

# **CURREY INGRAM ACADEMY**

## **FINANCIAL STATEMENTS**

***As of and for the Years Ended June 30, 2022 and 2021***

***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

### Opinion

We have audited the accompanying financial statements of Currey Ingram Academy (the “Academy”) (a nonprofit organization), 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 financial statements referred to above 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

*Cherry Bekaert LLP*

Nashville, Tennessee  
December 21, 2022

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

*JUNE 30, 2022 AND 2021*

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 4,643,483	\$ 4,744,829
Investments	14,448,453	15,169,698
Inventory	81,484	86,880
Accounts receivable, net of allowance of \$498,074 and \$555,650, respectively	1,067,689	743,239
Current pledges receivable, net of allowance of \$110,154 and \$71,855, respectively	1,542,829	1,471,065
Prepaid expenses	144,535	91,685
Interest rate swap asset	1,725	-
Total Current Assets	21,930,198	22,307,396
Pledges receivable, net of discount and allowance of \$410,823 and \$268,608, respectively	2,706,772	4,229,441
Property and equipment, net of accumulated depreciation of \$29,519,981 and \$26,844,126, respectively	39,833,735	42,122,317
Other assets, net	1,664	5,657
<b>Total Assets</b>	<b>\$ 64,472,369</b>	<b>\$ 68,664,811</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 428,791	\$ 517,480
Deferred revenues	2,541,522	2,222,665
Current installments of bonds payable	485,000	470,000
Interest rate swap liability	-	4,205
Total Current Liabilities	3,455,313	3,214,350
Deferred revenues, net of current	6,749,812	7,158,008
Bonds payable, net of current installments	5,065,220	6,197,466
Total Liabilities	15,270,345	16,569,824
Net Assets:		
Without Donor Restrictions:		
Unrestricted	25,740,926	28,176,182
Board designated	11,635,258	10,864,053
Total Net Assets Without Donor Restrictions	37,376,184	39,040,235
With Donor Restrictions:		
Purpose restriction	3,872,301	5,172,409
Time restriction	147,854	240,563
Held in perpetuity	7,805,685	7,641,780
Total Net Assets With Donor Restrictions	11,825,840	13,054,752
Total Net Assets	49,202,024	52,094,987
<b>Total Liabilities and Net Assets</b>	<b>\$ 64,472,369</b>	<b>\$ 68,664,811</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, 2022*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Public Support:			
Contributions	<u>\$ 1,231,486</u>	<u>\$ 173,272</u>	<u>\$ 1,404,758</u>
Revenue:			
Tuition, net of financial aid of \$3,323,042	13,679,696	-	13,679,696
Child development center	706,371	-	706,371
Diagnostic center	219,812	-	219,812
Facility rental	546,860	-	546,860
Investment interest and dividends	722,747	-	722,747
Tuition refund income	319,074	-	319,074
Application and enrollment fees	170,750	-	170,750
Student fees	156,184	-	156,184
Student activities income	186,205	-	186,205
Other	42,397	-	42,397
Aftercare income	115,549	-	115,549
Gain on sale of assets	16,762	-	16,762
In-kind income	32,652	-	32,652
Finance charge income	14,623	-	14,623
Net assets released from restrictions	<u>1,402,184</u>	<u>(1,402,184)</u>	<u>-</u>
Total Revenue	<u>18,331,866</u>	<u>(1,402,184)</u>	<u>16,929,682</u>
Unrealized loss on investments	<u>(3,311,758)</u>	<u>-</u>	<u>(3,311,758)</u>
Total Public Support, Revenue, and Investment Loss	<u>16,251,594</u>	<u>(1,228,912)</u>	<u>15,022,682</u>
Expenses:			
Program Services	<u>16,050,002</u>	<u>-</u>	<u>16,050,002</u>
Supporting Services:			
Management and general	1,395,147	-	1,395,147
Fundraising	<u>470,496</u>	<u>-</u>	<u>470,496</u>
Total Supporting Services	<u>1,865,643</u>	<u>-</u>	<u>1,865,643</u>
Total Expenses	<u>17,915,645</u>	<u>-</u>	<u>17,915,645</u>
Change in net assets	(1,664,051)	(1,228,912)	(2,892,963)
Net assets, beginning of year	<u>39,040,235</u>	<u>13,054,752</u>	<u>52,094,987</u>
Net assets, end of year	<u>\$ 37,376,184</u>	<u>\$ 11,825,840</u>	<u>\$ 49,202,024</u>

