



# **Benton Hall Corporation**

## **FINANCIAL STATEMENTS**

**June 30, 2021 and 2020**



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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors  
Benton Hall Corporation  
Nashville, Tennessee

We have reviewed the accompanying financial statements of Benton Hall Corporation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Carr, Riggs & Ingram, L.L.C.*  
CARR, RIGGS & INGRAM, LLC

Nashville, Tennessee  
February 28, 2022

**Benton Hall Corporation**  
**Statements of Financial Position**

<i>June 30,</i>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 515,026	\$ 524,601
Accounts receivable	4,609	11,172
Inventory	726	726
Prepaid expenses	11,984	1,399
Property and equipment	41,519	43,495
<b>Total assets</b>	<b>\$ 573,864</b>	<b>\$ 581,393</b>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 6,642	\$ 7,474
Accrued liabilities	57,329	50,104
Deferred revenue	22,620	16,665
Paycheck Protection Program loan	120,545	130,497
Note payable	150,000	150,000
<b>Total liabilities</b>	<b>357,136</b>	<b>354,740</b>
<b>Net assets</b>		
Without donor restrictions:		
Undesignated	56,373	86,061
Designated by the Board for long term reserves	124,487	124,126
<b>Total without donor restrictions</b>	<b>180,860</b>	<b>210,187</b>
With donor restrictions	35,868	16,466
<b>Total net assets</b>	<b>216,728</b>	<b>226,653</b>
<b>Total liabilities and net assets</b>	<b>\$ 573,864</b>	<b>\$ 581,393</b>

*See independent accountants' review report and notes to financial statements.*

**Benton Hall Corporation**  
**Statement of Activities**

<i>For the Year Ended June 30,</i>	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Other Support</b>			
Tuition and fees	\$ 800,493	\$ -	\$ 800,493
Less: financial aid and discounts	(50,577)	-	(50,577)
Service fees	11,498	-	11,498
Tuition and fees, net	761,414	-	761,414
Other income	7,255	-	7,255
Contributions	32,387	19,402	51,789
Interest income	338	-	338
Paycheck Protection Program Loan	132,056	-	132,056
Net assets released from restrictions	-	-	-
Total revenue and other support	933,450	19,402	952,852
<b>Expenses</b>			
Program services	703,283	-	703,283
Management and general	238,583	-	238,583
Fundraising	20,911	-	20,911
Total expenses	962,777	-	962,777
Change in net assets	(29,327)	19,402	(9,925)
Net assets at beginning of year	210,187	16,466	226,653
Net assets at end of year	\$ 180,860	\$ 35,868	\$ 216,728

*See independent accountants' review report and notes to financial statements.*

**Benton Hall Corporation**  
**Statement of Activities**

<i>For the Year Ended June 30,</i>	<i>2020</i>		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Other Support</b>			
Tuition and fees	\$ 786,079	\$ -	\$ 786,079
Less: financial aid and discounts	(42,226)	-	(42,226)
Service fees	12,500	-	12,500
Tuition and fees, net	756,353	-	756,353
Other income	20,603	-	20,603
Contributions	62,160	8,900	71,060
Special events revenues, net of direct costs	22,196	-	22,196
Interest income	317	-	317
Net assets released from restrictions	3,900	(3,900)	-
Total revenue and other support	865,529	5,000	870,529
<b>Expenses</b>			
Program services	700,054	-	700,054
Management and general	230,017	-	230,017
Fundraising	26,846	-	26,846
Total expenses	956,917	-	956,917
Change in net assets	(91,388)	5,000	(86,388)
Net assets at beginning of year	301,575	11,466	313,041
Net assets at end of year	\$ 210,187	\$ 16,466	\$ 226,653

