sales/Other	726,992	-	726,992	150,706
Fundraising/Donations/Other	-	50,000	50,000	50,000
Released from Restriction	12,929	(12,929)	-	-
Total Operating Revenues	6,336,196	37,071	6,373,267	4,847,415
Expenses				
Program Services:				
Educational	3,494,613	-	3,494,613	3,574,528
Management and General:				
Supporting Services	2,341,499	-	2,341,499	2,599,909
Total Operating Expenses	5,836,112	-	5,836,112	6,174,437
Change in Net Assets From Operating Activities	500,084	37,071	537,155	(1,327,022)
Change in Net Assets	$ 500,084	$ 37,071	$ 537,155	$ (1,327,022)
Net Assets- Beginning Of Year	10,533,991	50,000	10,583,991	11,911,013
Net Assets- End Of Year	**$ 11,034,075**	**$ 87,071**	**$ 11,121,146**	**$ 10,583,991**

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

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
NET ASSETS BEGINNING OF YEAR	$ 10,533,991	50,000	10,583,991	$ 11,911,013	-	11,911,013
CHANGE IN NET ASSETS FOR THE PERIOD	500,084	37,071	537,155	(1,377,022)	50,000	(1,327,022)
NET ASSETS END OF YEAR	$ 11,034,075	87,071	11,121,146	$ 10,533,991	50,000	10,583,991

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

MASSACHUSETTS SCHOOL OF LAW
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

CASH FLOWS FROM OPERATING ACTIVITIES		2023		2022
Increase/(Decrease) in Net Assets	$	537,155	$	(1,327,022)
Adjustments to reconcile Net Increase/(Decrease) in Net Assets to net cash provided by operating activities:				
Depreciation		134,562		131,919
Amortization		-		83,669
Accounts Receivable				
-Students		(12,277)		171,593
-Other		(637,882)		-
Bookstore Inventory		28,201		(13,098)
Prepaid Expenses		129,266		(132,140)
Accounts Payable and Accrued Expenses		34,387		37,782
Deferred Tuition		(4,221)		22,878
Cash Provided (Used) by Operating Activities		209,191		(1,024,419)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Leasehold Improvements		(264,280)		-
Investments		118,172		966,889
Cash Provided (Used) by Investing Activities		(146,108)		966,889
Change in Cash and Cash Equivalents		63,083		(57,530)
BEGINNING CASH BALANCE		494,898		552,428
ENDING CASH BALANCE	$	**557,981**	$	**494,898**

Supplementary Information:

Cash Paid For:				
Income Taxes	$	-	$	-
Interest Expenses	$	-	$	-

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

Massachusetts School of Law
Statement of Functional Expenses
For the Year Ended July 31, 2023

Description	Program Services						Management & General Expenses	2023 Grand Total
	Academic Instruction	Bookstore Operations	Library Library Operation & & Maintenance	Plant Library Operation & & Maintenance	Student Services	Total		
Salaries and wages	$ 1,545,030		202,699	53,078	371,598	2,172,405	1,129,286	$ 3,301,691
Fringe benefits	370,582	-	48,618	12,731	89,129	521,060	270,865	791,925
Advertsing and recruiting costs						-	398,348	398,348
Utilities				215,621		215,621		215,621
Provision for bad debts						-	223,316	223,316
Depreciation and amortization			134,562	-		134,562		134,562
Common Area Assessment				8,138		8,138		8,138
Office supplies and expense						-	62,172	62,172
Insurance				53,403		53,403	18,056	71,459
Update and upkeep costs			72,944	26,365		99,309		99,309
Repairs and maintenance				64,781		64,781	10,034	74,815
Professional fees						-	37,229	37,229
Janitorial & Cleaning Services				78,829		78,829		78,829
Bar Course Expenses					27,404	27,404		27,404
Meetings						-	7,808	7,808
Trial team					6,091	6,091		6,091
Telephone						-	13,263	13,263
Supplies	21,273	16,029	464			37,766		37,766
Commencement					22,665	22,665		22,665
Postage						-	7,901	7,901
Professional development	19,972		-		6,315	26,287		26,287
Security services				13,373		13,373		13,373
Equipment rental						-	4,607	4,607
Bank Fees						-	3,909	3,909
Other	12,919					12,919	1,000	13,919
Computer Supplies						-	115,455	115,455
Inspection Fees						-	30,528	30,528
Internet Fees						-	7,637	7,637
Taxes and filing fees						-	85	85
Grand Total	**$ 1,969,776**	**16,029**	**459,287**	**526,319**	**523,202**	**3,494,613**	**2,341,499**	**$ 5,836,112**

