

# **The Academy at Glengary, Inc.**

Financial Statements and  
Independent Auditor's Report  
June 30, 2022 and 2021

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## Independent Auditor's Report

The Board of Directors  
The Academy at Glengary, Inc.  
Sarasota, Florida

### **Opinion**

We have audited the accompanying financial statements of The Academy at Glengary, Inc. (the Academy), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Academy as of June 30, 2022 and 2021, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Academy 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 opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy'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 GAAS 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 GAAS, 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 the Academy'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 the Academy'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.

A handwritten signature in black ink that reads "Beckering Barkhuis & Co." The signature is written in a cursive, flowing style.

Sarasota, Florida  
November 22, 2022

# The Academy at Glengary, Inc.

## Statements of Financial Position

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents:		
Without donor restrictions	\$ 888,883	\$ 714,262
With donor restrictions - purpose	274,182	100,000
Total cash and cash equivalents	<u>1,163,065</u>	<u>814,262</u>
Accounts receivable	125,025	96,609
Prepaid expenses	3,242	10,566
Total current assets	<u>1,291,332</u>	<u>921,437</u>
Property and equipment, net	<u>394,302</u>	<u>241,064</u>
Total Assets	<u>\$ 1,685,634</u>	<u>\$ 1,162,501</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 49,801	\$ 32,961
Accrued payroll and taxes	22,845	21,201
Total current liabilities	<u>72,646</u>	<u>54,162</u>
Total Liabilities	<u>72,646</u>	<u>54,162</u>
Net Assets:		
Without donor restrictions	1,338,806	1,008,339
With donor restrictions - purpose	274,182	100,000
Total net assets	<u>1,612,988</u>	<u>1,108,339</u>
Total Liabilities and Net Assets	<u>\$ 1,685,634</u>	<u>\$ 1,162,501</u>

See accompanying notes to financial statements.

# The Academy at Glengary, Inc.

## Statement of Activities

Year Ended June 30, 2022

(With Summarized Totals for the Year Ended June 30, 2021)

	<b>Without Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>2021</b>
Support, Revenue and Releases:				
Program revenues	\$ 796,776	\$ 100,000	\$ 896,776	\$ 554,699
Grant revenues	151,208	200,000	351,208	257,651
Forgiveness of Paycheck Protection Program Loan	-	-	-	114,200
Corporate contributions	95,000	-	95,000	52,869
Individual contributions	73,838	137,000	210,838	173,904
Member contributions	51,156	-	51,156	18,615
Food service revenues	19,161	-	19,161	17,021
Special events, net of direct costs of \$2,386	172,998	-	172,998	32,341
In-kind contributions	116,736	-	116,736	116,736
Interest and dividends	211	-	211	74
Other	322	-	322	35
Net assets released from restriction	262,818	(262,818)	-	-
<b>Total support, revenue and releases</b>	<b>1,740,224</b>	<b>174,182</b>	<b>1,914,406</b>	<b>1,338,145</b>
Operating expenses:				
Program services	1,287,295	-	1,287,295	1,034,329
Support services:				
Management and general	99,712	-	99,712	81,093
Fundraising	22,750	-	22,750	9,978
<b>Total operating expenses</b>	<b>1,409,757</b>	<b>-</b>	<b>1,409,757</b>	<b>1,125,400</b>
Change in net assets	330,467	174,182	504,649	212,745
Net assets at beginning of year	1,008,339	100,000	1,108,339	895,594
<b>Net assets at end of year</b>	<b>\$ 1,338,806</b>	<b>\$ 274,182</b>	<b>\$ 1,612,988</b>	<b>\$ 1,108,339</b>

See accompanying notes to financial statements.

