

CENTENNIAL PLACE ACADEMY, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2021

DRAFT

CENTENNIAL PLACE ACADEMY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2021

DRAFT

CENTENNIAL PLACE ACADEMY, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Centennial Place Academy, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Centennial Place Academy, Inc. (a 501(c)(3) Georgia not-for-profit organization) which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 that 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 Centennial Place Academy, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Centennial Place Academy, Inc.'s June 30, 2020 financial statements, and our report dated October 19, 2020 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Atlanta, Georgia

DATE

**CENTENNIAL PLACE ACADEMY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

ASSETS		
	2021	2020
Cash	\$ 3,591,369	\$ 3,489,462
Accounts receivable – Title I Funds	15,000	61,704
Grants receivable	2,314,255	16,368
Other receivables	-	3,521
Prepaid expenses	41,793	38,239
Property and equipment, net	1,700,661	1,580,497
TOTAL ASSETS	\$ 7,663,078	\$ 5,189,791
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 394,744	\$ 391,926
Accrued payroll and benefits	467,682	417,307
Deferred revenue – PPP grant	-	696,966
TOTAL LIABILITIES	862,426	1,506,199
NET ASSETS		
Without donor restrictions		
Undesignated	6,100,652	3,041,384
Board designated reserves	700,000	600,000
With donor restrictions	-	42,208
TOTAL NET ASSETS	6,800,652	3,683,592
TOTAL LIABILITIES AND NET ASSETS	\$ 7,663,078	\$ 5,189,791

See notes to the financial statements.

CENTENNIAL PLACE ACADEMY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Atlanta Public Schools funding	\$ 10,769,695	\$ -	\$ 10,769,695	\$ 10,291,484
Title I funding	293,350	-	293,350	359,132
Title II funding	15,688	-	15,688	23,982
Title IV funding	-	-	-	6,403
Grants	327,344	20,000	347,344	91,971
Federal CARES Act PPP grant	696,966	-	696,966	962,434
Federal ESSERS funding	2,368,635	-	2,368,635	-
Contributions	16,587	5,000	21,587	23,050
In-kind contributions	-	-	-	-
Other income	34,786	-	34,786	136,114
Total support and revenue	14,523,051	25,000	14,548,051	11,894,570
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of restrictions	67,208	(67,208)	-	-
TOTAL SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS	14,590,259	(42,208)	14,548,051	11,894,570
EXPENSES				
Program expenses				
Instructional expenses	8,550,250	-	8,550,250	7,967,043
Facilities expenses	1,375,486	-	1,375,486	1,534,431
Technology expenses	157,060	-	157,060	120,507
Support expenses				
Fundraising	71,834	-	71,834	86,971
Management and general	1,276,361	-	1,276,361	993,403
TOTAL EXPENSES	11,430,991	-	11,430,991	10,702,355
CHANGES IN NET ASSETS	3,159,268	(42,208)	3,117,060	1,192,215
NET ASSETS AT BEGINNING OF YEAR	3,641,384	42,208	3,683,592	2,491,377
NET ASSETS AT END OF YEAR	\$ 6,800,652	\$ -	\$ 6,800,652	\$ 3,683,592

See notes to the financial statements.

CENTENNIAL PLACE ACADEMY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)

	2021							2020 Total
	Program				Management and General	Fundraising	Total	
	Instructional	Facilities	Technology	Total				
Salaries and wages	\$ 6,095,298	\$ 228,505	\$ 73,168	\$ 6,396,971	\$ 612,249	\$ 50,000	\$ 7,059,220	\$ 6,096,075
Pension	1,038,277	38,924	12,463	1,089,664	104,291	8,517	1,202,472	1,217,896
Other employee benefits	687,217	26,583	8,513	722,313	71,226	5,817	799,356	730,399
Occupancy	-	562,776	-	562,776	-	-	562,776	735,325
Professional fees	-	-	-	-	438,827	7,500	446,327	353,714
Instructional materials and software	432,564	-	-	432,564	-	-	432,564	335,092
Depreciation	-	408,227	-	408,227	-	-	408,227	384,657
Training and staff development	117,617	-	-	117,617	1,200	-	118,817	65,105
Educational consulting	107,382	-	-	107,382	-	-	107,382	332,031
Insurance	21,883	46,718	-	68,601	9,828	-	78,429	66,940
Security	-	63,753	-	63,753	-	-	63,753	62,396
Transportation	44,112	-	-	44,112	-	-	44,112	233,739
Supplies	-	-	51,820	51,820	32,594	-	84,414	71,506
Community assistance	-	-	11,096	11,096	-	-	11,096	-
Marketing	-	-	-	-	-	-	-	4,850
Other	5,900	-	-	5,900	6,146	-	12,046	12,630
	\$ 8,550,250	\$ 1,375,486	\$ 157,060	\$ 10,082,796	\$ 1,276,361	\$ 71,834	\$ 11,430,991	\$ 10,702,355

See notes to the financial statements.