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

MASSACHUSETTS SCHOOL OF LAW
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2022

Description	Program Services						Management & General Expenses	2022 Grand Total
	Academic Instruction	Bookstore Operations	Library: Library Operation & & Maintenance	Plant: Library Operation & & Maintenance	Student Services	Total		
Salaries and wages	$ 1,611,316		183,247	56,173	346,669	2,197,405	1,031,250	$ 3,228,655
Fringe benefits	393,862		44,792	13,731	84,738	537,123	252,074	789,197
Advertsing and recruiting costs						-	504,432	504,432
Utilities				207,317		207,317		207,317
Provision for bad debts						-	483,998	483,998
Depreciation and amortization			131,919	83,669		215,588		215,588
Bookstore operations						-		-
Office supplies and expense						-	83,705	83,705
Insurance				102,698		102,698	9,191	111,889
Update and upkeep costs			57,137	19,656		76,793		76,793
Repairs and maintenance				108,794		108,794		108,794
Professional fees						-	50,385	50,385
Janitorial & Cleaning Services				70,024		70,024		70,024
Bar Course Expenses					15,242	15,242		15,242
Classroom supplies	5,708		2,330			8,038		8,038
Trial team					4,961	4,961		4,961
Telephone						-	9,276	9,276
Meetings						-	2,498	2,498
Commencement					15,434	15,434		15,434
Postage						-	8,322	8,322
Professional development	13,107		340			13,447		13,447
Security services				1,664		1,664		1,664
Equipment rental						-	6,525	6,525
Bank Fees						-	1,925	1,925
Other						-		-
Computer Supplies						-	112,611	112,611
Inspection Fees						-	33,199	33,199
Internet Fees						-	10,433	10,433
Taxes and filing fees						-	85	85
Grand Total	**$ 2,023,993**	**-**	**419,765**	**663,726**	**467,044**	**3,574,528**	**2,599,909**	**$ 6,174,437**

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

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

Incorporation
Massachusetts School of Law at Andover, Inc., (the Institution) was organized on April 25, 1988, pursuant to the incorporation laws of the Commonwealth of Massachusetts to establish and operate a law school as a non-profit organization under section 501(c)(3) of the Internal Revenue Code of 1986. The School began its first academic semester on August 22, 1988.

Educational Programs
The Institution has a fall semester that begins in August, a spring semester that begins in January, and two summer sessions that occur in June and July. All revenues and expenditures are reported totally within the fiscal year in which the sessions are predominantly conducted.

Licenses and Accreditation
The Massachusetts School of Law is currently accredited by the New England Commission of Higher Education (NECHE). The Institution is also accredited by the Massachusetts Board of Regents as of May 1990 to grant the degree of Juris Doctor. This permits graduates of the Massachusetts School of Law to take the bar examination and be admitted to practice law in the Commonwealth of Massachusetts. Other states, including California, Connecticut, Maine, New Hampshire, Vermont, West Virginia, and Wisconsin, permit graduates of the Massachusetts School of Law to take their bar examination and practice law in those states.

A) *Form of Presentation*

The Financial Statements are prepared on the accrual basis of accounting in accordance with the U.S. generally accepted accounting principles. Revenues and gains are recognized when earned, and expenditures and losses are recognized when incurred.

B) *Classification and Reporting of Net Assets*

The Institution reports two classes of net assets and the changes in those net assets in the statements of financial position and statements of activities respectively. The two classes of net assets are as follows:

1) Net Assets Without Donor Restriction

Net assets that are not restricted by donor-imposed stipulation. This includes all resources over which the Board of Directors has discretionary control. The board may elect to designate such resources for specific purpose. This designation may be removed at the board's discretion. As of July 31, 2023 and 2022, the Institution had $11,034,075 and $10,533,991 respectively in Net Assets without Donor Restriction.

2) Net Assets With Donor Restriction

Net Assets subject to donor-imposed restrictions that permit the Institution to use or expend the donated assets as specified. This represents resources accumulated through donations or grants for specific operating or capital purposes. Restrictions on such resources will cease when the requirements of the donor or grantee have been satisfied through expenditure for the specified purpose or program or through the passage of time. As of July 31, 2023 and 2022 the Institution had $87,071 and $50,000 respectively in Net Assets with Donor Restriction.

