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Benton Hall Corporation

FINANCIAL STATEMENTS

June 30, 2019 and 2018

CRI CARR RIGGS & INGRAM
CPAs and Advisors
CRIcpa.com

Benton Hall Corporation
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Benton Hall Corporation
Nashville, Tennessee

We have audited the accompanying financial statements of Benton Hall Corporation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Benton Hall Corporation as of June 30, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in an Accounting Principle

As discussed in Note 2 to the financial statements, management has adopted Financial Accounting Standards Board ASU 2016-14, *Not-for-Profit Entities (Topic 958)*; this new standard requires changes to be made in how net assets are classified based on donor restrictions, has added multiple new disclosures, and requires a new statement, the statement of functional expenses. Our opinion is not modified with respect to that matter.

Prior Period Financial Statements

The June 2018 financial statements were reviewed by us, and our report thereon, dated January 10, 2019, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Carr, Riggs & Ingram, L.L.C

CARR, RIGGS & INGRAM, LLC

Nashville, Tennessee
[redacted]

Benton Hall Corporation
Statement of Financial Position

June 30,						**2019 (Audited)**
		Without Donor Restrictions		With Donor Restrictions		Total
ASSETS						
Cash	$	**298,470**	$	**11,466**	$	**309,936**
Accounts receivable		**8,040**		**-**		**8,040**
Inventory		**726**		**-**		**726**
Prepaid expenses		**21,286**		**-**		**21,286**
Property and equipment		**60,629**		**-**		**60,629**
TOTAL ASSETS	$	**389,151**	$	**11,466**	$	**400,617**
LIABILITIES						
Accounts payable	$	**4,063**	$	**-**	$	**4,063**
Accrued liabilities		**55,109**		**-**		**55,109**
Deferred revenue		**20,714**		**-**		**20,714**
Note payable		**7,690**		**-**		**7,690**
TOTAL LIABILITIES		**87,576**		**-**		**87,576**
NET ASSETS						
Without donor restrictions						
Undesignated		**177,449**		**-**		**177,449**
Designated by the Board for long term reserves		**124,126**		**-**		**124,126**
Total without donor restrictions		**301,575**		**-**		**301,575**
With donor restrictions		**-**		**11,466**		**11,466**
TOTAL NET ASSETS		**301,575**		**11,466**		**313,041**
TOTAL LIABILITIES AND NET ASSETS	$	**389,151**	$	**11,466**	$	**400,617**

Benton Hall Corporation
Statement of Financial Position

June 30,						2018 (Reviewed)
		Without Donor Restrictions		With Donor Restrictions		Total
ASSETS						
Cash	$	319,513	$	24,749	$	344,262
Accounts receivable		8,238		-		8,238
Inventory		500		-		500
Prepaid expenses		10,700		-		10,700
Property and equipment		64,051		-		64,051
TOTAL ASSETS	$	403,002	$	24,749	$	427,751
LIABILITIES						
Accounts payable	$	1,225	$	-	$	1,225
Accrued liabilities		50,927		-		50,927
Deferred revenue		10,716		-		10,716
Note payable		16,763		-		16,763
TOTAL LIABILITIES		79,631		-		79,631
NET ASSETS						
Without donor restrictions						
Undesignated		189,590		-		189,590
Designated by the Board for long term reserves		133,781		-		133,781
Total without donor restrictions		323,371		-		323,371
With donor restrictions		-		24,749		24,749
TOTAL NET ASSETS		323,371		24,749		348,120
TOTAL LIABILITIES AND NET ASSETS	$	403,002	$	24,749	$	427,751

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

Benton Hall Corporation
Statement of Activities

For the Year Ended June 30,			**2019 (Audited)**
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Tuition and fees	$ **926,189**	$ **-**	$ **926,189**
Less: financial aid and discounts	**(83,753)**	**-**	**(83,753)**
Service fees	**8,816**	**-**	**8,816**
TUITION AND FEES, NET	**851,252**	**-**	**851,252**
Other income	**30,999**	**-**	**30,999**
Contributions	**26,876**	**5,600**	**32,476**
Special events revenues, net of direct costs	**37,561**	**-**	**37,561**
Other income	**416**	**-**	**416**
Net assets released from restrictions	**18,883**	**(18,883)**	**-**
TOTAL SUPPORT AND REVENUE	**965,987**	**(13,283)**	**952,704**
EXPENSES			
Program services	**736,113**	**-**	**736,113**
Management and general	**221,008**	**-**	**221,008**
Fundraising	**30,662**	**-**	**30,662**
TOTAL EXPENSES	**987,783**	**-**	**987,783**
CHANGE IN NET ASSETS	**(21,796)**	**(13,283)**	**(35,079)**
NET ASSETS AT BEGINNING OF YEAR	**323,371**	**24,749**	**348,120**
NET ASSETS AT END OF YEAR	$ **301,575**	$ **11,466**	$ **313,041**