**CENTENNIAL PLACE ACADEMY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program				Management and General	Fundraising	Total
	Instructional	Facilities	Technology	Total			
Salaries and wages	\$ 5,286,404	\$ 237,223	\$ 66,266	\$ 5,589,893	\$ 455,561	\$ 50,621	\$ 6,096,075
Pension	1,056,137	47,393	13,239	1,116,769	91,014	10,113	1,217,896
Other employee benefits	626,430	33,445	8,163	668,038	56,124	6,237	730,399
Occupancy	-	735,325	-	735,325	-	-	735,325
Professional fees	-	-	-	-	333,714	20,000	353,714
Instructional materials and software	335,092	-	-	335,092	-	-	335,092
Depreciation	-	384,657	-	384,657	-	-	384,657
Training and staff development	65,105	-	-	65,105	-	-	65,105
Educational consulting	332,031	-	-	332,031	-	-	332,031
Insurance	24,840	33,992	-	58,832	8,108	-	66,940
Security	-	62,396	-	62,396	-	-	62,396
Transportation	233,739	-	-	233,739	-	-	233,739
Supplies	-	-	32,839	32,839	38,667	-	71,506
Marketing	-	-	-	-	4,850	-	4,850
Other	7,265	-	-	7,265	5,365	-	12,630
	<u>\$ 7,967,043</u>	<u>\$ 1,534,431</u>	<u>\$ 120,507</u>	<u>\$ 9,621,981</u>	<u>\$ 993,403</u>	<u>\$ 86,971</u>	<u>\$ 10,702,355</u>

See notes to the financial statements.

**CENTENNIAL PLACE ACADEMY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 3,117,060	\$ 1,192,215
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	408,227	384,657
Decrease (increase) in:		
Accounts receivable – Title I Funds	46,704	(1,602)
Accounts receivable – Title IV Funds	-	11,700
Grants receivable	(2,297,887)	17,924
Other receivables	3,521	(1,038)
Prepaid expenses	(3,554)	25,007
Increase in accounts payable and accrued expenses	53,193	75,183
(Decrease) increase in Deferred revenue – PPP grant	(696,966)	696,966
Net cash provided by operating activities	<u>630,298</u>	<u>2,401,012</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment purchases	(528,391)	(139,016)
Net cash used in investing activities	<u>(528,391)</u>	<u>(139,016)</u>
NET INCREASE IN CASH	101,907	2,261,996
CASH AT BEGINNING OF YEAR	<u>3,489,462</u>	<u>1,227,466</u>
CASH AT END OF YEAR	<u><u>\$ 3,591,369</u></u>	<u><u>\$ 3,489,462</u></u>

See notes to the financial statements.

CENTENNIAL PLACE ACADEMY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. ORGANIZATION AND BUSINESS

Centennial Place Academy, Inc. (the Company) is a 501(c)(3) Georgia not-for-profit corporation organized to operate Centennial Academy, a conversion charter school serving K through 8 (the School) located near downtown Atlanta. The Company was incorporated as Integral New Schools Atlanta, Inc. and changed its name to Centennial Place Academy, Inc. on December 2, 2014.

The School became the first conversion charter school in the Atlanta Public Schools (APS) District, having been granted an initial charter (Charter) by APS and the State of Georgia Department of Education (DOE) in February 2014. The charter authorizes the School to operate as a charter school under the APS system, provided the School operates within the guidelines of the charter in the APS District in accordance with the terms and conditions of the Charter. The term of the initial charter was for five years, from July 1, 2014 through June 30, 2019. Pursuant to the charter, the School added grades 6, 7 and 8 in fiscal years 2015, 2016 and 2017, respectively. The Company, on behalf of the School applied to APS and the DOE and was awarded an additional five-year term from July 1, 2019 to June 30, 2024. The renewed and extended charter (Renewed Charter) requires the School to meet certain academic, operational and financial performance standards. As of June 30, 2021 and 2020, the School is in compliance with these financial performance standards.