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

C) Contributions, Gains and Other Support

Contributions are recognized when received from the donor. Unrestricted contributions are reported as increases in unrestricted net assets in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Institution records interest and dividends on its marketable securities when earned. Gains or losses are recorded when realized. Unrealized gains or losses are recorded based upon changes in the fair value of investments held.

D) 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. Cash and Cash Equivalents consist of cash on hand, checking, and money market accounts.

E) Functional Expense Allocation

The costs of providing programs and other activities have been summarized on a functional basis in these financial statements. Accordingly, certain costs have been allocated between program services and support services. Expenses that can be identified with a specific program or support service are allocated directly according to the expenditure classification. All other indirect costs require allocation on a reasonable basis that is consistently applied. This allocation is based off of total revenue attributable to each program and support function.

F) Inventory Bookstore

Inventory consists of books purchased primarily for resale to the students. It is stated at the historical cost determined on a First-In-First-Out (FIFO) basis.

G) 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. Depreciation and amortization are computed on the straight-line method over the estimated useful asset lives.

H) 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. Total advertising expenses for the fiscal years ended July 31, 2023 and 2022 were $398,348 and $504,432, respectively.

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

I) 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.

J) 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.

K) Uncertain Tax Positions

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

L) Donated Services

Donated services have not been reflected in the accompanying financial statements since they do not meet the criteria for recognition in accordance with GAAP.

M) 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 accredits 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.

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

N) 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.

The reported values of assets measured at fair value on a recurring basis are categorized as follows as of July 31, 2023:

		Fair Value Measurements using:		
	Totals	Quoted prices in Active Markets Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Certificates of Deposit	$ 473,564	$ 473,564	$ -	$ -
Investments	7,246,319	7,246,319	$ -	$ -
Other	180,657	180,657		
Totals	$ 7,900,540	$ 7,900,540	$ -	$ -

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

O) Reclassification

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

P) 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 this new standard effective August 1, 2023. The adoption of the standard did not have an impact on the recognition of contributed nonfinancial assets.

In September 2020, FASB issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). This standard requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, Or gifts in-kind. The standard is effective for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The Institution adopted this new standard effective August 1, 2021. The adoption of the standard did not have an impact on the recognition of contributed nonfinancial assets.

NOTE 2: ACCOUNTS RECEIVABLE, ALLOWANCE FOR BAD DEBTS AND DEFERRED TUITION

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.

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 July 31, 2023 and 2022, the allowance account was $138,860 and $191,287, 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.

As of July 31, 2023 and 2022, the students' accounts receivables and deferred tuition balances were as follows:

	2023	2022
Deferred Tuition	$ 43,448	$ 52,169
Accounts Receivable	273,468	313,618
Less: Allowance for Doubtful Account	(138,860)	(191,287)
Accounts Receivable, Net	$ 134,608	$ 122,331

As of July 31, 2023 and 2022, the Institution has other receivables of $637,882 and $0, respectively. This was comprised of Employee Retention Tax Credit receivables.

As of July 31, 2023 and 2022, the Institution had deferred rental income of $4,500 and $0, respectively.

NOTE 3: SUBSEQUENT EVENTS

The Institution evaluates subsequent events through March 12, 2024, the date of this report. No material subsequent events have occurred that require recognition or disclosure in these financial statements.

NOTE 4: BOOKSTORE INVENTORY

As of July 31, 2023 and 2022, the Institution had bookstore inventory balances of $27,365 and $55,566, respectively.

NOTE 5: PREPAID EXPENSES

As of July 31, 2023 and 2022, the Institution had prepaid expenses in the amount of $2,874 and $132,140, respectively. Prepaid expenses as of July 31, 2022 related to an advance payment made to a vendor for leasehold improvements that had not been installed as of July 31, 2022. Prepaid expenses as of July 31, 2023 related to credits received from vendors.

NOTE 6: INVESTMENTS

Investments, exclusive of physical plant, are recorded at fair value; investments received by gift are recorded at market value. Estimated fair values of the Institution's financial instruments (all of which are held for non-trading purposes) as of July 31, 2023 and 2022 were $7,900,540 and $8,018,712, respectively.

