

# **CURREY INGRAM ACADEMY**

## **FINANCIAL STATEMENTS**

***As of and for the Years Ended June 30, 2021 and 2020***

***And Report of Independent Auditor***

**CURREY INGRAM ACADEMY**  
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## Report of Independent Auditor

To the Board of Trustees  
Currey Ingram Academy  
Brentwood, Tennessee

We have audited the accompanying financial statements of Currey Ingram Academy (the “Academy”) (a not-for-profit 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.

### 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.

### Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor’s 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 purpose 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 the Academy as of June 30, 2021 and 2020, 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.

**Emphasis of Matter**

As more fully described in Note 24 to the financial statements, the Academy has been impacted by the outbreak of the novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020. Our conclusion is not modified with respect to this matter.



Nashville, Tennessee  
November 2, 2021

**CURREY INGRAM ACADEMY**  
**STATEMENTS OF FINANCIAL POSITION**

*JUNE 30, 2021 AND 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 4,744,829	\$ 8,897,638
Investments	15,169,698	9,468,890
Inventory	86,880	49,219
Accounts receivable, net of allowance of \$555,650 and \$586,916, respectively	743,239	966,417
Current pledges receivable, net of allowance of \$71,855 and \$416,763, respectively	1,471,065	1,908,892
Prepaid expenses	91,685	79,550
<b>Total Current Assets</b>	<b>22,307,396</b>	<b>21,370,606</b>
Pledges receivable, net of discount and allowance of \$268,608 and \$497,984, respectively	4,229,441	6,000,505
Property and equipment, net of accumulated depreciation of \$26,844,128 and \$24,493,773, respectively	42,122,317	41,197,422
Other assets, net	5,657	15,075
<b>Total Assets</b>	<b>\$ 68,664,811</b>	<b>\$ 68,583,608</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 517,480	\$ 1,663,457
Deferred revenues	2,222,665	1,583,198
Deferred grant revenue	-	1,566,000
Current installments of bonds payable	470,000	455,000
Interest rate swap	4,205	5,356
<b>Total Current Liabilities</b>	<b>3,214,350</b>	<b>5,273,011</b>
Deferred revenues, net of current	7,158,008	6,244,029
Bonds payable, net of current installments	6,197,466	7,138,143
<b>Total Liabilities</b>	<b>16,569,824</b>	<b>18,655,183</b>
Net Assets:		
Without Donor Restriction:		
Unrestricted	28,176,182	29,939,924
Board designated	10,864,053	3,223,694
<b>Total Net Assets Without Donor Restriction</b>	<b>39,040,235</b>	<b>33,163,618</b>
With Donor Restriction:		
Purpose restriction	5,172,409	9,067,643
Time restriction	240,563	265,948
Held in perpetuity	7,641,780	7,431,216
<b>Total Net Assets With Donor Restriction</b>	<b>13,054,752</b>	<b>16,764,807</b>
<b>Total Net Assets</b>	<b>52,094,987</b>	<b>49,928,425</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 68,664,811</b>	<b>\$ 68,583,608</b>

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

**CURREY INGRAM ACADEMY**  
**STATEMENT OF ACTIVITIES**

*YEAR ENDED JUNE 30, 2021*

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Public Support:			
Contributions	\$ 296,614	\$ 744,390	\$ 1,041,004
Revenue:			
Tuition, net of financial aid of \$2,702,577	10,759,379	-	10,759,379
Grant revenue	1,566,000	-	1,566,000
Child development center	569,350	-	569,350
Diagnostic center	479,941	-	479,941
Facility rental	437,226	-	437,226
Investment interest and dividends	298,981	-	298,981
Tuition refund income	248,941	-	248,941
Application and enrollment fees	141,290	-	141,290
Student fees	108,441	-	108,441
Student activities income	102,488	-	102,488
Other	130,172	-	130,172
Aftercare income	64,743	-	64,743
Gain on sale of assets	45,102	-	45,102
In-kind income	11,350	-	11,350
Finance charge income	6,111	-	6,111
Net assets released from restrictions	4,454,445	(4,454,445)	-
Total Revenue	19,423,960	(4,454,445)	14,969,515
Unrealized gain on investments	2,113,170	-	2,113,170
Total Public Support, Revenue, and Investment Gain	21,833,744	(3,710,055)	18,123,689
Expenses:			
Program services	14,355,987	-	14,355,987
Supporting Services:			
Management and general	1,248,486	-	1,248,486
Fundraising	352,654	-	352,654
Total Supporting Services	1,601,140	-	1,601,140
Total Expenses	15,957,127	-	15,957,127
Change in net assets	5,876,617	(3,710,055)	2,166,562
Net assets, beginning of year	33,163,618	16,764,807	49,928,425
Net assets, end of year	\$ 39,040,235	\$ 13,054,752	\$ 52,094,987