The School receives its principal financial support from APS in the form of an allocation of Quality Basic Education (QBE) funding and supplemental local funding per the terms of the School's Renewed Charter. Under the Renewed Charter, APS is required to fund the School no less favorably than other local schools located within the school system unless otherwise provided by law. The per-pupil base funding amount in the petition budget is the school system's good-faith estimate for the charter term. Based on these estimates, APS is required to fund the School at no less than a per-pupil base rate of \$12,762 as long as the school system receives state and local revenues upon which the approved school budget is based. The student count that is used in the allocation formula is initially based on the prior end of the year's enrollment and is adjusted to reflect actual enrollment numbers as of the first Tuesday of October and the first Thursday of March of each fiscal year. The primary attendance zone for the School is open to students residing within the specified boundaries of the School prior to conversion. The secondary attendance zone for the School is open to students residing in the APS District attendance zone. The School's actual student count fluctuates during the school year, given the make-up of its primary attendance zone, which includes three homeless shelters that serve families with children. The School receives QBE funding from APS for the school year in ten monthly installments from August to May.

To support the additions of grades 6, 7 and 8, discussed above, and the enhancement of the School's academic offerings and professional development opportunities to the educational staff, the Company's Board of Directors launched a capital campaign, in fiscal year 2015, to raise \$3.5 million in order to lease the learning lofts and to build out the supportive infrastructure; renovate the existing building; enhance its academic offerings and provide professional development opportunities to the educational staff. Additionally, the School raised additional grant funds to augment its funding from APS and the total annual cost of the School's complete educational programs. Since its inception, the School has raised approximately \$4,400,000.

CENTENNIAL PLACE ACADEMY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. ORGANIZATION AND BUSINESS – CONTINUED

The School's vision is to be a learning community in which all scholars realize their full potential, graduating prepared and motivated for future success. As such, the mission of the School is to create a culture of opportunity and discovery in which scholars are developed into creative, critical thinkers with the vision and courage to impact a global society. The School's core values of Excellence, Integrity, Community, Collaboration, and Life-long Learning supports its philosophy of "Whole Child Education." The curriculum is focused around STEAM (Science, Technology, Engineering, Arts and Mathematics) and project-based inquiry learning strategies that readily extend beyond the School's campus borders to engage the resources of its neighboring institutional partners.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the School have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities at year-end. Net assets, revenues, expenses, gains and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the School and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

Board Designated – Net assets without donor restrictions designated by the Board of Directors (the Board) to be held for specified purposes. The Board can elect to remove these designations in the future.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the School and/or passage of time.

Comparative Statements

The amounts shown for the year ended June 30, 2020 in the accompanying financial statements are included to provide a basis for comparison with 2021 and present summarized totals only. Accordingly, the 2020 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Such information should be read in conjunction with the School's financial statements for the year ended June 30, 2020, from which the summarized information was derived. An unmodified opinion was expressed on the June 30, 2020 financial statements.

Contributions

The School records gifts of cash and other assets as without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities as net assets released from restrictions. All contributions and unconditional promises to give which do not have donor restrictions as to purpose or time are classified as contributions without donor restrictions.

CENTENNIAL PLACE ACADEMY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The School uses the allowance method to determine the uncollectible grants receivable. The allowance is based on management's analysis of specific promises made. No allowance was deemed necessary for the years ended June 30, 2021 and 2020.

Contributed Services

Contributed services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Many individuals volunteer their time and perform a variety of tasks that assist in the School's activities. The School receives numerous volunteer hours each year that are not valued in the financial statements because the services do not meet the criteria.

Contributed Use of Facilities

The School's building is provided by APS at no cost, per Georgia state law. The lease term with APS is for five years running concurrently with the Renewed Charter term, from July 1, 2019 to June 30, 2024. Contribution revenue and related program expense have not been recognized in the accompanying statement of activities because the fair value cannot be reasonably estimated.

Revenue Recognition

Revenue from APS and program fees are recognized in the period the service is delivered. Revenue from reimbursement basis grants is recognized as related expenditures are made.

Property and Equipment

The School capitalizes all expenditures for furniture, fixtures, and equipment in excess of \$1,000. Leasehold improvements are recorded at cost and are depreciated using straight-line methods over the life of the facilities lease. Furniture and equipment are recorded at cost or fair value, if donated, and are depreciated using straight-line methods over their estimated useful lives as follows:

Furniture and equipment	7 years
Leasehold improvements	6-14 years
Technology equipment	5 years

Tax Status

The School is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (IRC) and is classified as an organization which is not a private foundation under Section 509(a) of the IRC. The School qualifies for the charitable contribution deduction.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain indirect costs have been allocated among the programs and supporting services benefited. Personnel costs have been allocated based on estimates of time and effort.