Amortized costs approximate fair value of cash and cash equivalents. Fair values of other investments are based upon quoted market prices.

Net investment income consists of the following:

	2023	2022
Beginning Market Value	$ 8,018,712	$ 8,985,602
Realized and Unrealized Gain / (Loss)	351,255	(733,851)
Interest, Dividend and Capital Gain Income	154,961	85,932
Investment advisory fees	(24,388)	(26,163)
Total Investment Income	481,828	(674,082)
Transfer In / (Out)	(600,000)	(292,808)
Ending Market Value	$ 7,900,540	$ 8,018,712

NOTE 7: PROPERTY, EQUIPMENT AND LIBRARY BOOKS

Physical plant, equipment, and library books are stated on the balance sheet at cost at date of acquisition or, in the case of gifts, fair market value at date of donation. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

The major classification of property, plant, equipment, and library books as of July 31, 2023 and 2022 was as follows:

Assets	Estimated Life	2023	2022
Real Estate	40 Years	$ 4,797,942	$ 4,797,942
Land		450,000	450,000
Library Books & Microforms	6 Years	502,016	502,016
Computer and Office Equipment	5 Years	272,870	272,870
Furniture, Fixtures and Equipment	5-7 Years	146,977	146,977
Building Improvements	20-25 Years	609,602	345,322
Maintenance Equipment	5 Years	1,864	1,864
Property & Equipment, Gross		6,781,271	6,516,991
Less: Accumulated Depreciation & Amortizaiton		(4,795,672)	(4,661,110)
Property & Equipment, Net		$ 1,985,599	$ 1,855,881
Amortization		-	83,669
Depreciation		134,562	131,919
		$ 134,562	$ 215,588

Expenditures for maintenance and repairs are charged to expenses, whereas major betterments are capitalized.

NOTE 8: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses balances as of July 31, 2023 and 2022 were comprised the following:

	2023	2022
Due to Vendors	$ 63,788	$ 18,123
Payroll Liabilities	3,934	3,854
Credit Card Payable	10,033	21,391
	$ 77,755	$ 43,368

NOTE 9: PENSION PLAN

The School sponsors a defined contribution pension plan that covers substantially all full-time employees. The plan qualifies under Internal Revenue Code Section 403(b)(1) as a tax deferred annuity plan. Contributions are made at a rate of 5% of an eligible employee's base salary. Contributions were $144,179 and $140,866 for the years ended July 31, 2023 and 2022, respectively.

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

As of July 31, 2023 and 2022, there were no unpaid refunds to the U.S. Department of Education or to lenders who issued SFA loans. Accordingly, no part of the current liabilities consists of repayment obligations. The Institution processes and posts students' refunds within 45 days of the date a student withdraws or is terminated from the Institution.

NOTE 11: CONCENTRATION OF CREDIT RISK

The Institution maintains many banks accounts with large regional banks. The balances of these accounts may exceed the Federal Deposit Insurance Corporation insured $250,000 limit. It is the Institution's policy to try to ensure that the balance in any bank does not exceed $250,000 at any time. It is, however, not practicable for an Institution of this size to maintain cash balance below $250,000 at all times, due to the ongoing cash needs of the Institution.

Concentration of credit risk with respect to accounts receivables are limited due to the large number of customers comprising the Institution's customer base.

NOTE 12: INCOME TAXES

The Institution is a non-profit entity formed for charitable purposes and is exempt from Federal and State Income Taxes under Section 501(c)(3). As such, no income tax is due from the Institution. Donors may deduct contributions made to the Intuition within Internal Revenue Code Regulations. The Institution is subject to a tax on any unrelated business income. The Institution's policy is to classify income tax related interest and penalties in interest expenses.

NOTE 13: RELATED PARTY TRANSACTIONS

Massachusetts School of Law derives a substantial portion of its revenues from Student Financial Aid (SFA) received by its students under the Title IV programs administered by the U.S. Department of Education pursuant to the Higher Education Act of 1965, as amended (HEA). Massachusetts School of Law 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. As of July 31, 2023 and 2022, the Institution had no related party transactions.