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

**CURREY INGRAM ACADEMY**  
**STATEMENT OF ACTIVITIES**

*YEAR ENDED JUNE 30, 2020*

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Public Support:			
Contributions	\$ 801,025	\$ 1,481,300	\$ 2,282,325
Revenue:			
Tuition, net of financial aid of \$1,828,718	9,806,831	-	9,806,831
Child development center	446,716	-	446,716
Diagnostic center	348,691	-	348,691
Investment interest and dividends	311,680	-	311,680
Tuition refund income	211,158	-	211,158
Student fees	162,773	-	162,773
Application and enrollment fees	116,925	-	116,925
Facility rental	99,131	-	99,131
Aftercare income	88,134	-	88,134
Other	82,635	-	82,635
Student activities income	73,585	-	73,585
In-kind income	25,829	-	25,829
Gain on sale of assets	11,647	-	11,647
Finance charge income	3,607	-	3,607
Net assets released from restrictions	817,818	(817,818)	-
Total Revenue	12,607,160	(817,818)	11,789,342
Unrealized gain on investments	221,542	-	221,542
Total Public Support, Revenue, and Investment Gain	13,629,727	663,482	14,293,209
Expenses:			
Program services	12,635,715	-	12,635,715
Supporting Services:			
Management and general	1,113,774	-	1,113,774
Fundraising	372,520	-	372,520
Total Supporting Services	1,486,294	-	1,486,294
Total Expenses	14,122,009	-	14,122,009
Change in net assets	(492,282)	663,482	171,200
Net assets, beginning of year	33,655,900	16,101,325	49,757,225
Net assets, end of year	\$ 33,163,618	\$ 16,764,807	\$ 49,928,425

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

**CURREY INGRAM ACADEMY**  
**STATEMENT OF FUNCTIONAL EXPENSES**

*YEAR ENDED JUNE 30, 2021*

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 6,880,689	\$ 517,075	\$ 240,404	\$ 7,638,168
Contract services	1,638,410	404,890	26,611	2,069,911
Payroll taxes and employee benefits	1,189,395	83,061	50,559	1,323,015
Utilities	370,297	-	-	370,297
Materials and supplies	278,349	49,793	618	328,760
Student contract discount	238,841	-	-	238,841
Miscellaneous	160,641	34,297	8,526	203,464
Advertising and public relations	190,679	-	10,213	200,892
Athletic	156,744	-	-	156,744
Investment and debt fees	145,174	-	650	145,824
Insurance	142,195	-	-	142,195
Tuition refund program	122,796	-	-	122,796
Technology	69,027	11,762	8,156	88,945
Equipment	38,648	27,848	-	66,496
Legal fees	-	66,305	-	66,305
Membership, subscriptions, books, and dues	52,971	2,651	250	55,872
Student activities	47,183	-	-	47,183
Audit	-	37,950	-	37,950
Professional development	35,467	2,309	-	37,776
Copier rent	33,709	-	-	33,709
Entertainment and hospitality	20,427	7,295	5,287	33,009
Postage	8,774	731	1,380	10,885
Permits and licenses	488	2,519	-	3,007
	11,820,904	1,248,486	352,654	13,422,044
Depreciation and amortization	2,535,083	-	-	2,535,083
	<u>\$ 14,355,987</u>	<u>\$ 1,248,486</u>	<u>\$ 352,654</u>	<u>\$ 15,957,127</u>

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



**CURREY INGRAM ACADEMY**  
**STATEMENT OF FUNCTIONAL EXPENSES**

*YEAR ENDED JUNE 30, 2020*

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 6,401,487	\$ 607,250	\$ 222,077	\$ 7,230,814
Contract services	1,776,944	186,819	51,334	2,015,097
Payroll taxes and employee benefits	1,126,041	91,382	32,358	1,249,781
Utilities	337,892	-	-	337,892
Advertising and public relations	154,064	-	10,188	164,252
Materials and supplies	118,228	30,234	3,535	151,997
Insurance	149,803	-	-	149,803
Miscellaneous	94,356	33,469	6,775	134,600
Student contract discount	129,788	-	-	129,788
Tuition refund program	93,360	-	-	93,360
Investment and debt fees	90,063	941	-	91,004
Student activities	73,464	-	1,165	74,629
Professional development	64,478	800	2,095	67,373
Legal fees	-	65,115	-	65,115
Equipment	18,827	38,879	7,161	64,867
Membership, subscriptions, books, and dues	49,962	1,045	50	51,057
Entertainment and hospitality	8,430	8,511	33,874	50,815
Technology	28,330	16,051	-	44,381
Copier rent	31,645	-	-	31,645
Audit	-	30,900	-	30,900
Athletic	20,919	-	-	20,919
Consulting	6,689	-	-	6,689
Postage	3,194	852	1,908	5,954
Permits and licenses	1,760	1,526	-	3,286
	10,779,724	1,113,774	372,520	12,266,018
Depreciation and amortization	1,855,991	-	-	1,855,991
	<u>\$ 12,635,715</u>	<u>\$ 1,113,774</u>	<u>\$ 372,520</u>	<u>\$ 14,122,009</u>

