

Tomorrow's Image Barber & Beauty Academy of Virginia - #056060-00 **Financial Monitoring Disclosure Information**

Each year, the Board of Commissioners of the National Accrediting Commission of Career Arts & Sciences, Inc. (NACCAS) monitors institutions' compliance with Standards of financial practices and management (Standard VII, Criterion 1) based on financial statements, which institutions must submit within six months following fiscal year's end. At its November 10, 2020 meeting, the Commission met to consider the record of the referenced institution related to its failure to comply with NACCAS' Standard VII, Criterion D1(d) based on significant and/or material internal control findings reported in audited financial statements for the fiscal year ended December 31, 2019.

Therefore, pursuant to Section 8.9 of NACCAS' *Rules of Practice and Procedure* (hereinafter referred to as the "Rules"), Internal Control Reporting Requirements are hereby imposed on the institution for the reasons explained in Schedule I.

Please be informed that based on the Internal Control Reporting Requirements, and following the instructions explained in Schedule I, the Commission pursuant to Section 8.16 of NACCAS' *Rules* hereby directs the institution to submit a "Corrective Action Plan" consisting of the following:

Schedule I **Internal Control Reporting Requirements**

- I. At a meeting held on November 10, 2020, the Board of Commissioners of the National Accrediting Commission of Career Arts & Sciences, Inc. (NACCAS) met to consider the record of the referenced institution related to its failure to comply with NACCAS' Standard VII, Criterion D1(d) based on significant and/or material internal control findings reported in audited financial statements for the fiscal year ended December 31, 2019, as shown in the chart that follows.

Internal Control Findings	
Criteria	Classification
Lack of adequate oversight over the financial performance and operations of the additional locations in Durham and Charlotte. The Institution's management and stockholder need to have a more hands on approach on how the business is performing with regards to the additional locations that have a management company called ABC Strategy managing the operations. Consolidating the financial records of the additional locations and main location is a critical component and input for better decision making.	Material Weakness

The institution's audited financial statements for fiscal year ended December 31, 2019 reported one (1) significant and/or material internal control finding and therefore failed to demonstrate compliance with Standard VII, Criterion D1(d).