NOTE 14: AVAILABILITY OF RESOURCES AND LIQUIDITY

The Institution monitors the liquidity required to meet its operating needs. Financial assets without donor restrictions that are available for general operating use within one year of the Statements of Financial Position date are as follows as of July 31, 2023 and 2022:

Financial Assets Without Donor Restriction Available for General Operating Use	**2023**	**2022**
Cash and Cash Equivalents	$ 557,981	$ 494,898
Accounts Receivable	134,608	122,331
Investments	7,900,540	8,018,712
	$ 8,593,129	$ 8,635,941
Cash Runway Given Assets Available as of July 31,		
Financial Assets Available	8,593,129	8,635,941
Total Operating Expenses	5,836,112	6,174,437
Months of Operating Net Assets Without Donor Restriction to Cover Operating Expenses	18	17
Current Ratio		
Total Current Assets	9,261,250	8,823,647
Total Current Liabilities	125,703	95,537
Current Ratio	73.68:1	92.36:1

NOTE 15: DONATIONS WITH RESTRICTIONS

During the year ended July 31, 2022, the Institution was awarded a $100,000 grant by the Cummings Foundation, of which $50,000 was received within the current year, and the remaining $50,000 will be provided next year. These funds are restricted in use for the development of the Master's in Law and Business program at the Institution. As of July 31, 2023, the full grant was received and $12,929 has been applied to the development of the Master's in Law and Business program.

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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 INSTANCES OF NONCOMPLIANCE OR OTHER MATTERS IDENTIFIED)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Massachusetts School of Law
500 Federal Street
Andover, Massachusetts 01810

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 Massachusetts School of Law, which comprise the statement of financial position as of July 31, 2023 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 12, 2024.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered Massachusetts School of Law'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Massachusetts School of Law's internal control. Accordingly, we do not express an opinion on the effectiveness of Massachusetts School of Law's internal control.

A *deficiency in internal control* over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Massachusetts School of Law'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 over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 audits 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 have not been identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Massachusetts School of Law'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 statements. Such tests included compliance tests as set forth in the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance). However, providing an opinion on compliance with those provisions was not an objective of our audits, 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 Uniform Guidance.

PURPOSE OF THIS REPORT

The purpose of this 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 entity's internal control over financial reporting 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 over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

David A Levy CPA LLC
Needham, Massachusetts
March 12, 2024

SUPPLEMENTARY INFORMATION

A. PROFITABILITY, ACID TEST RATIO, TANGIBLE NET WORTH

CHANGES IN NET ASSETS

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

Description		2023	2022		2021
Unrestricted Revenues	$	6,323,267	4,797,415	$	7,159,706
Release from Temp Restricted Funds		12,929	-		-
Total Expenses (excluding Taxes)		(5,836,112)	(6,174,437)		(5,585,111)
Change in Net Assets		500,084	(1,377,022)		1,574,595
Tax Expenses		-	-		-
Net Change in Net Assets after tax	$	500,084	(1,377,022)	$	1,574,595

ACID TEST RATIO

The Institution's current ratio as of the current and previous audit years was as follows:

Description		2023		2022
Current Assets	$	9,261,250	$	8,823,647
Current Liabilities		125,703		95,537
Acid Test Ratio		73.68:1		92.36:1

TANGIBLE NET WORTH

The tangible net assets of the Institution as of the current and previous audit years:

Description		2023		2022
Total Assets	$	11,246,849	$	10,679,528
Less: Total Liabilities		(125,703)		(95,537)
Net Asssets Unrestricted		11,034,075		10,533,991
Net Asssets Restricted		87,071		50,000
Less: Intangible Assets		-		-
Tangible Net Assets	$	11,121,146	$	10,583,991

B. 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. Currently, the 3-year Cohort Default Rate published online by the USDOE for the Institution is 0.0% (FY 2020).

C. 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 3.0 for the fiscal year ended July 31, 2023 as detailed below:

Ratio	Ratio		Strength Factor	Weight	Composite Scores
Primary Reserve Ratio	1.5653	10	3.0000	40%	1.2000
Equity Ratio	0.9888	6	3.0000	40%	1.2000
Net Income Ratio	0.0912	1	3.0000	20%	0.6000
					3.0000
TOTAL Composite Score - Rounded					3.0

This ratio as of fiscal year ended July 31, 2022 was 2.2.

C. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE (CONT'D)

Primary Reserve Ratio

Lines		Primary Reserve Ratio:		
		Expendable Net Assets:		
24	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		11,034,075
30	Statement of Financial Position - Net Assets with Donor Restrictions	Net assets with donor restrictions		87,071
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	
4	Statement of Financial Position - Related Party Receivable and Related party note disclousure	Unsecured related party receivable		-
8	Statement of Financial Position - Property, Plant and Equipment , Net	Property, Plant and Equipment, net (includes Construction in progress)	1,985,599	
FS Note line 8A	Note of the Financial Statements - Statement of Financial Position - Property, Plant and Equipment - pre-implementation	Property, plant and equipment - pre-implementation		1,604,061
FS Note line 8B	Note of the Financial Statements - Statement of Financial Position - Property, Plant and Equipment - post-implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase		-
FS Note line 8D	Note of the Financial Statements - Statement of Financial Position - Property, Plant and Equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without oustanding debt for original purchase		381,538
FS Note line 8C	Note of the Financial Statements - Statement of Financial Position - Construction in process	Construction in process		-
9	Statement of Financial Position - Lease right-of-use-assets, net	Lease right-of-use asset, net	-	

C. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE (CONT'D)

Excluded Line 9 Note Leases	Note of Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use assets pre-implementation		-
M9 Note Leases	Note of Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right-of-use assets post-implementation		-
10	Statement of Financial Position - Goodwill	Intangible Assets		-
17	Statement of Financial Position - Post-empolyment and pension liabilities	Post-employment and pension liabilities		-
14, 20, 22	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	-	
M24, 20, 22, Note Debt A	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation		-
M24, 20, 22, Note Debt B	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation		-
M24, 20, 22, Note Debt C	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process		-
21	Statement of Financial Position - Lease right-of-use of asset liability	Lease right-of-use of asset liability	-	
Excluded Line 21 Note Leases	Statement of Financial Position - Lease right-of-use of asset liability pre-implementation	Pre-implementation right-of-use leases		-
Line 21 Note Leases	Statement of Financial Position - Lease right-of-use of asset liability post-implementation	Post-implementation right-of-use leases		-
25	Statement of Financial Position - Annuities	Annities with donor restrictions		-
26	Statement of Financial Position - Term Endowments	Term endowments with donor restrictions		-
27	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions		-

C. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE (CONT'D)

Equity Ratio

29	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		-
		Total Expenses and Losses:		
43	Statement of Activities - Total Operating Expenses, (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities		5,836,112
(35), 45, 46, 47, 48, 49	Statement of Activities_Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss)-(Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		(481,828)
(35), 45	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net Investment losses		(481,828)
47	Statement of Activities - Pension-related changes other than periodic pension	Pension-related changes other than net periodic costs		-

		Modified Net Assets:		
24	Statement of Financial Position - Net Assets without Donor Restriction	Net assets without donor restrictions		11,034,075
30	Statement of Financial Position - Total Net Assets with Donor Restriction	Net assets with donor restrictions		87,071
10	Statement of Financial Position - Goodwill	Intangible assets		-
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivables		-
		Modified Assets:		
12	Statement of Financial Position - Total Assets	Total assets		11,246,849
Excluded Line 9 Note Leases	Note of Financial Statements - Statement of Financial Postion - Lease right-of-use asset pre-implementation	Lease right-of-use assets pre-implementation		-
Excluded Line 21 Note Leases	Statement of Financial Postion - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		-
10	Statement of Financial Position - Goodwill	Intangible Assets		-
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivables		-
		Net Income Ratio:		
51	Statement of Activities - Change in Net Assets Without Donor Restrictions	**Change in Net Assets Without Donor Restrictions**		537,155
38, (35), 50	Statement of Activities - (Net assets released from restriction),Total Operating Revenue and Other Additional and Sale of Fixed Assets, gains (losses)	**Total Revenues and Gains**		5,891,439

C. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE (CONT'D)

