

**CENTENNIAL PLACE ACADEMY, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2022**

DRAFT

**CENTENNIAL PLACE ACADEMY, INC.**  
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**JUNE 30, 2022**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Centennial Place Academy, Inc.

### Opinion

We have audited the accompanying statements of Centennial Place Academy, Inc (the School), 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 Centennial Place Academy, Inc 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 Centennial Place Academy, Inc 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 School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 auditors' 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, including omissions, 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 School'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 School'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.

Atlanta, Georgia

**DATE**

**CENTENNIAL PLACE ACADEMY, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash	\$ 4,850,172	\$ 3,591,369
Accounts receivable – Title I Funds	279,636	15,000
Grants receivable	2,545,168	2,314,255
Other receivables	2,543	-
Prepaid expenses	119,940	41,793
Property and equipment, net	<u>1,862,036</u>	<u>1,700,661</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 9,659,495</u></b>	<b><u>\$ 7,663,078</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 201,276	\$ 394,744
Accrued payroll and benefits	<u>313,771</u>	<u>467,682</u>
<b>TOTAL LIABILITIES</b>	<b>515,047</b>	<b>862,426</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	8,344,448	6,100,652
Board designated reserves	<u>800,000</u>	<u>700,000</u>
<b>TOTAL NET ASSETS</b>	<b><u>9,144,448</u></b>	<b><u>6,800,652</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 9,659,495</u></b>	<b><u>\$ 7,663,078</u></b>

See notes to the financial statements.

**CENTENNIAL PLACE ACADEMY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
*(with comparative totals for 2021)*

	<u>2022</u>	<u>2021</u>
<b>SUPPORT AND REVENUE</b>		
Atlanta Public Schools funding	\$ 12,501,650	\$ 10,769,695
Title I funding	445,700	293,350
Title II funding	20,950	15,688
Title IV funding	17,725	-
Grants	248,659	347,344
Federal CARES Act PPP grant	-	696,966
Federal ESSERS funding	1,780,564	2,368,635
Contributions	15,646	21,587
Other income	36,555	34,786
<b>TOTAL SUPPORT AND REVENUE</b>	<u>15,067,449</u>	<u>14,548,051</u>
<b>EXPENSES</b>		
Program expenses		
Instructional expenses	9,117,229	8,550,250
Facilities expenses	1,344,195	1,238,976
Technology expenses	416,369	293,570
Support expenses		
Fundraising	62,485	71,834
Management and general	1,783,375	1,276,361
<b>TOTAL EXPENSES</b>	<u>12,723,653</u>	<u>11,430,991</u>
<b>CHANGES IN NET ASSETS</b>	<u>2,343,796</u>	<u>3,117,060</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>6,800,652</u>	<u>3,683,592</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 9,144,448</u></u>	<u><u>\$ 6,800,652</u></u>

Note: There were no donor restricted contributions during the year ended June 30, 2022.

See notes to the financial statements.

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Atlanta Public Schools funding	\$ 10,769,695	\$ -	\$ 10,769,695
Title I funding	293,350	-	293,350
Title II funding	15,688	-	15,688
Grants	327,344	20,000	347,344
Federal CARES Act PPP grant	696,966	-	696,966
Federal ESSERS funding	2,368,635	-	2,368,635
Contributions	16,587	5,000	21,587
Other income	34,786	-	34,786
Total support and revenue	<u>14,523,051</u>	<u>25,000</u>	<u>14,548,051</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of restrictions	<u>67,208</u>	<u>(67,208)</u>	<u>-</u>
<b>TOTAL SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>14,590,259</u>	<u>(42,208)</u>	<u>14,548,051</u>
<b>EXPENSES</b>			
Program expenses			
Instructional expenses	8,550,250	-	8,550,250
Facilities expenses	1,238,976	-	1,238,976
Technology expenses	293,570	-	293,570
Support expenses			
Fundraising	71,834	-	71,834
Management and general	<u>1,276,361</u>	<u>-</u>	<u>1,276,361</u>
<b>TOTAL EXPENSES</b>	<u>11,430,991</u>	<u>-</u>	<u>11,430,991</u>
<b>CHANGES IN NET ASSETS</b>	3,159,268	(42,208)	3,117,060
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>3,641,384</u>	<u>42,208</u>	<u>3,683,592</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 6,800,652</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,800,652</u></u>

See notes to the financial statements.