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

For the Year Ended June 30,			2018 (Reviewed)
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Tuition and fees	$ 892,010	$ -	$ 892,010
Less: financial aid and discounts	(54,782)	-	(54,782)
Service fees	8,796	-	8,796
TUITION AND FEES, NET	846,024	-	846,024
Other income	40,243	-	40,243
Contributions	44,462	12,100	56,562
Special events revenues, net of direct costs	28,032	-	28,032
Other income (expenses)	382	-	382
Net assets released from restrictions	15,241	(15,241)	-
TOTAL SUPPORT AND REVENUE	974,384	(3,141)	971,243
EXPENSES			
Program services	699,853	-	699,853
Management and general	245,367	-	245,367
Fundraising	31,248	-	31,248
TOTAL EXPENSES	976,468	-	976,468
CHANGE IN NET ASSETS	(2,084)	(3,141)	(5,225)
NET ASSETS AT BEGINNING OF YEAR	325,455	27,890	353,345
NET ASSETS AT END OF YEAR	$ 323,371	$ 24,749	$ 348,120

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

Benton Hall Corporation
Statement of Functional Expenses

For the Year Ended June 30,				**2019 (Audited)**
	Program Services	Management and General	Fundraising	Total
Outside labor and services	$ **20,949**	$ **-**	$ **-**	$ **20,949**
Salaries and wages	**439,521**	**136,811**	**16,735**	**593,067**
Employee benefits	**39,457**	**6,218**	**230**	**45,905**
Payroll taxes	**31,369**	**10,224**	**1,237**	**42,830**
Fees for services	**2,800**	**36,708**	**-**	**39,508**
Supplies	**8,632**	**183**	**2,098**	**10,913**
Dues and subscriptions	**3,692**	**2,396**	**-**	**6,088**
Taxes and insurance	**8,976**	**5,435**	**-**	**14,411**
Student activities	**18,838**	**-**	**-**	**18,838**
Public relations and marketing	**511**	**10,606**	**9,100**	**20,217**
Bank charges	**91**	**-**	**55**	**146**
Telecommunications	**3,811**	**-**	**-**	**3,811**
Postage and shipping	**2,463**	**471**	**-**	**2,934**
Occupancy	**89,865**	**2,808**	**936**	**93,609**
Equipment rental and maintenance	**6,153**	**-**	**-**	**6,153**
Travel and vehicle	**1,643**	**-**	**-**	**1,643**
Meetings	**1,000**	**2,001**	**67**	**3,068**
Interest	**427**	**135**	**-**	**562**
Depreciation	**15,353**	**4,913**	**204**	**20,470**
Other expenses	**2,147**	**2,099**	**-**	**4,246**
Bad debts and collection costs	**19,440**	**-**	**-**	**19,440**
Costs of goods sold	**18,975**	**-**	**-**	**18,975**
TOTAL EXPENSES	$ **736,113**	$ **221,008**	$ **30,662**	$ **987,783**

Benton Hall Corporation
Statement of Functional Expenses

For the Year Ended June 30,				**2018 (Reviewed)**
	Program Services	Management and General	Fundraising	Total
Outside labor and services	$ 17,709	$ -	$ -	$ 17,709
Salaries and wages	419,687	168,922	23,765	612,374
Employee benefits	45,740	10,494	908	57,142
Payroll taxes	28,715	12,923	1,818	43,456
Fees for services	2,535	25,330	-	27,865
Supplies	4,380	2,790	216	7,386
Dues and subscriptions	4,264	-	925	5,189
Taxes and insurance	6,534	8,422	-	14,956
Student activities	18,559	-	-	18,559
Public relations and marketing	9,033	2,599	1,722	13,354
Bank charges	55	-	35	90
Telecommunications	3,647	1,887	486	6,020
Postage and shipping	1,132	660	94	1,886
Occupancy	92,678	2,874	958	96,510
Equipment rental and maintenance	3,871	1,290	-	5,161
Travel and vehicle	2,104	-	-	2,104
Meetings	592	846	94	1,532
Interest	838	268	11	1,117
Depreciation	15,354	5,213	217	20,784
Other expenses	1,437	849	(1)	2,285
Bad debts and collection costs	1,577	-	-	1,577
Costs of goods sold	19,412	-	-	19,412
TOTAL EXPENSES	$ 699,853	$ 245,367	$ 31,248	$ 976,468