Statement of Financial Position

Line		
1	Cash and cash equivalents	557,981
2	Accounts receivable, net	772,490
3	Prepaid expenses / Inventory	30,239
4	Related party receivable - unsecured	-
4	Related party receivable - secured	-
5	Contributions receivable, net	-
6	Student loans receivable, net	-
7	Investments	7,900,540
8	Property, plant and equipment, net	1,985,599
9	Lease right-of-use asset, net	-
10	Goodwill / Intangible Assets	-
11	Deposits	-
12	**Total Assets**	**11,246,849**
13	Line of credit - short term	-
14	Line of credit - short term for CIP	-
15	Accrued expenses/Accounts payable	77,755
16	Deferred revenue	47,948
17	Post-employment and pension liability	-
18	Line of credit - operating	-
19	Other liabilities	-
20	Notes payable	-
21	Lease right-of-use asset liability	-
22	Line of credit for long term purposes	-
23	**Total Liabilities**	**125,703**
24	Net Assets without Donor Restrictions	**11,034,075**
	Net Assets with Donor Restrictions	
25	Annnuities	-
26	Term endowments	-
27	Life income funds	-
28	Other restricted by purpose and time	87,071
29	Restricted in perpetuity	-
30	**Total Net Assets with Donor Restrictions**	87,071
31	**Total Net Assets**	**11,121,146**
32	**Total Liabilities and Net Assets**	**11,246,849**

Statement of Activities

Line		
	Change in Net Assets Without Donor Restrictions	
	Operating Revenue and Other Additions:	
33	Tuition and fees, net	5,114,447
34	Contributions	50,000
35	Investment return appropriated for spending	-
36	Auxiliary enterprises	726,992
37	Net assets released from restriction	-
38	**Total Operating Revenue and Other Additions**	**5,891,439**
	Operating Expenses and Other Deductions:	
39	Education and research expenses	3,360,051
40	Depreciation and Amortization	134,562
41	Interest Expense	-
42	Auxiliary expenses	2,341,499
43	**Total Operating Expenses**	**5,836,112**
44	**Change in Net Assets from Operations**	**55,327**
	Non-Operating Changes	
45	Investments, net of annual spending, gain (loss)	481,828
46	Other components of net periodic pension costs	-
47	Pension-related changes other than net periodic pension costs	-
48	Change in value of split-interest agreements	-
49	Other gains (losses)	-
50	Sale of fixed assets, gains (losses)	-
	Total Non-Operating Changes	**481,828**
51	**Change in Net Assets Without Donor Restrictions**	**537,155**
	Change in Net Assets With Donor Restrictions	
52	Contributions	-
53	Net assets released from restriction	-
54	**Change in Net Assets With Donor Restrictions**	-
55	**Change in Net Assets**	**537,155**
56	**Net Assets, Beginning of Year**	-
31	**Net Assets, End of Year**	**537,155**

Calculating the Composite Score

	Lines		
Primary Reserve Ratio = Expendable Net Assets	24+30-29-(25+26+27)-10-(8+9)+17+(M14+M20+M21+M22)-4	9,135,547	1.5653
/ Total Expenses and Losses Without Donor Restrictions	43+46+48+49	5,836,112	
Equity Ratio = Modified Net Assets	24+30-10-4	11,121,146	0.9888
/ Modified assets	12-10-4	11,246,849	
Net Income Ratio = Change in Net Assets Without Donor Restrictions	51	537,155	0.0912
/ Total Revenues and Gains Without Donor Restrictions	38-35+50	5,891,439	

C. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE (CONT'D)

Note for Line 8 - Net Property, Plant and Equipment

A.	Pre-Implementation Property, Plant and Equipment		1,604,061
B.	Post-Implementation Property, Plant and Equipment		-
	Vehicles	-	
	Furniture	-	
	Computers	-	
C.	Construction in progress		-
D.	Post-Implementation Property, Plant and Equipment		381,538
	Total		1,985,599

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 aftrer the implementation of the regulations that was purchased by obtaining debt
C. Asset value of the Construction in progress
D. Post-Implementation Property, Pland and Equipment with no outstanding debt.

Notes for Line 14, 20 and 24 - Long-term debt for long term purposes

A.	Pre-Implementation Long-term debt		-
B.	Allowable Post-Implementation Long-term Debt		-
	Vehicles	-	
	Furniture	-	
	Computers	-	
C.	Construction in progress - debt		-
D.	Long-term debt not for the purchase of Property, Plant and Equipment or liability greater than assets value		-
	Total		-

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 aftrer the implementation of the regulations that was purchased by obtaining debt
C. Asset value of the Construction in progress
D. Post-Implementation Property, Pland and Equipment with no outstanding debt.