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

**CURREY INGRAM ACADEMY**  
**STATEMENTS OF CASH FLOWS**

YEAR ENDED JUNE 30, 2020

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 2,166,562	\$ 171,200
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	2,525,664	1,829,466
Amortization	9,418	26,525
Unrealized gain on investments	(2,113,170)	(221,542)
Contributions restricted for long-term purposes	(4,010)	(517,141)
Allowance for bad debts	(119,115)	159,574
Changes in operating assets and liabilities:		
Inventory	(37,661)	(1,613)
Accounts receivable	234,817	(271,875)
Pledges receivable	56,045	(103,989)
Prepaid expenses	(12,135)	6,269
Accounts payable and accrued expenses	(1,145,977)	1,168,486
Deferred revenues	1,553,446	6,321,692
Deferred grant revenue	(1,566,000)	1,566,000
Change in estimated fair value of interest rate swap agreement	(1,151)	5,209
Net cash flows from operating activities	<u>1,546,733</u>	<u>10,138,261</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(3,587,638)	(1,225,216)
Proceeds from sale of investments	-	253,410
Purchases of property and equipment	<u>(3,450,559)</u>	<u>(13,331,585)</u>
Net cash flows from investing activities	<u>(7,038,197)</u>	<u>(14,303,391)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from contributions restricted for long-term purposes	2,264,332	1,297,097
Payments of bonds payable	(925,677)	(440,000)
Proceeds from bonds payable	-	5,683,143
Net cash flows from financing activities	<u>1,338,655</u>	<u>6,540,240</u>
Net change in cash and cash equivalents	(4,152,809)	2,375,110
Cash and cash equivalents, beginning of year	<u>8,897,638</u>	<u>6,522,528</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,744,829</u></u>	<u><u>\$ 8,897,638</u></u>

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

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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### **Note 1—Nature of operations and summary of significant accounting policies**

Currey Ingram Academy (the “Academy”) is a not-for-profit kindergarten through 12<sup>th</sup> grade school for students with learning differences. The Academy’s major sources of funding are tuition payments and contributions from donors.

*Basis of Presentation* – 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”). Financial statement presentation is in accordance with standards of accounting and financial reporting prescribed for not-for-profit organizations. Accordingly, net assets of the Academy and changes therein are classified and reported as follows:

*Net Assets Without Donor Restriction* – Net assets that are not subject to donor-imposed restriction and may be expended for any purpose in performing the primary objectives of the Academy. These net assets may be used at the discretion of the Academy’s management and the Board of Directors.

*Net Assets With Donor Restriction* – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Academy or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

*Cash and Cash Equivalents* – For purposes of the statements of cash flows, the Academy considers all cash funds, cash bank accounts, and highly-liquid debt instruments with an original maturity when purchased of three months or less to be cash and cash equivalents.

*Investments* – The Academy accounts for investments under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) guidance for accounting for investments by not-for-profit organizations. Under this guidance, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. See Note 4 for additional information on fair value measurements.

*Accounts Receivable* – See Note 2.

*Pledges Receivable* – Contributions are recognized when the donor makes a promise to give to the Academy that is, in substance, unconditional. Unconditional promises to give are recorded when the promises are made. Donor-restricted contributions are reported as increases to net assets with donor restriction. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction.

Unconditional promises to give due in the next year are reflected as current pledges receivable and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term pledges receivable and are recorded at present value using interest rates applicable to the years in which the pledges are received.

The Academy uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made. At June 30, 2021 and 2020, the allowance totaled \$256,316 and \$425,476, respectively.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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### Note 1—Nature of operations and summary of significant accounting policies (continued)

*Property and Equipment* – Property and equipment are recorded at cost if purchased or fair value if contributed. Expenditures for ordinary maintenance and repairs are charged to operations. Renewals and betterments that materially extend the life of the asset are capitalized. Depreciation is provided in amounts necessary to allocate the cost of the various classes of assets over their estimated useful lives. Estimated useful lives of all major classes of assets are as follows:

Equipment, vehicles, furniture, and fixtures	3 – 5 years
Building and building improvements	10 – 30 years

*Deferred Revenues* – Deferred revenues represent prepaid rent, advance tuition, fee payments, and deposits for the upcoming academic year. Such amounts are recognized as revenue in the year to which they apply (See Note 8).

*Deferred Grant Revenue* – See Note 9.

*Derivative Instruments and Hedging Activities* – The Academy follows FASB ASC guidance for accounting for derivatives. The guidance establishes accounting and reporting standards requiring that every derivative instrument be recorded in the statements of financial position as either an asset or as a liability measured at its estimated fair value. The guidance also requires that changes in the derivative's fair value be recognized currently in the statements of activities. See Note 12 for detail of the Academy's interest rate swap agreement, which is considered to be a derivative.

*Restricted Endowment Funds* – The *Uniform Prudent Management of Institutional Funds Act* ("UPMIFA") was enacted in Tennessee effective July 1, 2007. FASB ASC provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of UPMIFA. The guidance requires that the amount of net assets held in perpetuity cannot be reduced by losses on investments of the funds or by an organization's expenditures from the fund unless the donor required the gift to be held in specific investments.