For the Year Ended June 30,			2019 (Audited)
	Without Donor Restrictions	With Donor Restrictions	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	$ (21,796)	$ (13,283)	$ (35,079)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities			
Depreciation	20,470	-	20,470
Bad debts	19,440	-	19,440
Changes in assets and liabilities:			
Accounts receivable	(19,242)	-	(19,242)
Inventory	(226)	-	(226)
Prepaid expenses	(10,586)	-	(10,586)
Accounts payable	2,838	-	2,838
Accrued liabilities	4,182	-	4,182
Deferred revenue	9,998	-	9,998
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	5,078	(13,283)	(8,205)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment	(17,048)	-	(17,048)
NET CASH USED BY INVESTING ACTIVITIES	(17,048)	-	(17,048)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayments of note payable	(9,073)	-	(9,073)
NET CASH USED BY FINANCING ACTIVITIES	(9,073)	-	(9,073)
NET DECREASE IN CASH	(21,043)	(13,283)	(34,326)
CASH AT BEGINNING OF YEAR	319,513	24,749	344,262
CASH AT END OF YEAR	$ 298,470	$ 11,466	$ 309,936

For the Year Ended June 30,	2018 (Reviewed)		
	Without Donor Restrictions	With Donor Restrictions	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	$ (2,084)	$ (3,141)	$ (5,225)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities			
Depreciation	20,784	-	20,784
Bad debts	1,577	-	1,577
Changes in assets and liabilities:			
Accounts receivable	(9,815)	-	(9,815)
Inventory	996	-	996
Prepaid expenses	(3,666)	-	(3,666)
Accounts payable	29	-	29
Accrued liabilities	(2,888)	-	(2,888)
Deferred revenue	1,266	-	1,266
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	6,199	(3,141)	3,058
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment	(1,359)	-	(1,359)
NET CASH USED BY INVESTING ACTIVITIES	(1,359)	-	(1,359)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayments of note payable	(9,398)	-	(9,398)
NET CASH USED BY FINANCING ACTIVITIES	(9,398)	-	(9,398)
NET DECREASE IN CASH	(4,558)	(3,141)	(7,699)
CASH AT BEGINNING OF YEAR	324,071	27,890	351,961
CASH AT END OF YEAR	$ 319,513	$ 24,749	$ 344,262

NOTE 1: NATURE OF ORGANIZATION AND BASIS OF PRESENTATION

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.

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. This method of accounting recognizes revenue when earned and expenses when incurred.

The Academy reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These net assets classifications are described as follows:

> *Net Assets Without Donor Restrictions* – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
>
> *Net Assets With Donor Restrictions* – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Academy considers all highly liquid debt instruments purchased with an original maturity date of three months or less to be cash equivalents.

The Academy maintains its cash accounts primarily in one bank. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The total uninsured cash balance at June 30, 2019 and 2018 was approximately $60,000 and $98,000, respectively.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

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.

Inventory

Inventory consists of items sold in the Academy's supply store, and is stated at the lower of cost or market on a first-in, first-out basis.

Property and Equipment

The cost of property and equipment purchased in excess of $1,000 is capitalized. Purchased property and equipment are carried at cost. Donated property and equipment are carried at their approximate fair value at the date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Revenue Recognition and Deferred Revenue

Tuition is recognized as revenue pro-rata over the school year. Deposits received for tuition for future school years are shown as deferred revenue until earned.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions receivable are recorded at the time a promise is made. For the years ended June 30, 2019 and 2018, one donor comprised 11% and 17% of contributions received, respectively.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Income Tax Status

The Academy qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. 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 a not private foundation under Section 509(a)(2). The Academy's federal information returns for tax years ending June 30, 2016 and later are subject to examination by the Internal Revenue Service (IRS).