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

A.	Lease right-of-use assets - pre-implementation	-	Removed from assets
B	Lease right-of-use assets - post-implementation	-	
	Total	-	

Note for Line 21 - Lease right-of-use asset liability

A.	Lease right-of-use assets - pre-implementation	-	Removed from assets
B.	Lease right-of-use assets - post-implementation	-	
	Total	-	

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REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM, ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE *(UNMODIFIED OPINION ON COMPLIANCE, NO MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL OVER COMPLIANCE IDENTIFIED)*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Massachusetts School of Law
500 Federal Street
Andover, Massachusetts 01810

OPINION ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Massachusetts School of Law's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on Massachusetts School of Law's major federal program for the year ended July 31, 2023. Massachusetts School of Law's major federal program is identified in the summary of auditor's results section of the schedule of Findings and Questioned Costs.

In our opinion, Massachusetts School of Law complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended July 31, 2023.

BASIS FOR OPINION ON SFA PROGRAMS

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

We are required to be independent of Massachusetts School of Law and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Massachusetts School of Law 's compliance with the compliance requirements referred to above.

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

Management is Responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Massachusetts School of Law's federal programs.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Massachusetts School of Law's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding each major federal program's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Massachusetts School of Law's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Purpose of Report

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

David A Levy CPA LLC

David A Levy CPA LLC
Needham, Massachusetts
March 12, 2024

Federal Grantor	**Federal CFDA Number**	**Federal Expenditures**
U.S Department of Education:		
Student Financial Assistance Cluster		
Federal Direct Student Loans	84.268	$ 4,990,306
Total Student Financial Assistance Cluster		$ 4,990,306
Total Expenditures of U.S. Department of Education		$ 4,990,306
Total Expenditure of Federal Awards		$ 4,990,306

PURPOSE OF SCHEDULE

Office of Management and Budget Uniform Guidance requires a schedule of Expenditures of Federal awards showing total expenditures for each federal award program as identified in the Catalog of Federal Domestic Assistance (CFDA).

SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity-The accompanying schedule includes all federal award programs for the fiscal year ended July 31, 2023. The reporting entity is defined in Notes to Financial Statements as of July 31, 2023.

B. Basis of presentation-The information in the accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Massachusetts School of Law, it is not intended to and does not present the financial position, changes in net assets or cash flows of Massachusetts School of Law.

1. Pursuant to the Uniform Guidance, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations.

2. Major Programs- The Uniform Guidance establishes the levels of expenditure or expenses to be used in defining major federal financial award programs. Major programs for the school have been identified in the attached Schedule of Findings and Questioned costs.

C. Basis of Accounting-The information presented in the schedule of expenditures of federal awards is presented on the accrual basis of accounting, which is consistent with the reporting in the Institution’s financial statements.

D. Indirect Cost Rate - The school has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

E. Subrecipients – There were no funds passed through to subrecipients.

I. SUMMARY OF AUDIT RESULTS

Financial Statements
Type of auditor's report issued:

Internal control over financial reporting:

• Material weaknesses identified	____ Yes	X No
• Significant weaknesses identified	____ Yes	X No
Noncompliance material to financial statements noted?	____ Yes	X No

Federal awards
Internal control over major program:

• Material weaknesses identified?	____ Yes	X No
• Significant deficiencies identified?	____ Yes	X No

Type of auditor's report issued on compliance for major program: Unmodified

• Any Audit Findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	____ Yes	X No

Identification of major programs

CFDA Number	Name of Federal Program
84.268	Federal Direct Loan Program

Dollar Threshold used to distinguish between
Type A and Type B programs $750,000

Auditee qualified as low-risk auditee? Yes

II. FINANCIAL STATEMENT FINDINGS

A. Internal control- None

B. Compliance Findings- None

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Internal Control- None

B. Compliance Findings- None

CURRENT AUDIT

There were no instances of noncompliance noted within sample population during the current audit.

The office of David A Levy CPA LLC performed the Student Financial Aid Audit for the year ended July 31, 2022. There were no instances of noncompliance noted within the sample population.

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CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JULY 31, 2023

Audit Firm: David A Levy CPA LLC
Audit Period: August 1, 2022- July 31, 2023

CURRENT AUDIT

There were no instances of noncompliance noted within the sample population within the current audit.

PRIOR AUDIT

There were no instances of noncompliance noted within the sample population during the prior audit, and therefore, no corrective action plan was required, and no status is applicable.

Ms. Lynn Bowab, Director of Financial Operations
Massachusetts School of Law

3/14/2024
Date