FASB ASC guidance also requires disclosure of a description of the governing board's interpretation of the law that underlies an organization's net asset classification of donor-restricted endowment funds, a description of the organization's policies for the appropriation of endowment assets for expenditures (its endowment spending policies), a description of the organization's endowment investment policies, and additional disclosures. See Note 16 for additional information regarding endowment funds held in perpetuity.

*Functional Expense Allocation* – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. While most costs have been directly assigned to a functional category, certain joint costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated consisted primarily of salaries and wages which were allocated based on time and effort.

*Advertising Costs* – Advertising costs are expensed as incurred. Advertising expense totaled \$200,892 and \$164,252 for the years ended June 30, 2021 and 2020, respectively.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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### **Note 1—Nature of operations and summary of significant accounting policies (continued)**

*Donated Materials, Services, and Assets* – Donated materials, property, and equipment are recorded as support at their estimated fair value at date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Academy reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Academy reclassifies net assets with donor restriction to net assets without donor restriction at that time.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Additionally, a number of unpaid volunteers have made significant contributions of their time to assist in fundraising and special projects. However, these services do not meet the requirements above and have not been recorded.

*Use of Estimates* – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

*Income Taxes* – The Academy is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Academy follows FASB ASC guidance clarifying the accounting for uncertainty in income taxes recognized in an entity's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being recognized upon ultimate settlement. The Academy has no tax penalties or interest reported in the accompanying financial statements.

*Adoption of New Accounting Pronouncements* – In January 2016, FASB issued Accounting Standards Update ("ASU") 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. This guidance revises accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. ASU 2016-01 is effective for the Academy for the year ended June 30, 2021. Management evaluated the impact on the financial statements of the Academy and determined the accounting standard did not require a change to the Academy's practices of recognizing financial assets and liabilities.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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### **Note 1—Nature of operations and summary of significant accounting policies (continued)**

*Accounting Policies for Future Pronouncements* – In February 2016, FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the fiscal year ending June 30, 2023. The Academy is currently evaluating the effect of the implementation of this new standard.

*Subsequent Events* – The Academy has evaluated events and transactions that occurred through November 2, 2021, the date the financial statements were available to be issued.

### **Note 2—Revenue recognition**

On July 1, 2019, the Academy adopted ASC 606 using the modified retrospective approach. The Academy determined there was no cumulative effect adjustment to net assets upon adoption of the new revenue standard as of July 1, 2019. Under ASC 606, revenue is recognized when the Academy transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods and services.

*Contract Balances* – Timing differences among revenue recognition may result in contract assets or liabilities. Contract liabilities presented as deferred revenues on the accompanying statements of financial position totaled \$9,380,673 and \$7,827,227 as of June 30, 2021 and 2020, respectively. Deferred revenue represents prepaid rent income, advanced tuition, fee payments, and deposits. Prepaid rent income will be recognized at the net present value over the life of the lease agreement. Advance tuition, fee payments, and deposits are recognized in the year in which they apply.

*Accounts Receivable* – Accounts receivable were \$743,239 and \$966,417 as of June 30, 2021 and 2020, respectively. Accounts receivable are reviewed periodically as to their collectability. Uncollectible accounts are written off in the period in which they are determined to be uncollectible. At June 30, 2021 and 2020, an allowance for bad debts of \$555,650 and \$586,916, respectively, has been estimated and recorded.

*Performance Obligations and Revenue Recognition* – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Academy's revenue within the scope of ASC 606 consists of revenue from tuition, student and enrollment fees, student activities income, child development and diagnostic center income, aftercare income, and facility rental income. The contract obligation for each of these revenue streams is generally satisfied at the time these services are provided or when a good is transferred to the customer.

*Disaggregation of Revenue* – See the statements of activities for the years ended June 30, 2021 and 2020 for the presentation of the Academy's revenue streams.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### Note 3—Liquidity and availability of resources

The Academy regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Academy considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditure, that is, without donor restrictions or other restrictions limiting their use within one year of the statement of financial position comprise the following at June 30, 2021 and 2020:

	2021	2020
Financial assets at June 30:		
Cash and cash equivalents	\$ 4,744,829	\$ 8,897,638
Accounts receivable, net of allowance	743,239	966,417
Pledge receivables, net of allowance	5,700,506	7,909,397
Investments	15,169,698	9,468,890
Total financial assets	26,358,272	27,242,342
Less amounts not available to be used for general expenditures within one year:		
Net assets restricted for time	240,563	265,948
Net assets restricted for specific programs	5,172,409	9,067,643
Board-designated endowment	10,864,053	3,223,694
Net assets held in perpetuity	7,641,780	7,431,216
Total amounts not available to be used for general expenditures within one year	23,918,805	19,988,501
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,439,467	\$ 7,253,841

### Note 4—Investments and fair value measurement

The Academy follows the provisions of the *Fair Value Measurement Topic* of the FASB ASC. This guidance establishes a framework for measuring fair value for financial assets and financial liabilities. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below.