# The Academy at Glengary, Inc.

## Statement of Activities

Year Ended June 30, 2021

(With Summarized Totals for the Year Ended June 30, 2022)

	<b>Without Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>2022</b>
Support, Revenue and Releases:				
Program revenues	\$ 554,699	\$ -	\$ 554,699	\$ 896,776
Grant revenues	157,651	100,000	257,651	351,208
Forgiveness of Paycheck Protection Program Loan	114,200	-	114,200	-
Corporate contributions	52,869	-	52,869	95,000
Individual contributions	132,979	40,925	173,904	210,838
Member contributions	18,615	-	18,615	51,156
Food service revenues	17,021	-	17,021	19,161
Special events, net of direct costs of \$29	32,341	-	32,341	172,998
In-kind contributions	116,736	-	116,736	116,736
Interest and dividends	74	-	74	211
Other	35	-	35	322
Net assets released from restriction	102,525	(102,525)	-	-
Total support, revenue and releases	<u>1,299,745</u>	<u>38,400</u>	<u>1,338,145</u>	<u>1,914,406</u>
Operating expenses:				
Program services	1,034,329	-	1,034,329	1,287,295
Support services:				
Management and general	81,093	-	81,093	99,712
Fundraising	9,978	-	9,978	22,750
Total operating expenses	<u>1,125,400</u>	<u>-</u>	<u>1,125,400</u>	<u>1,409,757</u>
Change in net assets	174,345	38,400	212,745	504,649
Net assets at beginning of year	833,994	61,600	895,594	1,108,339
Net assets at end of year	<u>\$ 1,008,339</u>	<u>\$ 100,000</u>	<u>\$ 1,108,339</u>	<u>\$ 1,612,988</u>

See accompanying notes to financial statements.

## The Academy at Glengary, Inc.

### Statement of Functional Expenses

Year Ended June 30, 2022

(With Summarized Totals for the Year Ended June 30, 2021)

	<b>Supporting Services</b>			<b>Totals</b>	<b>2021</b>
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>		
Salaries and wages	\$ 556,107	\$ 54,023	\$ -	\$ 610,130	\$ 476,628
Payroll taxes and employee benefits	112,847	10,963	-	123,810	103,416
Depreciation	95,055	9,401	-	104,456	92,036
In-kind expense	115,314	1,422	-	116,736	116,736
Insurance	30,877	3,431	-	34,308	31,507
Office and information technology	80,591	748	-	81,339	39,393
Advertising and public relations	1,275	-	-	1,275	1,029
Fundraising	-	-	4,667	4,667	2,158
Supplies	52,800	-	-	52,800	49,357
Facilities, repairs and maintenance	91,862	10,199	-	102,061	100,813
Professional development	57,162	1,268	-	58,430	31,234
Professional fees	47,671	5,297	18,083	71,051	48,636
Other	45,734	2,960	-	48,694	32,457
Total	\$ 1,287,295	\$ 99,712	\$ 22,750	\$ 1,409,757	\$ 1,125,400

See accompanying notes to financial statements.



## The Academy at Glengary, Inc.

### Statement of Functional Expenses

Year Ended June 30, 2021

(With Summarized Totals for the Year Ended June 30, 2022)

	Supporting Services			Totals	2022
	Program Services	Management and General	Fundraising		
Salaries and wages	\$ 428,635	\$ 47,993	\$ -	\$ 476,628	\$ 610,130
Payroll taxes and employee benefits	93,003	10,413	-	103,416	123,810
Depreciation	92,036	-	-	92,036	104,456
In-kind expense	115,263	1,473	-	116,736	116,736
Insurance	28,356	3,151	-	31,507	34,308
Office and information technology	39,267	126	-	39,393	81,339
Advertising and public relations	1,029	-	-	1,029	1,275
Fundraising	-	-	2,158	2,158	4,667
Supplies	49,357	-	-	49,357	52,800
Facilities, repairs and maintenance	90,733	10,080	-	100,813	102,061
Professional development	30,360	874	-	31,234	58,430
Professional fees	36,734	4,082	7,820	48,636	71,051
Other	29,556	2,901	-	32,457	48,694
Total	\$ 1,034,329	\$ 81,093	\$ 9,978	\$ 1,125,400	\$ 1,409,757

See accompanying notes to financial statements.