CENTENNIAL PLACE ACADEMY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the School to concentrations of credit and market risk consist of cash. At times the School's cash balances exceed the federally insured limit; however, the School has not experienced any losses with respect to its bank balances in excess of the government provided insurance.

As of June 30, 2021, 88% of grants receivable is from one donor and 72% of the School's 2021 grants and contributions were attributable to three donors. As of June 30, 2020, 100% of grants receivable is from one donor and 61% of the School's 2020 grants and contributions were attributable to one donor.

Fair Values of Financial Instruments

The School estimates that the carrying amount for cash, accounts receivable and accounts payable approximates fair value because of the short-term nature of these instruments.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recently Issued Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases, increasing transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. The amendments in this update are effective for fiscal years beginning after December 31, 2021. The School is currently evaluating the effects that the provisions of ASU No. 2016-02 will have on the School's financial statements.

Reclassifications

Certain 2020 amounts have been reclassified to conform to the 2021 presentation. These reclassifications had no effect on net assets as previously reported.

Events Occurring After Report Date

Management has evaluated events and transactions that occurred between June 30, 2021 and **DATE**, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

CENTENNIAL PLACE ACADEMY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

3. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 and 2020 is composed of the following:

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 2,292,053	\$ 2,292,053
Technology equipment	1,058,494	588,118
Furniture and equipment	664,391	606,376
Less accumulated depreciation	<u>(2,314,277)</u>	<u>(1,906,050)</u>
Net property and equipment	<u><u>\$ 1,700,661</u></u>	<u><u>\$ 1,580,497</u></u>

Depreciation expense of \$408,227 and \$384,657 was recorded for the years ended June 30, 2021 and 2020, respectively.

4. GRANTS RECEIVABLE

Grants receivable at June 30, 2021 are due to be received in the following year.

5. RESTRICTIONS AND DESIGNATIONS ON NET ASSETS

At June 30, 2021 and 2020, \$700,000 and \$600,000, respectively, of net assets without donor restrictions were designated by the Board for operating reserves.

Net asset with donor restrictions at June 30, 2021 and 2020 are available for the following:

	<u>2021</u>	<u>2020</u>
Purpose restricted		
Early learning program	\$ -	\$ 42,208
	<u>\$ -</u>	<u>\$ 42,208</u>

Net assets with donor restrictions released from restrictions during the years ended June 30, 2021 and 2020, were as follows:

	<u>2021</u>	<u>2020</u>
Early learning program	\$ 42,208	\$ 37,505
Library upgrades	-	5,000
Arts integration professional learning	-	15,000
Other	<u>25,000</u>	<u>-</u>
	<u><u>\$ 67,208</u></u>	<u><u>\$ 57,505</u></u>

CENTENNIAL PLACE ACADEMY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

6. COMMITMENTS

Lease Agreements

The School leases modular units (learning lofts) under non-cancelable operating leases with options to renew. Rent expense for the years ended June 30, 2021 and 2020 amounted to approximately \$152,000 and \$174,000, respectively and is included in facilities expenses on the statement of activities. The modular unit leases are in month-to-month renewal periods.

During February 2020, the School entered into a non-cancelable operating lease for office equipment. The lease requires monthly lease payments totaling \$2,489. Rent expense for the years ended June 30, 2021 and 2020 amounted to approximately \$30,000 and \$12,400, respectively. Future minimum lease payments for office equipment are as follows:

For the Year Ending June 30,

2022	\$ 29,872
2023	29,872
2024	29,872
2025	24,893
	<u>\$ 114,509</u>

Contract with APS

The School has an annual operational service agreement with APS for the years ended June 30, 2021 and 2020. The terms of the agreement required APS to provide the following for the year:

1. Certain facilities maintenance and repair services for actual costs.
2. Nutrition services.
3. Certain technology supported services for cost as described in the Buyback Services Guide (a directory of goods and services available for direct purchase from APS and other vendors).

At June 30, 2021 and 2020, \$244,545 and \$256,410, respectively, was payable to APS for these services and is included in accounts payable and accrued expenses.

7. RETIREMENT PLAN

The School participates in the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple employer defined benefit plan, is administered by the TRS Board of Trustees. Participation is available to all full-time public school employees as defined by the Plan. Participant employees contributed 6% of their annual salary in the years ended June 30, 2021 and 2020. The School contributed 19.06% and 21.14% of each participant's annual salary for the years ended June 30, 2021 and 2020, respectively. Employer contributions totaled approximately \$1,202,000 and \$1,222,000 for the years ended June 30, 2021 and 2020, respectively.