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 Restrictions</b>	<b>With Donor Restrictions</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 FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 7,784,484	\$ 553,904	\$ 352,979	\$ 8,691,367
Contract services	1,749,993	430,877	35,082	2,215,952
Payroll taxes and employee benefits	1,306,770	105,603	25,150	1,437,523
Utilities	400,706	-	-	400,706
Materials and supplies	304,552	38,777	1,097	344,426
Student contract discount	302,165	-	-	302,165
Miscellaneous	224,776	49,452	16,153	290,381
Bad debt	269,891	-	-	269,891
Advertising and public relations	167,986	-	9,365	177,351
Insurance	170,426	-	-	170,426
Investment and debt fees	128,546	650	-	129,196
Tuition refund program	123,251	-	-	123,251
Technology	57,837	24,654	16,188	98,679
Professional development	75,683	19,029	1,100	95,812
Student activities	75,337	4,382	-	79,719
Equipment	34,425	40,827	-	75,252
Legal fees	-	74,213	-	74,213
Membership, subscriptions, books, and dues	66,405	2,252	2,069	70,726
Athletic	45,882	-	-	45,882
Copier rent	42,096	-	-	42,096
Entertainment and hospitality	19,963	10,420	9,815	40,198
Audit	-	37,450	-	37,450
Postage	5,093	884	1,498	7,475
Permits and licenses	887	1,773	-	2,660
	13,357,154	1,395,147	470,496	15,222,797
Depreciation and amortization	2,692,848	-	-	2,692,848
	<u>\$ 16,050,002</u>	<u>\$ 1,395,147</u>	<u>\$ 470,496</u>	<u>\$ 17,915,645</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, 2021*

	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total</b>
		<b>Management and General</b>	<b>Fundraising</b>	
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
	<u>11,820,904</u>	<u>1,248,486</u>	<u>352,654</u>	<u>13,422,044</u>
Depreciation and amortization	<u>2,535,083</u>	<u>-</u>	<u>-</u>	<u>2,535,083</u>
	<u><u>\$ 14,355,987</u></u>	<u><u>\$ 1,248,486</u></u>	<u><u>\$ 352,654</u></u>	<u><u>\$ 15,957,127</u></u>

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

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

*YEARS ENDED JUNE 30, 2022 AND 2021*

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (2,892,963)	\$ 2,166,562
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	2,688,855	2,525,664
Amortization	3,993	9,418
Unrealized loss (gain) on investments	3,311,758	(2,113,170)
Contributions restricted for long-term purposes	(10,000)	(4,010)
Allowance for bad debts	(54,139)	(119,115)
Changes in operating assets and liabilities:		
Inventory	5,396	(37,661)
Accounts receivable	(266,874)	234,817
Pledges receivable	160,977	56,045
Prepaid expenses	(52,850)	(12,135)
Accounts payable and accrued expenses	(88,689)	(1,145,977)
Deferred revenues	(89,339)	1,553,446
Deferred grant revenue	-	(1,566,000)
Change in estimated fair value of interest rate swap agreement	(5,930)	(1,151)
Net cash flows from operating activities	<u>2,710,195</u>	<u>1,546,733</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(3,402,693)	(3,587,638)
Proceeds from sale of investments	812,180	-
Purchases of property and equipment	(400,273)	(3,450,559)
Net cash flows from investing activities	<u>(2,990,786)</u>	<u>(7,038,197)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from contributions restricted for long-term purposes	1,296,491	2,264,332
Payments of bonds payable	(1,117,246)	(925,677)
Net cash flows from financing activities	<u>179,245</u>	<u>1,338,655</u>
Net change in cash and cash equivalents	(101,346)	(4,152,809)
Cash and cash equivalents, beginning of year	<u>4,744,829</u>	<u>8,897,638</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,643,483</u></u>	<u><u>\$ 4,744,829</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, 2022 AND 2021

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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 Restrictions* – Net assets that are not subject to donor-imposed restrictions 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 Restrictions* – 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. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a restriction is fulfilled in the same time period in which contribution is received, the support is reported as increases to net assets without donor restrictions. 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 restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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, 2022 and 2021, the allowance totaled \$223,168 and \$256,316, respectively.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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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 7).