# The Academy at Glengary, Inc.

## Statements of Cash Flows Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ <u>504,649</u>	\$ <u>212,745</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	104,456	92,036
Forgiveness of Paycheck Protection Program loan	-	(114,200)
Change in operating assets:		
Accounts receivable	(28,416)	(37,118)
Prepaid expenses	7,324	(3,425)
Change in operating liabilities:		
Accounts payable	16,840	(8,983)
Accrued payroll and taxes	1,644	(14,723)
Total adjustments	<u>101,848</u>	<u>(86,413)</u>
Net cash provided by operating activities	<u>606,497</u>	<u>126,332</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	<u>(257,694)</u>	<u>(19,412)</u>
Net cash used in investing activities	<u>(257,694)</u>	<u>(19,412)</u>
Change in cash and cash equivalents	348,803	106,920
Cash and cash equivalents - beginning of period	<u>814,262</u>	<u>707,342</u>
Cash and cash equivalents - end of period	<u>\$ <u>1,163,065</u></u>	<u>\$ <u>814,262</u></u>

See accompanying notes to financial statements.

# The Academy at Glengary, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

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## I. Organization

The Academy at Glengary, Inc. (the Academy), is a Florida not-for-profit organization which commenced operations on June 18, 2018 (inception) for the purpose of fostering a working community where adults living with mental illnesses can reach their potential through friendship, healthy lifestyles, skill development, education and gainful employment.

## 2. Summary of Significant Accounting Policies

### Financial Statements

The financial statements and notes are a representation of the Academy's management, which is also responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

### Use of Estimates and Assumptions

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

### 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. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Academy and changes therein are classified and reported as follows:

**Net assets without donor restrictions** - net assets that are not subject to donor-imposed stipulations. Quasi-endowment funds and board designated funds, established by the Board of Directors, are classified as net assets without donor restrictions.

**Net assets with donor restrictions** - net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Academy and/or the passage of time. When a restriction expires or when funds are utilized in accordance with restriction requirements, these net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Other net assets are perpetual in nature. These net assets are subject to donor-imposed stipulations that the net assets be maintained in perpetuity by the Academy. Generally, the donors of these assets permit the Academy to use all or part of the income earned on any related investment for general or specific purposes.

The Academy does not have any quasi-endowment funds, board designated funds or net assets with donor restrictions that are perpetual in nature.

# The Academy at Glengary, Inc.

Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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## 2. Summary of Significant Accounting Policies (Continued)

### Revenue Recognition

All contributions are considered available without donor restrictions unless specifically restricted by the respective donor.

Contributions received with donor stipulations and grants received with purpose restrictions that limit the use of donated assets are treated as net assets with donor restrictions. When the purpose of the restriction is accomplished, these net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Academy does not have any conditional promises to give.

Program revenues are recognized when the performance obligations of providing the services are met.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Academy recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Academy recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

### Contributed Nonfinancial Assets

The Academy recognized nonfinancial assets within revenue in the form of an in-kind lease of the Academy's building in Sarasota. The Academy utilizes the in-kind leased property to fulfill their purpose. The in-kind lease is valued on the basis of recent comparable lease rates in Sarasota's real estate market, which totaled \$116,736 as of June 30, 2022 and 2021. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

### Income Taxes

The Academy has been recognized by the Internal Revenue Service as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code (IRC). Income earned in furtherance of the Academy's tax-exempt purpose is exempt from federal and state income taxes. Therefore, no provision for income taxes has been provided for.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, the Academy has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

**The Academy at Glengary, Inc.**  
Notes to Financial Statements (Continued)  
June 30, 2022 and 2021

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**2. Summary of Significant Accounting Policies (Continued)**

**Income Taxes (Continued)**

The Academy files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which the Academy is subject include the tax years ended June 30, 2019 through June 30, 2022.