*See independent accountants' review report and notes to financial statements.*

**Benton Hall Corporation**  
**Statement of Functional Expenses**

*For the Year Ended June 30,*

**2021**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Outside labor and services	\$ 21,230	\$ -	\$ -	\$ 21,230
Salaries and wages	420,504	129,323	15,504	565,331
Employee benefits	29,563	6,926	-	36,489
Payroll taxes	30,945	9,870	1,172	41,987
Fees for services	2,010	65,580	-	67,590
Supplies	9,663	1,070	2,400	13,133
Dues and subscriptions	1,932	587	-	2,519
Taxes and insurance	9,997	5,158	-	15,155
Student activities	12,410	-	-	12,410
Public relations and marketing	346	11,506	598	12,450
Bank charges	1,365	1,147	131	2,643
Telecommunications	7,967	-	-	7,967
Postage and shipping	325	575	-	900
Occupancy	100,996	2,843	948	104,787
Equipment rental and maintenance	5,165	-	-	5,165
Travel and vehicle	2,226	-	-	2,226
Meetings	4,002	194	-	4,196
Interest	6,430	-	-	6,430
Depreciation	11,887	3,804	158	15,849
Other expenses	2,002	-	-	2,002
Bad debts and collection costs	19,407	-	-	19,407
Costs of goods sold	2,911	-	-	2,911
<b>Total</b>	<b>\$ 703,283</b>	<b>\$ 238,583</b>	<b>\$ 20,911</b>	<b>\$ 962,777</b>

*See independent accountants' review report and notes to financial statements.*

**Benton Hall Corporation**  
**Statement of Functional Expenses**

*For the Year Ended June 30,*

2020

	Program Services	Management and General	Fundraising	Total
Outside labor and services	\$ 7,025	\$ -	\$ -	\$ 7,025
Salaries and wages	458,826	129,045	15,790	603,661
Employee benefits	29,424	5,489	-	34,913
Payroll taxes	30,990	9,779	1,180	41,949
Fees for services	2,045	60,935	-	62,980
Supplies	7,451	675	2,400	10,526
Dues and subscriptions	5,124	711	-	5,835
Taxes and insurance	9,280	5,955	-	15,235
Student activities	5,196	-	-	5,196
Public relations and marketing	3,790	9,800	6,054	19,644
Bank charges	1,662	-	303	1,965
Telecommunications	6,427	-	-	6,427
Postage and shipping	3,129	393	-	3,522
Occupancy	89,440	2,795	932	93,167
Equipment rental and maintenance	4,891	-	-	4,891
Travel and vehicle	558	-	-	558
Meetings	2,078	-	16	2,094
Interest	137	-	-	137
Depreciation	12,851	4,112	171	17,134
Other expenses	2,241	328	-	2,569
Bad debts and collection costs	3,285	-	-	3,285
Costs of goods sold	14,204	-	-	14,204
Total	\$ 700,054	\$ 230,017	\$ 26,846	\$ 956,917

*See independent accountants' review report and notes to financial statements.*



## Benton Hall Corporation Statements of Cash Flows

<i>For the Years Ended June 30,</i>	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Change in net assets	\$ (9,925)	\$ (86,388)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	15,849	17,134
Bad debt expense	19,407	3,285
Paycheck Protection Program loan forgiveness	(130,497)	-
Changes in operating assets and liabilities:		
Accounts receivable	(12,844)	(6,417)
Prepaid expenses	(10,585)	19,887
Accounts payable	(832)	3,411
Accrued liabilities	7,225	(5,005)
Deferred revenue	5,955	(4,049)
Net cash provided by (used in) operating activities	(116,247)	(58,142)
<b>Investing Activities</b>		
Purchases of property and equipment	(13,873)	-
Net cash provided by (used in) investing activities	(13,873)	-
<b>Financing Activities</b>		
Proceeds from Paycheck Protection Program loan	120,545	130,497
Principal borrowings of note payable	-	150,000
Principal repayments of note payable	-	(7,690)
Net cash provided by (used in) financing activities	120,545	272,807
Net change in cash	(9,575)	214,665
Cash and cash equivalents at beginning of year	524,601	309,936
Cash and cash equivalents at end of year	\$ 515,026	\$ 524,601

*See independent accountants' review report and notes to financial statements.*

## **Benton Hall Corporation**

### **Notes to Financial Statements**

#### **Note 1: DESCRIPTION OF THE ORGANIZATION**

Benton Hall Corporation (the Academy) is a Tennessee non-profit corporation which operates as Benton Hall Academy. The Academy is located in Nashville, Tennessee, and serves students in the Middle Tennessee area. It is a private co-educational school for grades three through twelve. The Academy is dedicated to the education of students with learning differences who may not thrive in a traditional educational setting. The Academy's operations are supported primarily through tuition and fees collected for services.