Expense Allocation

Most expenses are charged directly to program services, management and general, or fundraising based on specific identification. Salaries of certain employees are allocated based on time spent for each function. Rent and other occupancy costs are allocated based on space usage.

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. Total advertising expenses were $20,217 and $13,354 for the years ended June 30, 2019 and 2018, respectively.

Donated Services

Donated services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation. Any amounts reflected in the accompanying financial statements donated services are offset by like amounts included in expenses.

Recently Issued Accounting Standards

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The School adopted the provisions of this new standard during the year ended June 30, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources, and disclosures related to functional allocation of expenses were expanded and a new financial statement, the statement of functional expenses, is included. The change did not have a material effect on the change in net assets or net assets.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and certain reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Evaluation of Events Occurring After the Financial Statement Date

Management has evaluated subsequent events through [redacted], the date the financial statements were available to be issued.

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.

Reclassifications

Certain reclassifications have been made to the 2018 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

June 30,	**2019**	2018
Tuition receivable	**$ 30,454**	$ 11,212
Allowance for doubtful accounts	**(22,414)**	(2,974)
	$ 8,040	$ 8,238

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

June 30,		**2019**		2018
Furniture and fixtures	**$**	**24,297**	$	24,297
Equipment		**235,137**		230,847
Transportation equipment		**59,869**		59,869
Leasehold improvements		**18,425**		5,667
Website development costs		**7,230**		7,230
		344,958		327,910
Accumulated depreciation		**(284,329)**		(263,859)
	$	**60,629**	$	64,051

NOTE 5: NOTES PAYABLE

The Academy has a $25,000 line of credit with Pinnacle Bank. Interest payments of all accrued unpaid interest are due monthly. The outstanding principal and interest is due at the maturity date of December 11, 2025. The note bears interest at the bank's prime rate (5.50% at June 30, 2019) plus 475 basis points subject to a floor rate of 5.0%. The line of credit is unsecured. There was no outstanding balance on the line of credit at June 30, 2019 and 2018.

Long-term debt consists of the following:

June 30,		**2019**		2018
Note payable to Pinnacle Bank, with interest at 5.00%, principal and interest totaling $876 due monthly through maturity date of February 28, 2020, and secured by transportation equipment	**$**	**7,690**	$	16,763
	$	**7,690**	$	16,763

A summary of future principal maturities is as follows:

Year ending June 30,		
2020	$	7,690

Interest expense was $562 and $1,117 for the years ended June 30, 2019 and 2018, respectively.

NOTE 6: NET ASSETS

Net assets with donor restrictions consist of the following:

June 30,		**2019**		2018
Financial aid	**$**	**1,889**	$	1,889
Behavioral testing		**2,500**		-
Playground equipment		**-**		2,272
Technology		**6,761**		11,155
Science department		**-**		9,117
Other		**316**		316
	$	**11,466**	$	24,749

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

For the Year Ended June 30,		**2019**		2018
Financial aid	**$**	**1,100**	$	2,100
Sports		**2,000**		-
Technology		**4,394**		1,361
Playground		**2,272**		-
Science department		**9,117**		6,780
Teacher bonuses		**-**		5,000
	$	**18,883**	$	15,241

NOTE 7: LEASES

The Academy leases its facility, located in Nashville, Tennessee, under a 36-month non-cancelable 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 School 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:

NOTE 7: LEASES *(CONTINUED)*

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 December	December of the following calendar year.

Rent expense under all operating leases was $97,269 and $99,218 for years ended June 30, 2019 and 2018, respectively.

The future minimum lease payments required under the operating lease are as follows:

For the Years Ended June 30,		
2020	$	90,000
2021		90,000
2022		90,000
2023		97,150
2024		97,800
	$	464,950

NOTE 8: LIQUIDITY AND AVAILABILITY OF RESOURCES

The Academy's primary source of support is derived from tuition income. The Academy monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. The Academy has a $25,000 line of credit available to meet operational cash flow needs.

The following represents the Academy's financial assets at June 30, 2019:

		2019
Financial assets, at year end		
Cash	**$**	**309,936**
Accounts receivable, net		**8,040**
Total financial assets		**317,976**
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions		**(11,466)**
Financial assets available to meet general expenditures within one year	**$**	**306,510**

NOTE 9: 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 $10,675 and $12,324 for the years ended June 30, 2019 and 2018, respectively.