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Academy has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by the observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### Note 4—Investments and fair value measurement (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodology used at June 30, 2021 or 2020. A description of the valuation methodology used for assets and liabilities measured at fair value is described below.

*Mutual Funds* – The fair value of equity and bond funds held by third parties (Level 1) were determined by obtaining quoted market prices in active markets.

The fair value of the interest rate swap (Level 2) was determined based on valuation models that provide a market to market estimate.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Academy believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The general investment strategy of the Academy is to diversify investments among both equity and fixed income securities so as to enhance total return while avoiding undue risk concentration in any investment class.

The following table sets forth by level, within the fair value hierarchy, the Academy's assets and liabilities at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds - equity funds	\$ 9,207,534	\$ -	\$ -	\$ 9,207,534
Mutual funds - bond funds	5,780,229	-	-	5,780,229
Money market	181,935	-	-	181,935
Total investments at fair value	<u>\$ 15,169,698</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,169,698</u>
Interest rate swap liability	<u>\$ -</u>	<u>\$ (4,205)</u>	<u>\$ -</u>	<u>\$ (4,205)</u>

The following table sets forth by level, within the fair value hierarchy, the Academy's assets and liabilities at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds - equity funds	\$ 5,333,074	\$ -	\$ -	\$ 5,333,074
Mutual funds - bond funds	3,841,505	-	-	3,841,505
Money market	294,311	-	-	294,311
Total investments at fair value	<u>\$ 9,468,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,468,890</u>
Interest rate swap liability	<u>\$ -</u>	<u>\$ (5,356)</u>	<u>\$ -</u>	<u>\$ (5,356)</u>



# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### Note 4—Investments and fair value measurement (continued)

The following schedule summarizes the investment return at June 30:

	2021	2020
Investment interest and dividends	\$ 298,981	\$ 311,680
Unrealized gain	2,113,170	221,542
Net investment gain	<u>\$ 2,412,151</u>	<u>\$ 533,222</u>

### Note 5—Pledges receivable

The Academy has received pledges for contributions for the construction of new buildings, scholarships, endowment, and the unrestricted annual fund. The discount rate used to determine the present value of pledges receivable was 2.06% and 1.41% at June 30, 2021 and 2020, respectively.

The following are the future maturities of pledges receivable at June 30, 2021:

#### Years Ending June 30,

2022	\$ 1,542,921
2023	1,362,890
2024	1,127,658
2025	1,007,500
2026	1,000,000
Thereafter	-
Gross pledges receivable	6,040,969
Less allowance for uncollectible pledges	(256,316)
Less discount to net present value	(84,147)
Pledges receivable, net	<u>\$ 5,700,506</u>

Pledges receivable are scheduled to be received as follows:

	2021	2020
Receivable in less than one year, net	\$ 1,471,065	\$ 1,908,892
Receivable in one to five years, net	4,229,441	6,000,505
	<u>\$ 5,700,506</u>	<u>\$ 7,909,397</u>

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### Note 6—Property and equipment

Property and equipment consists of the following at June 30:

	2021	2020
Buildings	\$ 53,205,548	\$ 41,946,065
Furniture and equipment	6,230,402	5,416,697
Land	2,986,766	2,986,766
Construction in progress	123,380	9,695,993
Building improvements	1,551,423	826,287
Land improvements	4,608,814	4,582,224
Vehicles	170,516	141,795
Grounds equipment	89,594	82,899
	68,966,443	65,678,726
Less accumulated depreciation	(26,844,126)	(24,481,304)
	<u>\$ 42,122,317</u>	<u>\$ 41,197,422</u>

At June 30, 2021 and 2020, construction in progress primarily consisted of technology upgrades and playground updates and construction, architect, and engineering fees incurred related to boarding facilities and the soccer complex for the years then ended, respectively.

For the years ended June 30, 2021 and 2020, the Academy had depreciation expense of \$2,525,664 and \$1,829,466, respectively.

### Note 7—Other assets

Other assets consists of the following at June 30:

	2021	2020
Bond issuance costs	\$ 78,695	\$ 78,695
Accumulated amortization on bond costs	(77,356)	(69,724)
Underwriters' discount	37,500	37,500
Accumulated amortization on discount	(33,182)	(31,396)
	<u>\$ 5,657</u>	<u>\$ 15,075</u>

For the years ended June 30, 2021 and 2020, amortization expense totaled \$9,418 and \$26,525, respectively.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### Note 8—Deferred revenues

*Deferred Revenues* – Deferred revenues include advance tuition, fee payments, and deposits for the upcoming academic year. Such amounts are recognized as revenue in the year to which they apply. Such deferred revenues totaled approximately \$1,822,000 and \$1,265,000 at June 30, 2021 and 2020, respectively.