CENTENNIAL PLACE ACADEMY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

8. GRANTS AND CONTRIBUTIONS

The School raised grants and contributions to fund capital costs and program enhancement and expansion as well as operating costs as follows during the years ended June 30:

Purpose	2021	2020	2019	2018	2017	2016	2015	Total
Capital campaign	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 310,000	\$ 2,337,000	\$ 2,662,000
Science and technology	25,061	-	251,683	-	-	100,000	22,140	398,884
Staff development	-	-	15,000	20,570	85,000	-	-	120,570
Early learning	-	-	-	-	850,000	-	-	850,000
Other	87,362	115,021	27,878	88,976	85,378	250	3,000	407,865
	<u>\$ 112,423</u>	<u>\$ 115,021</u>	<u>\$ 294,561</u>	<u>\$ 124,546</u>	<u>\$ 1,020,378</u>	<u>\$ 410,250</u>	<u>\$ 2,362,140</u>	<u>\$ 4,439,319</u>

9. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the School's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	2021	2020
Cash	\$ 3,591,369	\$ 3,489,462
Receivables	2,329,255	81,593
Financial assets, at year end	<u>5,920,624</u>	<u>3,571,055</u>
Less: assets unavailable for general expenditures within one year due to:		
Board designated	700,000	600,000
Contractual or donor-imposed restrictions:		
Net assets with donor restrictions	<u>-</u>	<u>42,208</u>
	<u>700,000</u>	<u>642,208</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,220,624</u>	<u>\$ 2,928,847</u>

The School is supported in part by contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the School must maintain sufficient resources to meet those responsibilities to donors. Therefore, certain financial assets may not be available for general expenditures within one year. As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Board designated amounts could be made available if necessary.

CENTENNIAL PLACE ACADEMY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

10. FEDERAL CORONAVIRUS AID AND RELIEF

In early 2020 an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, there have been mandates from federal, state and local authorities resulting in an overall decline in economic activity.

On March 27, 2020 in response to the pandemic, the President signed into law the Coronavirus Aid, Relief and Economic Security Act (CARES). In the weeks that followed, The School applied for and received a \$1,659,400 Paycheck Protection Program (PPP) loan granted by the Small Business Administration. The School has elected to account for the PPP loan as a conditional contribution in accordance with the guidance provided by FASB ASU 2018-08 *Not-for-Profit Entities (Topic 958)*. Under the guidance a conditional contribution includes one or more barriers that must be overcome for the recipient to be entitled to the assets transferred and a right-of-return of the asset if a barrier to entitlement is not met. The barriers for a PPP loan require that qualifying expenses must be incurred (compensation, mortgage interest, rent and utilities) and that the recipient maintains employee headcount and compensation levels at pre-established levels. If these barriers are not met, the recipient will be required to repay the loan over a specified period of time.

At June 30, 2020, the School believed it had met the conditions of a portion of the grant and that all of the loan would be ultimately forgiven. Therefore, a portion totaling \$962,434 was recognized as grant revenue in the statement of activities and the remaining balance of \$696,966 was recorded as deferred revenue on the statement of financial position at June 30, 2020. In November 2020, the School was granted full forgiveness of the grant and recognized \$696,966 of grant revenue for the year ended June 30, 2021.

In June 2020 the School was allocated CARES funding through the Elementary and Secondary School Emergency Relief Fund (ESSER) totaling \$326,693. The funds were used for COVID-19 related costs, as directed by APS and were retroactive to March 13, 2020 and are available through September 2022. The School recognized \$326,693 as revenue on the statement of activities as of June 30, 2021.

In February 2021 the School was allocated additional ESSER funding totaling \$1,277,338. The funds are retroactive to March 13, 2020 and will be available through September 2023. As of June 30, 2021 the School recognized \$1,277,338 as revenue on the statement of activities.

In May 2021 the School was allocated additional ESSER funding totaling \$2,868,719. The funds are retroactive to March 13, 2020 and will be available through September 2024. As of June 30, 2021 the School recognized \$764,604 as revenue on the statement of activities.

SUPPLEMENTARY INFORMATION

DRAFT

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Centennial Place Academy, Inc.