*Deferred Grant Revenue* – See Note 8.

*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 10 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 14 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 \$177,351 and \$200,892 for the years ended June 30, 2022 and 2021, respectively.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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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 restrictions to net assets without donor restrictions 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 September 2020, FASB issued Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. In addition, for each category of contributed nonfinancial assets recognized, certain additional disclosures are required. This standard is effective for the year ending June 30, 2022. 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 contributed nonfinancial assets.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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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 December 21, 2022, and other than the matter discussed in Note 9, no further events or transactions have occurred requiring disclosure.

### **Note 2—Revenue recognition**

The Academy accounts for revenue under ASC 606. 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 \$9,291,334 and \$9,380,673 as of June 30, 2022 and 2021, 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 \$1,067,689 and \$743,239 as of June 30, 2022 and 2021, 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, 2022 and 2021, an allowance for bad debts of \$498,074 and \$555,650, 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, 2022 and 2021 for the presentation of the Academy's revenue streams.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

### 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:

	2022	2021
Financial assets at June 30:		
Cash and cash equivalents	\$ 4,643,483	\$ 4,744,829
Accounts receivable, net of allowance	1,067,689	743,239
Pledge receivables, net of allowance	4,249,601	5,700,506
Investments	14,448,453	15,169,698
Total financial assets	24,409,226	26,358,272
Less amounts not available to be used for general expenditures within one year:		
Net assets restricted for time	147,854	240,563
Net assets restricted for specific programs	3,872,301	5,172,409
Board-designated endowment	11,635,258	10,864,053
Net assets held in perpetuity	7,805,685	7,641,780
Total amounts not available to be used for general expenditures within one year	23,461,098	23,918,805
Financial assets available to meet cash needs for general expenditures within one year	\$ 948,128	\$ 2,439,467

### 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, 2022 AND 2021

**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, 2022 or 2021. 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, 2022:

	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds - equity funds	\$ 10,275,255	\$ -	\$ -	\$ 10,275,255
Mutual funds - bond funds	1,868,046	-	-	1,868,046
Money market	2,305,152	-	-	2,305,152
Total investments at fair value	<u>\$ 14,448,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,448,453</u>
Interest rate swap asset	<u>\$ -</u>	<u>\$ 1,725</u>	<u>\$ -</u>	<u>\$ 1,725</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, 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>



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

*JUNE 30, 2022 AND 2021*

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

The following schedule summarizes the investment return at June 30:

	<b>2022</b>	<b>2021</b>
Investment interest and dividends	\$ 722,747	\$ 298,981
Unrealized (loss) gain	(3,311,758)	2,113,170
Net investment (loss) gain	<u>\$ (2,589,011)</u>	<u>\$ 2,412,151</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 3.14% and 2.06% at June 30, 2022 and 2021, respectively.

The following are the future maturities of pledges receivable at June 30, 2022:

<b><u>Years Ending June 30,</u></b>	
2023	\$ 1,652,982
2024	1,100,096
2025	1,012,500
2026	<u>1,005,000</u>
Pledges receivable, gross	4,770,578
Less allowance for uncollectible pledges	(223,168)
Less discount to net present value	<u>(297,809)</u>
Pledges receivable, net	<u><u>\$ 4,249,601</u></u>

Pledges receivable are scheduled to be received as follows:

	<b>2022</b>	<b>2021</b>
Receivable in less than one year, net	\$ 1,542,829	\$ 1,471,065
Receivable in one to five years, net	<u>2,706,772</u>	<u>4,229,441</u>
	<u><u>\$ 4,249,601</u></u>	<u><u>\$ 5,700,506</u></u>

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

*JUNE 30, 2022 AND 2021*

**Note 6—Property and equipment**

Property and equipment consist of the following at June 30:

	<b>2022</b>	<b>2021</b>
Buildings	\$ 53,205,549	\$ 53,205,548
Furniture and equipment	6,592,448	6,230,402
Land	2,986,766	2,986,766
Construction in progress	50,581	123,380
Building improvements	1,622,548	1,551,423
Land improvements	4,608,814	4,608,814
Vehicles	197,416	170,516
Grounds equipment	89,594	89,594
	69,353,716	68,966,443
Less accumulated depreciation	(29,519,981)	(26,844,126)
	<u>\$ 39,833,735</u>	<u>\$ 42,122,317</u>

At June 30, 2022 and 2021, construction in progress primarily consisted of technology upgrades, playground updates and construction projects for the years then ended, respectively.