Furthermore, deferred revenues also include prepaid rent related to the soccer complex. The Academy entered into an agreement with Nashville Soccer Club (“NSC”) to construct a soccer complex and related facilities on the campus of the Academy. NSC is owned by a substantial donor of the Academy. Under the terms of the agreement, NSC is funding the estimated \$7,800,000 construction costs as invoices become due and the Academy is recording the funding received as deferred rent revenue. NSC is renting the soccer complex from the Academy over a 28 year lease agreement. The net present value of the lease payments due, which approximates the construction cost, will be recognized as rental revenue by the Academy over the life of the lease. Deferred rent revenue amounts totaled approximately \$7,559,000 and \$6,562,000 at June 30, 2021 and 2020, respectively. Effective, January 1, 2020, NSC began renting the soccer fields and the Academy recognized \$318,588 which is included in facility rental revenue during the year ended June 30, 2021, accordingly.

Future rental income is estimated to be recognized as follows:

#### Years Ending June 30,

2022	\$ 400,542
2023	408,553
2024	416,724
2025	425,058
2026	433,559
Thereafter	<u>11,733,987</u>
Gross rent revenue	13,818,423
Less discount to net present value	<u>(6,310,310)</u>
Deferred rent income, net	<u>\$ 7,508,113</u>

### Note 9—Deferred grant revenue

During the year ended June 30, 2020, the Academy received a Paycheck Protection Program loan (“PPP”) in the amount of \$1,566,000. The PPP loan was granted by the Small Business Administration (“SBA”) under the Coronavirus Aid Relief, and Economic Security Act (“CARES Act”). PPP loans are considered conditional contributions under ASC 958-605, *Not-for Profit Entities – Revenue Recognition*. The loan must be repaid if the Academy does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. In March 2021, the PPP loan of \$1,566,000, plus accrued interest, was fully forgiven by the SBA and was recognized in grant revenue within the statement of activities for the year ended June 30, 2021.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### Note 10—Bonds payable

On March 15, 2003, the Academy issued \$7,500,000 of Debenture Adjustable Rate Demand Development Revenue Bonds through a financial institution. The bonds required interest at a fixed rate in accordance with the swap agreement (described in Note 12) plus a variable rate. The variable interest rate was adjusted weekly based upon LIBOR plus an agreed-upon factor. Interest was due monthly on the last business day of each month.

Effective October 20, 2009, the bonds payable were refinanced through an agreement with the Industrial Development Board of Williamson County, Tennessee ("IDB"). Under this agreement, the IDB issued \$6,105,000 in Educational Facilities Revenue Refunding Bonds, and loaned the proceeds of this bond issuance to the Academy through a loan agreement with a financial institution. Principal payments are due annually with monthly interest payments at a variable rate based on LIBOR (2.11% at June 30, 2021). The maturity date of the agreement is December 1, 2023. Amounts outstanding at June 30, 2021 and 2020 were \$1,455,000 and \$1,910,000, respectively.

On September 5, 2019, the Academy entered into an additional financing agreement. Under the terms of this agreement, the IDB issued Educational Facilities Revenue Bonds providing a borrowing capacity of \$7,000,000, with loans available to the Academy through a loan agreement with a financial institution. Principal payments will be due as pledges receivable are collected with an annual maximum outstanding principal balance ranging from approximately \$5,350,000 at December 31, 2021 to \$2,800,000 at December 31, 2025. Interest payments are due monthly at a variable rate based on the higher of the Federal Funds Rate plus 0.50% and the prime rate (1.49% at June 30, 2021). The maturity date of this agreement is December 31, 2026. Amounts outstanding at June 30, 2021 and 2020 were \$5,212,466 and \$5,683,144, respectively.

Maturities of bonds payable were as follows as of June 30, 2021:

<u>Years Ending June 30,</u>	<u>Annual Principal Amount</u>
2022	\$ 470,000
2023	947,466
2024	1,250,000
2025	500,000
2026	700,000
Thereafter	2,800,000
	<u>\$ 6,667,466</u>

The Academy is required to meet certain financial covenants as specified in the bond documents. For the years ended June 30, 2021 and 2020, the Academy was in compliance with such covenants.

### Note 11—Line of credit

In June 2014, the Academy entered into a \$500,000 line of credit agreement with a financial institution. The line of credit matured on February 18, 2021. The line of credit had a variable interest rate based upon LIBOR plus 2.00% and required the Academy to maintain a zero balance outstanding on the line of credit for at least one 30-day consecutive period. There were no amounts outstanding on the line of credit at June 30, 2021 or 2020.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### Note 12—Interest rate swap agreement

During October 2017, the Academy entered into an interest rate swap transaction in connection with the bonds payable to hedge against future changes in interest rates. Details of that agreement were as follows:

Description	Effective Date	Termination Date	Notional Amount
Interest rate swap agreement swapping a variable rate for a fixed rate of 1.77%	October 1, 2017	December 1, 2023	\$ 1,455,000

The Academy accounted for these interest rate swap agreements in accordance with FASB ASC guidance on accounting for derivative instruments, which requires that the fair value of the liability be presented in the accompanying statements of financial position. The statements of activities for the years ended June 30, 2021 and 2020 include (\$1,151) and \$5,209, respectively, of change in the valuation of the interest rate swap agreements.