**CENTENNIAL PLACE ACADEMY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
*(with comparative totals for 2021)*

	<b>2022</b>							<b>2021</b>
	<b>Program</b>				<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	<b>Total</b>
	<b>Instructional</b>	<b>Facilities</b>	<b>Technology</b>	<b>Total</b>				
Salaries and wages	\$ 5,943,774	\$ 20,651	\$ 129,156	\$ 6,093,581	\$ 657,540	\$ 43,895	\$ 6,795,016	\$ 7,059,220
Pension	989,455	3,449	21,570	1,014,474	110,398	7,330	1,132,202	1,202,472
Other employee benefits	794,862	2,944	18,421	816,227	89,079	6,260	911,566	799,356
Occupancy	-	904,789	-	904,789	-	-	904,789	562,776
Professional fees	-	-	-	-	472,117	5,000	477,117	446,327
Instructional materials and software	757,827	-	-	757,827	-	-	757,827	432,564
Depreciation expense	-	330,077	170,013	500,090	-	-	500,090	408,227
Training and staff development	183,335	-	-	183,335	-	-	183,335	118,817
Educational consulting	368,771	-	-	368,771	-	-	368,771	107,382
Insurance	21,516	82,285	-	103,801	10,000	-	113,801	78,429
Security	-	-	-	-	-	-	-	63,753
Transportation	48,722	-	-	48,722	-	-	48,722	44,112
Supplies	-	-	77,209	77,209	37,208	-	114,417	84,414
Community assistance	-	-	-	-	-	-	-	11,096
Other	8,967	-	-	8,967	407,033	-	416,000	12,046
	<u>\$ 9,117,229</u>	<u>\$ 1,344,195</u>	<u>\$ 416,369</u>	<u>\$ 10,877,793</u>	<u>\$ 1,783,375</u>	<u>\$ 62,485</u>	<u>\$ 12,723,653</u>	<u>\$ 11,430,991</u>

See notes to the financial statements.



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

	<b>Program</b>				<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
	<b>Instructional</b>	<b>Facilities</b>	<b>Technology</b>	<b>Total</b>			
Salaries and wages	\$ 6,095,298	\$ 228,505	\$ 73,168	\$ 6,396,971	\$ 612,249	\$ 50,000	\$ 7,059,220
Pension	1,038,277	38,924	12,463	1,089,664	104,291	8,517	1,202,472
Other employee benefits	687,217	26,583	8,513	722,313	71,226	5,817	799,356
Occupancy	-	562,776	-	562,776	-	-	562,776
Professional fees	-	-	-	-	438,827	7,500	446,327
Instructional materials and software	432,564	-	-	432,564	-	-	432,564
Depreciation expense	-	271,717	136,510	408,227	-	-	408,227
Training and staff development	117,617	-	-	117,617	1,200	-	118,817
Educational consulting	107,382	-	-	107,382	-	-	107,382
Insurance	21,883	46,718	-	68,601	9,828	-	78,429
Security	-	63,753	-	63,753	-	-	63,753
Transportation	44,112	-	-	44,112	-	-	44,112
Supplies	-	-	51,820	51,820	32,594	-	84,414
Community assistance	-	-	11,096	11,096	-	-	11,096
Other	5,900	-	-	5,900	6,146	-	12,046
	<u>\$ 8,550,250</u>	<u>\$ 1,238,976</u>	<u>\$ 293,570</u>	<u>\$ 10,082,796</u>	<u>\$ 1,276,361</u>	<u>\$ 71,834</u>	<u>\$ 11,430,991</u>

See notes to the financial statements.

**CENTENNIAL PLACE ACADEMY, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 2,343,796	\$ 3,117,060
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	500,090	408,227
(Increase) decrease in:		
Accounts receivable – Title I Funds	(264,636)	46,704
Grants receivable	(230,913)	(2,297,887)
Other receivables	(2,543)	3,521
Prepaid expenses	(78,147)	(3,554)
(Decrease) increase in accounts payable and accrued expenses	(347,379)	53,193
Decrease in deferred revenue – PPP grant	-	(696,966)
Net cash provided by operating activities	<u>1,920,268</u>	<u>630,298</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property and equipment purchases	<u>(661,465)</u>	<u>(528,391)</u>
Net cash used in investing activities	<u>(661,465)</u>	<u>(528,391)</u>
<b>NET INCREASE IN CASH</b>	1,258,803	101,907
<b>CASH AT BEGINNING OF YEAR</b>	<u>3,591,369</u>	<u>3,489,462</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 4,850,172</u></u>	<u><u>\$ 3,591,369</u></u>

See notes to the financial statements.