For the years ended June 30, 2022 and 2021, the Academy had depreciation expense of \$2,688,855 and \$2,525,664, respectively.

**Note 7—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 \$2,132,000 and \$1,822,000 at June 30, 2022 and 2021, 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 funded the estimated \$7,800,000 construction costs as invoices became due and the Academy recorded 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 approximated the construction cost, is being recognized as rental revenue by the Academy over the life of the lease. Deferred rent revenue amounts totaled approximately \$7,158,000 and \$7,559,000 at June 30, 2022 and 2021, respectively. Effective January 1, 2020, NSC began renting the soccer fields and the Academy recognized \$400,542 and \$318,588 which is included in facility rental revenue during the years ended June 30, 2022 and 2021, respectively.

# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

### Note 7—Deferred revenues (continued)

Future rental income is estimated to be recognized as follows:

<u>Years Ending June 30,</u>	
2023	\$ 408,553
2024	416,724
2025	425,058
2026	433,559
2027	442,230
Thereafter	11,291,757
Gross rent revenue	13,417,881
Less discount to net present value	(6,259,516)
Deferred rent income, net	<u>\$ 7,158,365</u>

### Note 8—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.

### Note 9—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 10) 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 (2.90% at June 30, 2022). The maturity date of the agreement is December 1, 2023. Amounts outstanding at June 30, 2022 and 2021 were \$985,000 and \$1,455,000, 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 (2.28% at June 30, 2022). The maturity date of this agreement is December 31, 2026. Amounts outstanding at June 30, 2022 and 2021 were \$4,565,221 and \$5,212,466, respectively.

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

*JUNE 30, 2022 AND 2021*

**Note 9—Bonds payable (continued)**

On September 1, 2022, the Academy refinanced the bonds payable per an agreement with IDB through a financial institution. Under this agreement the IDB issued three separate Educational Facilities Revenue Refunding Bonds totaling \$5,022,240 as follows: Series 2022A bond in the principal amount of \$985,000, Series 2022B, in the principal amount of not to exceed \$2,285,716, and Series 2022C, in the principal amount of not to exceed \$1,751,524. The maturity dates are December 31, 2023, July 31, 2025, and July 31, 2035 and interest payments are due monthly at a rate of 2.5%, 2.65%, and 2.95%, respectively. The bonds are secured by donor gifts, charitable pledges, and contributions made to the Academy, Capital Campaign pledge receipts, and the Capital Campaign deposit account. The Academy made a bond principle payments \$527,980 during the refinance.

As a result of this refinancing, maturities of bonds payable were as follows as of June 30, 2022:

<u>Years Ending June 30,</u>	<u>Annual Principal Amount</u>
2023	\$ 485,000
2024	1,065,220
2025	500,000
2026	700,000
2027	2,800,000
	<u>\$ 5,550,220</u>

For the year ending June 30, 2023, the Academy will be required to meet certain financial covenants as specified in the bond documents.

**Note 10—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:

<u>Description</u>	<u>Effective Date</u>	<u>Termination Date</u>	<u>Notional Amount</u>
Interest rate swap agreement swapping a variable rate for a fixed rate of 1.77%	October 1, 2017	December 1, 2023	\$ 985,000

The Academy accounted for this interest rate swap agreement 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, 2022 and 2021 include \$5,930 and (\$1,151), respectively, of change in the valuation of the interest rate swap agreements.

The notional amount of the agreement is \$985,000 and \$1,455,000 at June 30, 2022 and 2021, respectively. The estimated fair values at June 30, 2022 and 2021 are \$1,725 and (\$4,205), respectively.