The notional amount of the agreement is \$1,455,000 and \$1,910,000 at June 30, 2021 and 2020, respectively. The estimated fair values at June 30, 2021 and 2020 are \$(4,205) and \$(5,356), respectively.

### Note 13—Net assets without donor restriction

The Board of Trustees has placed voluntary designations on certain unrestricted net assets. A summary of net assets without donor restriction is as follows at June 30:

	2021	2020
Board designated:		
Scholarship endowment	\$ 7,547,209	\$ 2,400,076
Capital maintenance reserve	2,000,000	-
Strategic initiative reserve	1,000,000	-
Deferred maintenance	-	519,618
Tuition refund program	266,844	254,000
Financial aid	50,000	50,000
Total board designated	10,864,053	3,223,694
Undesignated	28,176,182	29,939,924
	<u>\$ 39,040,235</u>	<u>\$ 33,163,618</u>

**CURREY INGRAM ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2021 AND 2020*

**Note 14—Net assets with donor restriction**

The Academy has received contributions from donors with the stipulation that such contributions are to be used for specified purposes.

Net assets with donor restriction are available as follows at June 30:

	<b>2021</b>	<b>2020</b>
Scholarships and other held in perpetuity	\$ 7,641,780	\$ 7,431,216
Capital improvements	3,428,555	6,661,725
Debt	1,614,357	2,233,170
Pledges receivable - time restricted	240,563	265,948
Tacos and trivia	81,769	100,973
Scholarships	38,369	55,464
Miscellaneous	5,363	12,315
Marketing	3,996	3,996
	<u>\$ 13,054,752</u>	<u>\$ 16,764,807</u>

**Note 15—Donor-restricted contributions and related expenses**

Net assets with donor-restricted contributions and related expenses consist of the following for the years ended June 30:

	<b>2021</b>		<b>2020</b>	
	<b>Contributions</b>	<b>Expenses/ Releases</b>	<b>Contributions</b>	<b>Expenses/ Releases</b>
Scholarships and other held in perpetuity	\$ 210,564	\$ -	\$ 315,079	\$ -
Capital improvements	-	3,233,170	816,149	-
Debt	-	618,813	-	432,543
Pledges receivable - time restricted	-	25,385	-	30,036
Tacos and trivia	-	19,204	-	12,194
Scholarships	533,826	550,922	346,174	343,045
Miscellaneous	-	6,952	3,898	-
Marketing	-	-	-	-
	<u>\$ 744,390</u>	<u>\$ 4,454,446</u>	<u>\$ 1,481,300</u>	<u>\$ 817,818</u>

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### Note 16—Endowment

Net assets held in perpetuity consist of the following endowment funds at June 30:

	2021	2020
Scholarship and other	\$ 7,641,780	\$ 7,431,216

The dividend and interest income earned on net assets held in perpetuity is available to the Academy to provide scholarships and financial assistance. The composition of the Academy's total endowment, as presented below, consists of board-designated and donor-restricted gifts held in cash and investment accounts. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

*Interpretation of Relevant Law* – The Board of Trustees of the Academy has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Academy classifies as donor-restricted net assets (a) the original value of gifts donated to the restricted endowment, (b) the original value of subsequent gifts to the restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets held in perpetuity is classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Academy in a manner consistent with the standard of prudence prescribed by UPMIFA. The Board of Trustees has appropriated for expenditure all endowment earnings.

Endowment net asset composition by type of fund as of June 30, 2021:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	\$ -	\$ 7,641,780	\$ 7,641,780
Board-designated endowment funds	7,547,209	-	7,547,209
Total funds	\$ 7,547,209	\$ 7,641,780	\$ 15,188,989

Changes in endowment net assets for the year ended June 30, 2021:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 2,400,076	\$ 7,431,216	\$ 9,831,292
Investment activity:			
Interest and dividends	298,981	-	298,981
Net appreciation	2,113,170	-	2,113,170
Investment fees	(39,442)	-	(39,442)
Total investment activity	2,372,709	-	2,372,709
Contributions	2,455,836	210,564	2,666,400
Expenditures	-	-	-
Endowment net assets, end of year	\$ 7,228,621	\$ 7,641,780	\$ 14,870,401

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### Note 16—Endowment (continued)

Endowment net asset composition by type of fund as of June 30, 2020:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	\$ -	\$ 7,431,216	\$ 7,431,216
Board-designated endowment funds	2,400,076	-	2,400,076
Total funds	<u>\$ 2,400,076</u>	<u>\$ 7,431,216</u>	<u>\$ 9,831,292</u>