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

##### ***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and 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.

##### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

##### ***Accounts Receivable***

Tuition and fees are due from July through May, depending on the type of deferred payment plan chosen. Carrying amounts of receivables for tuition, fees, and pledges are reduced by a valuation allowance, if necessary, which reflects the Academy's best estimate of the amounts that will not be collected. The allowances are estimated based on the Academy's knowledge of its supporters, students, historical loss experience, and existing economic conditions. It is the Academy's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**Benton Hall Corporation**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Inventory***

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statement of activities in the period in which it occurs.

***Property and Equipment***

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

***Net Assets***

The Academy reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Academy, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

## **Benton Hall Corporation**

### **Notes to Financial Statements**

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Revenue Recognition and Deferred Revenue***

Tuition revenue and other program service fees are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the contracts with customers are satisfied. Tuition is recognized as revenue pro-rata over the related school year. Deferred revenue relates to tuition and deposit payments received for the upcoming school year.

##### ***Contributions***

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the statement of activities as net assets released from restrictions. Contributions receivable are recorded at the time a promise is made.

##### ***Functional Allocation of Expenses***

Directly identifiable expenses are charged to program, management and general, or fundraising services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage.

##### ***Advertising and Promotion***

The Academy uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended June 2021 and 2020, advertising costs totaled \$12,450 and \$19,644, respectively.

##### ***Income Taxes***

Under section 501(c)(6) of the Internal Revenue Code, the Academy is exempt from taxes on income other than unrelated business income. The Academy does not have any significant sources of unrelated business income. In addition, the Academy qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

## **Benton Hall Corporation**

### **Notes to Financial Statements**

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Income Taxes***

The Academy utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2021 and 2020, the Academy has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. The Academy believes it is no longer subject to income tax examinations for years prior to 2018.

##### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 28, 2022. See Note 16 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

##### ***Contingencies***

The Academy has elected to be a reimbursing employer for unemployment claims, rather than paying Tennessee state unemployment insurance premiums. Reimbursing employers pay actual approved claims as they occur, plus an administrative fee. The Academy is not aware of any pending unemployment claims.

#### **Note 3: RECENT ACCOUNTING PRONOUNCEMENTS**

##### ***Recently Adopted Accounting Guidance***

Effective July 1, 2020, the Academy adopted ASU-2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU that comprise ASU 606, *Revenue from Contracts with Customers* (collectively, "ASC 606"), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The Academy's revenues are recognized as revenue as the Academy satisfies its obligation to the customer. Services within the scope of ASC 606 include, tuition revenue from primary education instruction and revenue from other program fees. Refer to Note 10 for further discussion on the Academy's accounting policies for revenue sources within the scope of ASC 606.

**Benton Hall Corporation**  
**Notes to Financial Statements**

**Note 3: RECENT ACCOUNTING PRONOUNCEMENTS (Continued)**

***Accounting Guidance Not Yet Adopted***

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Company is currently evaluating the impact of the guidance on its financial statements.

**Note 4: FINANCIAL ASSET AVAILABILITY**

The Academy maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Academy's expenditures come due. The following reflects the Academy's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>June 30,</i>	<b>2021</b>	2020
Financial assets, at year end		
Cash	\$ 515,026	\$ 524,601
Accounts receivable, net	4,609	11,172
Total financial assets	<b>519,635</b>	535,773
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions	<b>(35,868)</b>	\$ (16,466)
Financial assets available to meet general expenditures within one year	<b>\$ 483,767</b>	\$ 519,307

Financial assets at year-end as noted in the above schedule exclude property and equipment and prepaid expenses.