**Financial Instruments Not Measured at Fair Value**

The Academy's financial instruments are not measured at fair value on a recurring basis; however, certain financial instruments are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued payroll and taxes.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Academy considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Academy maintains its cash accounts at commercial banks.

**Accounts Receivable**

The Academy uses the allowance method of accounting for doubtful accounts. The allowance is based upon a review of the current status of existing receivables and management's estimate as to their collectability.

Accounts receivable as of June 30, 2022 and 2021 consist of amounts due for program services provided by the Academy under a funding agreement. The Academy considers all accounts receivable to be fully collectible as of June 30, 2022 and 2021, therefore no allowance has been provided for in these financial statements.

**Property and Equipment**

Property and equipment are recorded at cost or at estimated fair value at the date of gift. Property and equipment exceeding \$5,000 and a useful life of one year or longer are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from five to seven years. Other expenditures for maintenance and repairs are charged to expenses in the year the costs are incurred. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When assets are impaired, asset values are reduced for this impairment. There was no impairment recognized on property and equipment during the years ended June 30, 2022 and 2021.

**Advertising and Public Relations**

Advertising costs are expensed as incurred. During the years ended June 30, 2022 and 2021, total advertising expenses were \$1,275 and \$1,029, respectively.

**Functional Allocation of Expenses**

The costs of providing the program and supporting services have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Costs are allocated between program services, management and general or fundraising based on evaluations of the related benefits. Management and general expenses include expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Academy. The expenses that are allocated include salaries, employee benefits, payroll taxes and other expenses for services which are allocated on the basis of estimated time and effort.

**The Academy at Glengary, Inc.**  
Notes to Financial Statements (Continued)  
June 30, 2022 and 2021

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**2. Summary of Significant Accounting Policies (Continued)**

**Services of Volunteers**

The Academy has adopted a policy which recognizes volunteer services provided by individuals possessing specialized skills which would typically need to be purchased if not provided by donation. No such services were donated during the years ended June 30, 2022 and 2021. Nevertheless, the Board members and volunteers have donated their time to the Academy's program services and administrative functions by performing tasks that do not require specialized skills. The financial statements do not reflect the value of these donated services because it does not meet the criteria for recognition as donated revenue under generally accepted accounting principles.

**Recent Accounting Pronouncements**

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which was adopted by the Academy for the year ended June 30, 2022. The ASU requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets and requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The adoption of this update did not have a material impact on the financial statements of the Academy.

**3. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents - without donor restrictions	\$ 888,883	\$ 714,262
Accounts receivable	<u>125,025</u>	<u>96,609</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,013,908</u>	<u>\$ 810,871</u>

The Academy manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Regular reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

**4. Property and Equipment**

Property and equipment consisted of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Computer equipment and software	\$ 398,290	\$ 211,984
Kitchen equipment and fixtures	175,286	167,336
Furniture and equipment	112,559	84,367
Vehicles	73,890	38,642
Leasehold improvements	<u>5,663</u>	<u>5,663</u>
	765,688	507,992
Less accumulated depreciation	<u>371,386</u>	<u>266,928</u>
Property and equipment, net	<u>\$ 394,302</u>	<u>\$ 241,064</u>

Depreciation expense was \$104,456 and \$92,036 for the years ended June 30, 2022 and 2021, respectively.