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

*JUNE 30, 2022 AND 2021*

**Note 11—Net assets without donor restrictions**

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

	<b>2022</b>	<b>2021</b>
Board designated:		
Scholarship endowment	\$ 6,667,947	\$ 7,547,209
Capital maintenance reserve	1,719,506	2,000,000
Cash reserve	1,679,595	-
Strategic initiative reserve	859,713	1,000,000
Tuition refund program	408,497	266,844
Targeted supplemental funding	300,000	-
Financial aid	-	50,000
Total board designated	11,635,258	10,864,053
Undesignated	25,740,926	28,176,182
	<u>\$ 37,376,184</u>	<u>\$ 39,040,235</u>

**Note 12—Net assets with donor restrictions**

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

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

	<b>2022</b>	<b>2021</b>
Scholarships and other held in perpetuity	\$ 7,805,685	\$ 7,641,780
Capital improvements	2,774,997	3,428,555
Debt	982,483	1,614,357
Pledges receivable - time restricted	147,854	240,563
Tacos and trivia	60,624	81,769
Scholarships	35,471	38,369
Miscellaneous	14,730	5,363
Marketing	3,996	3,996
	<u>\$ 11,825,840</u>	<u>\$ 13,054,752</u>

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

JUNE 30, 2022 AND 2021

**Note 13—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>2022</b>		<b>2021</b>	
	<b>Contributions</b>	<b>Expenses/ Releases</b>	<b>Contributions</b>	<b>Expenses/ Releases</b>
Scholarships and other held in perpetuity	\$ 163,905	\$ -	\$ 210,564	\$ -
Capital improvements	-	653,558	-	3,233,170
Debt	-	631,874	-	618,813
Pledges receivable - time restricted	-	92,709	-	25,385
Tacos and trivia	-	21,145	-	19,204
Scholarships	-	2,898	533,826	550,922
Miscellaneous	9,367	-	-	6,952
	<u>\$ 173,272</u>	<u>\$ 1,402,184</u>	<u>\$ 744,390</u>	<u>\$ 4,454,446</u>

**Note 14—Endowment**

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

	<b>2022</b>	<b>2021</b>
Scholarship and other	<u>\$ 7,805,685</u>	<u>\$ 7,641,780</u>

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 restrictions 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.

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

*JUNE 30, 2022 AND 2021*

**Note 14—Endowment (continued)**

Endowment net asset composition by type of fund as of June 30, 2022:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 7,805,685	\$ 7,805,685
Board-designated endowment funds	6,667,947	-	6,667,947
Total funds	<u>\$ 6,667,947</u>	<u>\$ 7,805,685</u>	<u>\$ 14,473,632</u>

Changes in endowment net assets for the year ended June 30, 2022:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 7,228,621	\$ 7,641,780	\$ 14,870,401
Investment activity:			
Interest and dividends	722,747	-	722,747
Net decrease	(3,252,041)	-	(3,252,041)
Investment fees	(59,717)	-	(59,717)
Total investment activity	<u>(2,589,011)</u>	<u>-</u>	<u>(2,589,011)</u>
Contributions	<u>2,028,337</u>	<u>163,905</u>	<u>2,192,242</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 6,667,947</u>	<u>\$ 7,805,685</u>	<u>\$ 14,473,632</u>

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 7,641,780	\$ 7,641,780
Board-designated endowment funds	7,547,209	-	7,547,209
Total funds	<u>\$ 7,547,209</u>	<u>\$ 7,641,780</u>	<u>\$ 15,188,989</u>

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

*JUNE 30, 2022 AND 2021*

**Note 14—Endowment (continued)**

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
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

*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.

**Note 15—Letters of credit**

At June 30, 2022 and 2021, 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.



# CURREY INGRAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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### Note 16—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, 2022 and 2021, total employer contributions to the plans were \$246,381 and \$242,901, respectively.

### Note 17—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 are 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, 2022 and 2021 totaled \$374,095 and \$402,433, respectively.

### Note 18—Concentrations

The Academy's cash account balances at June 30, 2022 and 2021 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, 2022 and 2021, 84% and 83% of the pledges receivable was due to the Academy from one donor, respectively. For the year ended June 30, 2022, contributions from two donors represented approximately 41% of total contributions received by the Academy. For the year ended June 30, 2021, contributions from one donor represented approximately 36% 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 19—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 year ended June 30, 2021, the Academy incurred legal expenses totaling \$56,076, from a law firm affiliated with a member of the Board of Trustees.

### Note 20—Supplemental cash flow information

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

	2022	2021
Cash paid during the year for interest	\$ 124,881	\$ 143,796