**Benton Hall Corporation**  
**Notes to Financial Statements**

**Note 5: ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following:

<i>June 30,</i>	<b>2021</b>	<b>2020</b>
Tuition receivable	\$ 25,381	\$ 13,565
Allowance for doubtful accounts	(20,772)	(2,393)
	<b>\$ 4,609</b>	<b>\$ 11,172</b>

Bad debt expense totaled \$19,407 and \$3,285 for 2021 and 2020, respectively.

**Note 6: PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

<i>June 30,</i>	<b>2021</b>	<b>2020</b>
Furniture and fixtures	\$ 24,297	\$ 24,297
Equipment	243,816	235,137
Transportation equipment	59,869	59,869
Leasehold improvements	23,619	18,425
Website development costs	7,230	7,230
	<b>358,831</b>	<b>344,958</b>
Accumulated depreciation	(317,312)	(301,463)
	<b>\$ 41,519</b>	<b>\$ 43,495</b>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$15,849 and \$17,134, respectively.

**Note 7: PAYCHECK PROTECTION PROGRAM LOANS**

In April 2020, in response to the global pandemic, the Academy applied for and received a \$130,497 loan through the Paycheck Protection Program under the CARES Act. The Academy applied for forgiveness of the entire debt amount and in June 2021, the Academy received notice that the loan and related interest were forgiven. Accordingly, they were recognized as income in June 2021.

**Benton Hall Corporation**  
**Notes to Financial Statements**

**Note 7: PAYCHECK PROTECTION PROGRAM LOANS (Continued)**

In January 2021, the Academy applied for and received a second loan of \$120,545 through the Paycheck Protection Program under the CARES Act. The loan bears an annual interest rate of 1%. In November 2021, the Academy received notice that the loan principal and accrued interest were forgiven.

**Note 8: LINE OF CREDIT**

The Academy maintains a line of credit agreement with a financial institution. Available borrowings related to the agreement are \$25,000, with an interest rate at the bank's prime rate (3.25% at June 30, 2021) plus 475 basis points subject to a floor rate of 5.0%. The line of credit is unsecured. The credit line expires on June 11, 2025. There was no outstanding balance as of June 30, 2021 and 2020.

**Note 9: NOTE PAYABLE**

The Academy obtained a note payable from the U.S. Small Business Association in the form of a \$150,000 Economic Injury Disaster Loan (EIDL) on May 24, 2020. Payments are deferred for two years, but interest accrues on the outstanding amount at a rate of 2.75% and is added to the principal. The loan is secured by all the assets of the Academy. After the deferred payment period, principal and interest payments are due monthly and the note matures on May 25, 2050. The outstanding balance on the note payable at June 30, 2021 and 2020 was \$150,000.

Principal maturities for each of the next five years and thereafter, excluding the PPP loan discussed above, follow:

<i>Years Ending June 30,</i>	
2022	\$ -
2023	3,345
2024	3,705
2025	3,809
2026	3,915
Thereafter	135,226
	<hr/>
	\$ 150,000

In July 2021 the Academy amended its loan agreement with the U.S. Small Business Association and received additional EIDL funding of \$350,000 bringing the total loan balance to \$500,000. The EIDL matures in July 2051, all other terms remain the same.



**Benton Hall Corporation**  
**Notes to Financial Statements**

**Note 10: NET ASSETS**

A summary of net assets with donor restrictions follows:

<i>June 30,</i>	<b>2021</b>	<b>2020</b>
Financial aid	\$ 21,291	\$ 1,889
Behavioral testing	2,500	2,500
Technology	6,761	6,761
Other	316	316
Modular classroom	5,000	5,000
	<b>\$ 35,868</b>	<b>\$ 16,466</b>

Net assets released from net assets with donor restrictions are as follows:

<i>For the Year Ended June 30,</i>	<b>2021</b>	<b>2020</b>
Financial aid	\$ -	\$ 1,000
Teacher bonuses	-	2,700
Other	-	200
	<b>\$ -</b>	<b>\$ 3,900</b>

**Note 11: REVENUE RECOGNITION**

The Academy earns tuition and fee revenue from its contracts with individuals to provide primary education instruction. This revenue is earned over time as the Academy provides educational instruction over the term of the school year. The timing of revenue recognition, billings and cash collections, results in billed accounts receivable and contract liabilities for tuition amounts received in advance. The adoption of ASC 606 did not result in a change to the accounting for any in-scope revenue streams; as such no cumulative effect adjustment was recorded.