**The Academy at Glengary, Inc.**  
Notes to Financial Statements (Continued)  
June 30, 2022 and 2021

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**5. Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes as of June 30:

Subject to expenditure for specified purpose:	<u>2022</u>	<u>2021</u>
Wellness Within Reach Grant	\$ 184,632	\$ -
Technology Grant	-	100,000
Fundraising and Campaign Events Grant	89,550	-
Total purpose restrictions	<u>\$ 274,182</u>	<u>\$ 100,000</u>

**6. Net Assets Released From Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by other events specified by donors. Purposes for which restrictions were satisfied include the following for the years ended June 30:

Satisfaction of purpose restrictions:	<u>2022</u>	<u>2021</u>
Wellness Within Reach Grant	\$ 15,368	\$ -
Technology Grant	200,000	-
Reaching Underserved Populations Grant	-	61,600
Fundraising and Campaign Events Grant	10,450	-
Scholarship Fund	37,000	40,925
Total net assets released from restrictions	<u>\$ 262,818</u>	<u>\$ 102,525</u>

**7. Financial Instruments with Credit Risk**

Financial instruments, which potentially subject the Academy to concentrations of credit risk, consist of cash and cash equivalents. The Federal Deposit Insurance Corporation (FDIC) insures cash and other deposits up to \$250,000 at each financial institution. At any given time, the Academy may have cash balances exceeding the insured amount at any one financial institution. The Academy has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**8. Concentrations of Support and Revenue**

There was one major donor during the year ended June 30, 2022 who contributed a total of \$201,000, or 10%, of total support and revenues. Additionally, there were program revenues received of \$886,861, or 46% of total support and revenues, funded by a state sourced funding agreement. At June 30, 2022 the entire accounts receivable balance of \$125,025 was due from the state sourced funding agreement.

There were no major donors during the year ended June 30, 2021. There were program revenues received of \$548,308, or 41% of total support and revenues, funded by a state sourced funding agreement. At June 30, 2021 the entire accounts receivable balance of \$96,609 was due from the state sourced funding agreement.

**9. Related Party Transactions**

Board members and members of management are required to complete annual conflict of interest disclosure statements. From time to time, board members make contributions to the Academy.

**The Academy at Glengary, Inc.**  
Notes to Financial Statements (Continued)  
June 30, 2022 and 2021

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**9. Related Party Transactions (Continued)**

During the years ended June 30, 2022 and 2021, a company affiliated to members of the board donated fair market value building rental of \$116,736 and \$116,736, respectively. The terms of this lease specify an annual rent of one dollar per year with an original expiration date of June 30, 2019. The Academy, at its sole discretion, has five successive options to renew the lease for additional one year periods. The Academy has exercised that option and the lease has been renewed through June 30, 2023. The lease requires the Academy to use the property for the sole purpose of operating a program for adults living with mental illness which provides educational and career services, including job readiness, academic tutoring, resume development, interview skills, job development and job placement.

During the year ended June 30, 2022, the Academy and a company affiliated to members of the board entered into an agreement to begin leasing property in Bradenton for the sole purpose of operating a program for adults with disabilities which provides educational and career services, including job readiness, academic tutoring, resume development, interview skills, job development, and job placement. The terms of this lease specify an annual rent of one dollar per year with an original expiration date of April 12, 2027. The Academy, at its sole discretion, shall have one option to renew this lease for an additional two year period. As of June 30, 2022, the company affiliated to members of the board are working on improvements of the property to prepare it for use by the Academy. Once the property is available for use, the lease will be donated at fair market value of rent through a below-market operating lease of premises. As of June 30, 2022, no in-kind contributions relating to this leased property have been recognized.

**10. Retirement Plan**

During the year ended June 30, 2022, the Academy began sponsoring a 401(k) plan for employees with at least 3 months of service and who are at least 18 years of age. Employees may make elective deferrals up to 100% of their compensation which is not to exceed the annual limits defined by the Internal Revenue Code. The Academy may make discretionary matching contributions and discretionary profit-sharing contributions. The Academy has not elected to make discretionary contributions as of June 30, 2022.

**11. Subsequent Events**

The Academy has evaluated all events subsequent to the statement of financial position date as of June 30, 2022 through the date these financial statements were available to be issued, November 22, 2022, and have determined that there are no subsequent events that require disclosure.