We have audited the financial statements of Centennial Place Academy, Inc. as of and for the year ended June 30, 2021 and our report thereon dated **DATE**, which expressed an unmodified opinion on those financial statements appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental statement of net position, statement of activities, balance sheet – governmental funds, statement of revenue, expenditures and changes in fund balances – governmental funds and related reconciliations and selected notes are presented in accordance with Government Accounting Standards Board pronouncements as required by The Atlanta Public Schools and the Georgia Department of Education and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Atlanta, Georgia
DATE

CENTENNIAL PLACE ACADEMY, INC.
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS

Cash	\$ 3,591,369
Accounts receivable – Title I Funds	15,000
Grants receivable	2,314,255
Prepaid items	41,793
Capital assets, depreciable (net of accumulated depreciation)	<u>1,700,661</u>

TOTAL ASSETS

7,663,078

DEFERRED OUTFLOWS OF RESOURCES

Related to defined benefit pension plans	<u>3,338,162</u>
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LIABILITIES

Accounts payable and accrued expenses	394,744
Accrued payroll and benefits	467,682
Long-term liabilities:	
Net pension liability	<u>10,354,997</u>

TOTAL LIABILITIES

11,217,423

DEFERRED INFLOWS OF RESOURCES

Related to defined benefit pension plans	<u>1,070,193</u>
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NET POSITION

Net investment in capital assets	1,700,661
Restricted	
Nonspendable	41,793
Unrestricted	<u>(3,028,830)</u>

TOTAL NET POSITION

\$ (1,286,376)

See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Net Revenues</u> <u>(Expenses) and</u> <u>Changes in</u> <u>Net Position</u>
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 8,109,746	\$ -	\$ 2,367,692	\$ (5,742,054)
Support services				
Pupil services	269,912	1,450	921,941	653,479
Improvement of instructional services	1,026,114	-	15,688	(1,010,426)
Educational media services	114,240	-	-	(114,240)
General administration	263,908	-	-	(263,908)
School administration	507,704	-	-	(507,704)
Business administration	380,324	-	-	(380,324)
Maintenance and operation of plant services	1,443,080	-	471,585	(971,495)
Support services - central	103,025	-	-	(103,025)
Other support services	124,623	-	-	(124,623)
Operation of non-instructional services				
Student transportation services	89,937	-	-	(89,937)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 12,432,613</u>	<u>\$ 1,450</u>	<u>\$ 3,776,906</u>	<u>\$ (8,654,257)</u>
GENERAL REVENUES				
Atlanta Public Schools Board of Education				\$ 10,769,695
TOTAL GENERAL REVENUES				<u>10,769,695</u>
CHANGE IN NET POSITION				2,115,438
NET POSITION – BEGINNING OF YEAR				<u>(3,401,814)</u>
NET POSITION – END OF YEAR				<u>\$ (1,286,376)</u>

See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021**

ASSETS

CURRENT ASSETS

Cash	\$ 3,591,369
Accounts receivable – Title I Funds	15,000
Grants receivable	2,314,255
Prepaid items	41,793

TOTAL ASSETS	\$ 5,962,417
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LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable and accrued expenses	\$ 394,744
Accrued payroll and benefits	467,682

TOTAL LIABILITIES	862,426
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FUND BALANCES

Nonspendable	41,793
Unassigned	5,058,198

TOTAL FUND BALANCES	5,099,991
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TOTAL LIABILITIES AND FUND BALANCES	\$ 5,962,417
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See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

TOTAL FUND BALANCES – GOVERNMENTAL FUNDS	\$ 5,099,991
Amounts reported for Governmental Activities in the Statement of Net Position are different because: Capital Assets used in Governmental Activities are not financial resources and therefore are not reported as assets in governmental funds These assets consist of:	
Leasehold improvements	\$ 2,292,053
Technology equipment	1,058,494
Furniture and equipment	664,391
Accumulated depreciation	<u>(2,314,277)</u>
Total capital assets	1,700,661
Some liabilities, including pension obligations, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Net pension liability	(10,354,997)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds These consist of:	
Deferred outflows of resources – pension plan	3,338,162
Deferred inflows of resources – pension plan	<u>(1,070,193)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (1,286,376)</u>

See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUNDING BALANCE – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

REVENUES

Federal funding	\$ 3,374,639
State funding	309,166
Local funding	15,952
Other revenue	78,599
	<u>3,778,356</u>
Total revenues	<u>3,778,356</u>

EXPENDITURES

Instruction	7,332,958
Support services	
Pupil services	256,274
Improvement of instructional services	951,686
Educational media services	103,859
General administration	238,579
School administration	456,543
Business administration	380,324
Maintenance and operation of plant services	1,002,431
Support services -central	92,644
Student transportation services	89,937
Other support services	117,529
Capital outlays:	
Facilities acquisition and construction services	528,391
	<u>11,551,155</u>
Total expenditures	<u>11,551,155</u>