As of June 30, 2021, there is \$22,620 of performance obligations relating to contract liabilities to be satisfied, of which all is expected to be recognized in the fiscal year ending June 30, 2022. These contract liabilities are based upon the School's obligation to provide primary educational instruction.

**Benton Hall Corporation**  
**Notes to Financial Statements**

**Note 11: REVENUE RECOGNITION (Continued)**

The beginning and ending contract balances are as follows:

<i>June 30,</i>	<b>2021</b>	<b>2020</b>
Accounts receivable, net - beginning of year	\$ 11,172	\$ 8,040
Accounts receivable, net - end of year	\$ 4,609	\$ 11,172
Contract liabilities - beginning of year	\$ 16,665	\$ 20,714
Contract liabilities - end of year	\$ 22,620	\$ 16,665

**Note 12: COMMITMENTS**

The Academy leases its facility, located in Nashville, Tennessee, under an operating lease that matures on July 31, 2027. The lease agreement requires monthly lease payments of \$6,500 along with monthly payments of \$1,000 for the Academy's share of operating expenses. Monthly lease payments remain fixed until August 1, 2022, when the monthly lease payment increases to \$7,150. The Academy has a tenant's right of first refusal in the event that the landlord enters into a binding contract to sell the property to an unaffiliated third party.

In the event that the tenant does not exercise the right of first refusal, the landlord has the option to terminate the lease as of the early termination date. The early termination date is defined as follows:

If a sales contract has a closing date between:	The early termination date shall be the last day of:
January and May	May of the following calendar year
June and August	August of the following calendar year
September and June	June of the following calendar year.

Rent expense for the years ended June 30, 2021 and 2020 was \$94,023 and \$96,699, respectively.

**Benton Hall Corporation**  
**Notes to Financial Statements**

**Note 12: COMMITMENTS (Continued)**

Minimum lease payments under operating leases that are noncancelable by the Academy are as follows:

*For the Years Ended June 30,*

2022	\$ 90,000
2023	97,150
2024	97,800
2025	97,800
2026	97,800
	<hr/>
	\$ 480,550

**Note 13: CONCENTRATIONS OF CREDIT RISK**

The Academy maintains cash with a financial institution in excess of the FDIC limit of \$250,000 by approximately \$273,000 and \$272,000 at June 30, 2021 and 2020, respectively.

For the years ended June 30, 2021 and 2020, one donor comprised 26% and 14% of contributions received, respectively.

**Note 14: RETIREMENT PLAN**

Employees of the Academy are eligible to participate in a SIMPLE IRA retirement plan. Under the plan, the Academy matches 100% of the amount the employee elects to contribute to the plan up to a maximum of 3% of the employee's eligible compensation. Retirement expense totaled \$12,554 and \$10,351 for the years ended June 30, 2021 and 2020, respectively.

**Note 15: EFFECT OF COVID-19 PANDEMIC**

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Academy and financial results will depend on future developments, including the duration and spread of the outbreak within markets in which the Academy operates and the related impact on our students and their families, all of which are highly uncertain.

**Benton Hall Corporation**  
**Notes to Financial Statements**

**Note 16: SUBSEQUENT EVENTS**

Management has evaluated all events or transactions that occurred after June 30, 2021 through February 28, 2022, the date the Academy's financial statements were available to be issued. The following items occurred:

As noted in Note 9, in July 2021 the Academy amended its loan agreement with the U.S. Small Business Association and received additional EIDL funding of \$350,000 bringing the total loan balance to \$500,000. The EIDL matures in July 2051, all other terms remain the same.

As noted in Note 7, in November 2021 the Academy received forgiveness of the loan principal and accrued interest of its second Paycheck Protection Program loan. The Academy will recognize \$120,545 of debt forgiveness income during the fiscal year ended June 30, 2022.