**CENTENNIAL PLACE ACADEMY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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, 2022 and 2021, 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 10 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 \$4,500,000.

**CENTENNIAL PLACE ACADEMY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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, 2021, in the accompanying financial statements are included to provide a basis for comparison with 2022 and present summarized totals only. Accordingly, the 2021 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, 2021, from which the summarized information was derived. An unmodified opinion was expressed on the June 30, 2021 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, 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Contributions – Contributions**

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, 2022 and 2021.

**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, 2022**

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**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, 2022, 100% of grants receivable is from one donor and 86% of the School's 2022 grants and contributions were attributable to two donors. 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.

**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 2021 amounts have been reclassified to conform to the 2022 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, 2022 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, 2022**

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### **3. PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2022 and 2021 is composed of the following:

	<u><b>2022</b></u>	<u><b>2021</b></u>
Leasehold improvements	\$ 2,689,483	\$ 2,292,053
Technology equipment	1,178,850	1,058,494
Furniture and equipment	808,070	664,391
Less accumulated depreciation	<u>(2,814,367)</u>	<u>(2,314,277)</u>
Net property and equipment	<u><u>\$ 1,862,036</u></u>	<u><u>\$ 1,700,661</u></u>

Modular units and installation costs are included in leasehold improvements. See Note 6.

Depreciation expense of \$500,090 and \$408,227 was recorded for the years ended June 30, 2022 and 2021, respectively.

### **4. GRANTS RECEIVABLE**

Grants receivable at June 30, 2022, are due to be received in the following year.

### **5. RESTRICTIONS AND DESIGNATIONS ON NET ASSETS**

At June 30, 2022 and 2021, \$800,000 and \$700,000, respectively, of net assets without donor restrictions were designated by the Board for operating reserves.

There were no net assets with donor restrictions at June 30, 2022 and 2021.

No net assets with donor restrictions were released from restrictions during the year ended June 30, 2022. Net assets with donor restrictions released from restrictions during the year ended June 30, 2021, were \$42,208 for early learning program and \$25,000 for other projects.

### **6. COMMITMENTS**

#### **Lease Agreements**

The School leased modular units (learning lofts) under non-cancelable operating leases with options to renew. Rent expense for the years ended June 30, 2022 and 2021 amounted to approximately \$106,000 and \$152,000, respectively, and is included in facilities expenses on the statement of activities. The modular unit leases were on month-to-month renewal periods until December 31, 2021, when the School terminated the lease agreements and purchased the lofts. See Note 3.

**CENTENNIAL PLACE ACADEMY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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**6. COMMITMENTS – CONTINUED**

**Lease Agreements – Continued**

The School has 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, 2022 and 2021 amounted to approximately \$30,000. Future minimum lease payments for office equipment are as follows:

**For the Year Ending June 30,**

2023	\$ 29,872
2024	29,872
2025	29,872
2026	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, 2022 and 2021. 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, 2022 and 2021, \$59,910 and \$244,545, respectively, was payable to APS for these services and are 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, 2022 and 2021. The School contributed 19.81% and 19.06% of each participant's annual salary for the years ended June 30, 2022 and 2021, respectively. Employer contributions totaled approximately \$1,132,000 and \$1,202,000 for the years ended June 30, 2022 and 2021, respectively.



**CENTENNIAL PLACE ACADEMY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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:

<b>Purpose</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>Total</b>
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	91,837	87,362	115,021	27,878	88,976	85,378	250	3,000	499,702
	<u>\$ 91,837</u>	<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>\$ 4,531,156</u>

**9. LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects the School's financial assets as of June 30, 2022 and 2021, 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.