EXCESS OF EXPENDITURES OVER REVENUES (7,772,799)

OTHER FINANCING SOURCES

Transfers from Atlanta Public Schools	10,769,695
	<u>10,769,695</u>
Total other financing sources	<u>10,769,695</u>

NET CHANGE IN FUND BALANCE 2,996,896

FUND BALANCE AT BEGINNING OF YEAR 2,103,095

FUND BALANCE AT END OF YEAR \$ 5,099,991

See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

TOTAL NET CHANGE IN FUND BALANCES –

GOVERNMENTAL FUNDS

\$ 2,996,896

Amounts reported for Governmental Activities in the
Statement of Activities are different because:

Capital outlays are reported as expenditures in
governmental funds. However, in the statement
of activities, the cost of capital assets is allocated
over their estimated useful lives as
depreciation expense.

In the current period, these amounts are:

Capital outlay	\$	528,391
Depreciation expense		<u>(408,227)</u>

Excess of capital outlay over depreciation expense		120,164
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Some items reported in the statement of activities do
not require the use of current financial resources
and therefore are not reported as expenditures in
governmental funds

Pension expense		<u>(1,001,622)</u>
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**CHANGE IN NET POSITION OF
GOVERNMENTAL ACTIVITIES**

\$ 2,115,438

See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.
SELECTED NOTES TO THE STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. CAPITAL ASSETS

Each class of capital assets is as follows for the year ended June 30, 2021:

	<u>Cost</u>	<u>Depreciation</u>
LEASEHOLD IMPROVEMENTS		
Beginning of year balance	\$ 2,292,053	\$ 1,209,125
Acquisitions	-	-
Dispositions	-	-
Depreciation expense	-	183,481
End of year balance	<u>\$ 2,292,053</u>	<u>\$ 1,392,606</u>
FURNITURE AND EQUIPMENT		
Beginning of year balance	\$ 606,376	\$ 295,646
Acquisitions	58,015	-
Dispositions	-	-
Depreciation expense	-	88,236
End of year balance	<u>\$ 664,391</u>	<u>\$ 383,882</u>
TECHNOLOGY EQUIPMENT		
Beginning of year balance	\$ 588,118	\$ 401,279
Acquisitions	470,376	-
Dispositions	-	-
Depreciation expense	-	136,510
End of year balance	<u>\$ 1,058,494</u>	<u>\$ 537,789</u>

2. RETIREMENT PLAN

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CENTENNIAL PLACE ACADEMY, INC.
SELECTED NOTES TO THE STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

2. RETIREMENT PLAN – CONTINUED

Plan Description

All teachers of the Atlanta Public School District (the District) as defined in §47-3-60 of the *Official Code of Georgia Annotated* (O.C.G.A.) and certain other support personnel as defined by §47-3-63 are provided a pension through the TRS. TRS, a cost-sharing multiple employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Benefits Provided

TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after ten years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2021. The School's contractually required contribution rate for the year ended June 30, 2021 was 19.06% of annual School payroll. The School's contributions to TRS were \$1,202,472 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the School reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School by the State of Georgia for certain public school support personnel. The amount recognized by the School as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School were as follows:

School's proportionate share of the net pension liability	\$ 10,354,997
State of Georgia's proportionate share of the net pension liability associated with the School	<u>-</u>
Total	<u><u>\$ 10,354,997</u></u>

**CENTENNIAL PLACE ACADEMY, INC.
SELECTED NOTES TO THE STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

2. RETIREMENT PLAN – CONTINUED

The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard roll-forward techniques. The School's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2020. At June 30 2020, the School's proportion was 0.042747%, which was an increase (decrease) of (0.007252%) from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School recognized pension expense of \$2,204,094 and no revenue for support provided by the State of Georgia for certain support personnel. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 450,963	\$ -
Changes of assumptions	1,066,577	-
Net difference between projected and actual earnings on pension plan investments	249,402	-
Changes in proportion and differences between School contributions and proportionate share of contributions	359,486	1,070,193
School contributions subsequent to the measurement date	1,211,734	-
Total	<u>\$ 3,338,162</u>	<u>\$ 1,070,193</u>

School contributions subsequent to the measurement date of \$1,211,734 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

**CENTENNIAL PLACE ACADEMY, INC.
SELECTED NOTES TO THE STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

2. RETIREMENT PLAN – CONTINUED

Other amounts reported as deferred outflows of resources and deferred inflows of resources (\$3,338,162 - \$1,070,193 = \$2,267,969) related to pensions will be recognized in pension expense as follows:

For the Year Ending June 30:

2022	\$ 1,553,558
2023	372,585
2024	306,261
2025	35,565
2026	-
Thereafter	-
	<u>\$ 2,267,969</u>

Actuarial Assumptions

The total pension liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases, including inflation	3.00 – 8.75%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50%, semi-annually

Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality tables (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018 with the exception of the long-term assumed rate of return on assets (discount rate) which was changed from 7.50% to 7.25%, and the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

**CENTENNIAL PLACE ACADEMY, INC.
SELECTED NOTES TO THE STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

2. RETIREMENT PLAN – CONTINUED

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class based on the most recent experience study adopted by the Board are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	(0.10) %
U.S. large stocks	51.00	8.90
U.S. small stocks	1.50	13.20
International developed market stocks	12.40	8.90
International emerging market stocks	5.10	10.90
Total	100.00 %	

**Rates shown are net of inflation*

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CENTENNIAL PLACE ACADEMY, INC.
SELECTED NOTES TO THE STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

2. RETIREMENT PLAN – CONTINUED

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
School's proportionate share of the net pension liability	\$ 16,420,553	\$ 10,354,997	\$ 5,382,980

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publically available at www.trsga.com/publications.

**CENTENNIAL PLACE ACADEMY, INC.
SELECTED NOTES TO THE STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

2. RETIREMENT PLAN – CONTINUED

Schedule of Proportionate Share of Net Pension Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School's proportion of the net pension liability	0.042747%	0.049999%	0.049940%	0.047855%	0.044251%	0.033763%
School's proportionate share of the net pension liability	\$10,354,997	\$10,751,137	\$ 9,269,934	\$ 8,893,999	\$ 9,129,475	\$ 5,140,081
State of Georgia's proportionate share of the net pension liability associated with the School	-	-	-	-	-	-
Total	<u>\$10,354,997</u>	<u>\$10,751,137</u>	<u>\$ 9,269,934</u>	<u>\$ 8,893,999</u>	<u>\$ 9,129,475</u>	<u>\$ 5,140,081</u>
School's covered-employee payroll	\$ 6,935,795	\$ 5,847,450	\$ 6,147,829	\$ 5,573,638	\$ 5,560,911	\$ 4,880,750
School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	149.30%	183.86%	150.78%	159.57%	164.17%	105.31%
Plan fiduciary net position as a percentage of the total pension liability	77.01%	78.56%	80.27%	79.33%	76.06%	81.44%

Note: Schedule is intended to show information for the last ten fiscal years.

Additional years will be displayed as they become available.

**CENTENNIAL PLACE ACADEMY, INC.
SELECTED NOTES TO THE STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

2. RETIREMENT PLAN – CONTINUED

Changes of Assumptions

In 2010 and later, the expectation of retired life mortality was changed to the RP 2000 Mortality Tables from the 1994 Group Annuity Mortality Table. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rate of salary increases were adjusted to more closely reflect actual and anticipated experience. On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal and salary increases. Effective with the June 30, 2018 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.50% to 7.25%, and the assumed annual rate of inflation was changed from 2.75% to 2.5%. In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported (June 30, 2020 employer contributions were determined on the June 30, 2017 valuations).

The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2021 reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27.1 years
Asset valuation method	Five-year smoothed fair
Inflation	2.75%
Salary increases	3.25 – 9.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.5% semi-annually

**CENTENNIAL PLACE ACADEMY, INC.
SELECTED NOTES TO THE STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

3. GRANTS

	<u>Revenue</u>	<u>Expenditures</u>
CARES Act PPP grant	\$ 696,966	\$ 696,966
Federal funding – allocated by APS		
Federal ESSER funding	2,368,635	2,368,635
Title I funding (CFDA 84.010)	293,350	293,350
Title II Funding (CFDA 84.367)	15,688	15,688
Total federal funding	<u>3,374,639</u>	<u>3,374,639</u>
State funding		
Facilities Grant	39,034	39,034
State of Georgia Retention Bonus	106,508	106,508
Georgia Charter Schools Program Grant (CSP)	150,000	150,000
Other	13,624	13,624
	<u>309,166</u>	<u>309,166</u>
Other funding		
Local funding	15,952	
Foundation grants	22,226	
Other contributions	21,587	
Total other funding	<u>59,765</u>	
	<u><u>\$ 3,743,570</u></u>	

This report does not include a Schedule of Expenditure of Federal Awards because the School is not considered a sub-recipient of Atlanta Public School's federal funding. The PPP grant is not subject to OMB Uniform Guidance.