Changes in endowment net assets for the year ended June 30, 2020:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	<u>\$ 2,352,820</u>	<u>\$ 7,116,137</u>	<u>\$ 9,468,957</u>
Investment activity:			
Interest and dividends	311,680	-	311,680
Net appreciation	221,542	-	221,542
Investment fees	<u>(32,685)</u>	<u>-</u>	<u>(32,685)</u>
Total investment activity	<u>500,537</u>	<u>-</u>	<u>500,537</u>
Contributions	<u>-</u>	<u>315,079</u>	<u>315,079</u>
Expenditures	<u>(453,281)</u>	<u>-</u>	<u>(453,281)</u>
Endowment net assets, end of year	<u>\$ 2,400,076</u>	<u>\$ 7,431,216</u>	<u>\$ 9,831,292</u>

**Endowment Investment Policy and Risk Parameters** – The Academy has adopted investment and spending policies for endowment assets to support the Academy and its mission over the long term, through the preservation of cash and reserves, while producing market-level income. Endowment assets include those assets of donor-restricted funds the Academy must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Trustees, the general policy is to diversify investments among both equity and fixed income securities so as to enhance total return while avoiding undue risk concentration in any investment class. The endowment assets are to be allocated among certain pre-specified asset classes, including domestic equity, domestic fixed income, international equity, international fixed income, real estate, venture capital, and private equity. Investments of a single issuer may not exceed 5% of the total market value of the endowment, with the exception of U.S. government holdings.

**Strategies Employed for Achieving Investment Objectives** – To satisfy its long-term objectives, the Academy relies on a strategy meant to preserve the principal of operating cash and reserves while producing market-level income. The objective is for the endowment to realize absolute rate-of-return of 5%, to realize rates of return commensurate with relative capital market measures, such as securities indices, and to achieve a total rate of return that is above median performance of similarly managed funds over a time period.

**Spending Policy and How the Investment Objectives Relate to Spending Policy** – The Academy has a policy of appropriating annual distributions up to 4% of the three-year historical average of the endowment fund for scholarships and financial assistance.



# **CURREY INGRAM ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2021 AND 2020*

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### **Note 17—Letters of credit**

At June 30, 2021 and 2020, the Academy maintained two letters of credit issued by a local financial institution totaling \$165,000. These letters of credit will be available in the event of noncompliance with certain performance bonds as required by Williamson County, Tennessee and the state of Tennessee.

### **Note 18—Deferred compensation plans**

The Academy has a 403(b) tax deferred annuity plan covering substantially all employees. The employer matches eligible employee voluntary contributions up to 5% of the employee's gross salary. The Academy also has a 457(f) deferred compensation plan for a key employee.

During the years ended June 30, 2021 and 2020, total employer contributions to the plans were \$242,901 and \$239,902, respectively.

### **Note 19—Lease commitments**

The Academy has leased copiers under lease arrangements classified as operating leases. Total rent expense for the years ended June 30, 2021 and 2020 was \$33,709 and \$31,645, respectively. The leases are payable in monthly payments and expire at various times through fiscal year 2022.

### **Note 20—Vanderbilt scholarship gift agreement**

In 2004, one benefactor donated funds to the Vanderbilt University Endowment Fund under an agreement which states that any income, up to 4.5%, generated from this gift is to be given to the Currey Ingram Academy Scholarship Fund (the "Fund"). Qualified recipients of this scholarship were children of full-time employees of Vanderbilt University and Vanderbilt University Medical Center. Contributions from the Fund to the Academy during the years ended June 30, 2021 and 2020 totaled \$402,433 and \$264,279, respectively.

### **Note 21—Concentrations**

The Academy's cash account balances at June 30, 2021 and 2020 exceeded Federal Deposit Insurance Corporation insurance limits. The Academy has not experienced any losses in such accounts and management believes the Academy is not exposed to any significant credit risk related to cash.

At June 30, 2021, 83% of the pledges receivable was due to the Academy from one donor. At June 30, 2020, 77% of the pledges receivable was due to the Academy from one donor. For the year ended June 30, 2021, contributions from one donor represented approximately 36% of total contributions received by the Academy. For the year ended June 30, 2020, contributions from three donors represented approximately 51% of total contributions received by the Academy. A significant reduction in the level of support from these donors could have an adverse effect on the operations of the Academy.

### **Note 22—Related party transactions**

The Academy occasionally purchases goods or services at commercially reasonable rates from companies or organizations that are affiliated with or owned, directly or indirectly, by members of the Board of Trustees. All such purchases are reviewed and approved in accordance with the Academy's purchasing policy. For the years ended June 30, 2021 and 2020, the Academy incurred legal expenses totaling \$56,076 and \$54,341, respectively, from a law firm affiliated with a member of the Board of Trustees.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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### Note 23—Supplemental cash flow information

The following is supplemental cash flow information required by U.S. GAAP.

	2021	2020
Cash paid during the year for interest	\$ 143,796	\$ 84,227

### Note 24—Uncertainty

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in the financial markets. The coronavirus outbreak and government responses are creating disruption to global supply chains and adversely impacting many industries. The outbreak could have a material, adverse impact on economic and market conditions and trigger a period of global economic shutdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material, adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Academy, its performance, and its financial results.