	<b>2022</b>	<b>2021</b>
Cash	\$ 4,850,172	\$ 3,591,369
Receivables	2,827,347	2,329,255
Financial assets, at year end	<u>7,677,519</u>	<u>5,920,624</u>
Less: assets unavailable for general expenditures within one year due to:		
Board designated	800,000	700,000
Contractual or donor-imposed restrictions:		
Net assets with donor restrictions	<u>-</u>	<u>-</u>
	<u>800,000</u>	<u>700,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,877,519</u>	<u>\$ 5,220,624</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, 2022**

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**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, 2022 and 2021, the School recognized \$1,780,564 and \$764,604, respectively, 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, 2022, 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, 2022**

**ASSETS**

Cash	\$ 4,850,172
Accounts receivable – Title I Funds	279,636
Grants receivable	2,545,168
Other receivables	2,543
Prepaid items	119,940
Capital assets, depreciable (net of accumulated depreciation)	<u>1,862,036</u>

**TOTAL ASSETS**

9,659,495

**DEFERRED OUTFLOWS OF RESOURCES**

Related to defined benefit pension plans	<u>4,075,933</u>
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**LIABILITIES**

Accounts payable and accrued expenses	201,276
Accrued payroll and benefits	313,771
Long-term liabilities:	
Net pension liability	<u>4,328,240</u>

**TOTAL LIABILITIES**

4,843,287

**DEFERRED INFLOWS OF RESOURCES**

Related to defined benefit pension plans	<u>7,111,944</u>
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**NET POSITION**

Net investment in capital assets	1,862,036
Restricted	
Nonspendable	119,940
Unrestricted	<u>(201,779)</u>

**TOTAL NET POSITION**

\$ 1,780,197

See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

		<b>Program Revenues</b>		<b>Net Revenues (Expenses) and Changes in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction	\$ 6,613,820	\$ -	\$ 790,702	\$ (5,823,118)
Support services				
Pupil services	1,479,410	31,672	1,543,146	95,408
Improvement of instructional services	861,324	-	20,950	(840,374)
Educational media services	164,550	-	-	(164,550)
General administration	10,225	-	-	(10,225)
School administration	549,901	-	-	(549,901)
Business administration	579,669	-	-	(579,669)
Maintenance and operation of plant services	1,341,993	-	172,594	(1,169,399)
Support services - central	224,671	-	-	(224,671)
Other support services	126,591	-	-	(126,591)
Operation of non-instructional services				
Student transportation services	48,722	-	6,735	(41,987)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 12,000,876</b>	<b>\$ 31,672</b>	<b>\$ 2,534,127</b>	<b>\$ (9,435,077)</b>
<b>GENERAL REVENUES</b>				
Atlanta Public Schools Board of Education				\$ 12,501,650
<b>TOTAL GENERAL REVENUES</b>				<b>12,501,650</b>
<b>CHANGE IN NET POSITION</b>				<b>3,066,573</b>
<b>NET POSITION – BEGINNING OF YEAR</b>				<b>(1,286,376)</b>
<b>NET POSITION – END OF YEAR</b>				<b>\$ 1,780,197</b>

See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2022**

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**ASSETS**

**CURRENT ASSETS**

Cash	\$ 4,850,172
Accounts receivable – Title I Funds	279,636
Grants receivable	2,545,168
Other receivables	2,543
Prepaid items	119,940

<b>TOTAL ASSETS</b>	<b>\$ 7,797,459</b>
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**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 201,276
Accrued payroll and benefits	313,771

<b>TOTAL LIABILITIES</b>	<b>515,047</b>
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**FUND BALANCES**

Nonspendable	119,940
Unassigned	7,162,472

<b>TOTAL FUND BALANCES</b>	<b>7,282,412</b>
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<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,797,459</b>
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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, 2022**

<b>TOTAL FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>\$ 7,282,412</b>
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	\$ 2,689,484
Technology equipment	1,178,850
Furniture and equipment	808,069
Accumulated depreciation	<u>(2,814,367)</u>
Total capital assets	1,862,036
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	(4,328,240)
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	4,075,933
Deferred inflows of resources – pension plan	<u>(7,111,944)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,780,197</u></b>

See accountants' report on supplementary information.



**CENTENNIAL PLACE ACADEMY, INC.  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

**REVENUES**

Federal funding	\$ 2,264,939
State funding	226,732
Local funding	927
Other revenue	73,201
Total revenues	<u>2,565,799</u>

**EXPENDITURES**

Instruction	7,129,482
Support services	
Pupil services	1,571,551
Improvement of instructional services	885,171
Educational media services	178,320
General administration	10,225
School administration	599,062
Business administration	592,729
Maintenance and operation of plant services	844,105
Support services -central	232,926
Student transportation services	48,722
Other support services	131,270
Capital outlays:	
Facilities acquisition and construction services	661,465
Total expenditures	<u>12,885,028</u>

**EXCESS OF EXPENDITURES OVER REVENUES** (10,319,229)

**OTHER FINANCING SOURCES**

Transfers from Atlanta Public Schools	12,501,650
Total other financing sources	<u>12,501,650</u>

**NET CHANGE IN FUND BALANCE** 2,182,421

**FUND BALANCE AT BEGINNING OF YEAR** 5,099,991

**FUND BALANCE AT END OF YEAR** \$ 7,282,412

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, 2022**

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**TOTAL NET CHANGE IN FUND BALANCES –**

**GOVERNMENTAL FUNDS**

**\$ 2,182,421**

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	\$ 661,465
Depreciation expense	<u>(500,090)</u>

Excess of capital outlay over depreciation expense	161,375
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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

722,777

**CHANGE IN NET POSITION OF  
GOVERNMENTAL ACTIVITIES**

\$ 3,066,573

See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.  
SELECTED NOTES TO THE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**1. CAPITAL ASSETS**

Each class of capital assets is as follows for the year ended June 30, 2022:

	<u>Cost</u>	<u>Depreciation</u>
<b>LEASEHOLD IMPROVEMENTS</b>		
Beginning of year balance	\$ 2,292,053	\$ 1,392,606
Acquisitions	397,431	-
Dispositions	-	-
Depreciation expense	-	221,095
End of year balance	<u>\$ 2,689,484</u>	<u>\$ 1,613,701</u>
<b>FURNITURE AND EQUIPMENT</b>		
Beginning of year balance	\$ 664,391	\$ 383,882
Acquisitions	143,678	-
Dispositions	-	-
Depreciation expense	-	108,982
End of year balance	<u>\$ 808,069</u>	<u>\$ 492,864</u>
<b>TECHNOLOGY EQUIPMENT</b>		
Beginning of year balance	\$ 1,058,494	\$ 537,789
Acquisitions	120,356	-
Dispositions	-	-
Depreciation expense	-	170,013
End of year balance	<u>\$ 1,178,850</u>	<u>\$ 707,802</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, 2022**

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**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](http://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 2022. The School's contractually required contribution rate for the year ended June 30, 2022, was 19.81% of annual School payroll. The School's contributions to TRS were \$1,132,202 for the year ended June 30, 2022.

**CENTENNIAL PLACE ACADEMY, INC.  
SELECTED NOTES TO THE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**2. RETIREMENT PLAN – CONTINUED**

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

At June 30, 2022, 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	\$ 4,328,240
State of Georgia's proportionate share of the net pension liability associated with the School	<u>-</u>
Total	<u><u>\$ 4,328,240</u></u>

CPA The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. 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, 2021. At June 30 2021, the School's proportion was 0.048938%, which was an increase (decrease) of 0.006191% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School recognized pension expense of \$409,425 and no revenue for support provided by the State of Georgia for certain support personnel. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 1,032,856	\$ -
Changes of assumptions	837,717	-
Net difference between projected and actual earnings on pension plan investments	-	6,330,992
Changes in proportion and differences between School contributions and proportionate share of contributions	1,075,035	780,952
School contributions subsequent to the measurement date	<u>1,130,325</u>	<u>-</u>
Total	<u><u>\$ 4,075,933</u></u>	<u><u>\$ 7,111,944</u></u>

School contributions subsequent to the measurement date of \$1,130,325 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, 2022.

**CENTENNIAL PLACE ACADEMY, INC.**  
**SELECTED NOTES TO THE STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**2. RETIREMENT PLAN – CONTINUED**

Other amounts reported as deferred outflows of resources and deferred inflows of resources (\$4,075,933 - \$7,111,944 = (\$3,036,011)) related to pensions will be recognized in pension expense as follows:

**For the Year Ending June 30:**

2023	\$ 350,316
2024	(844,748)
2025	(1,165,867)
2026	(1,375,712)
2027	-
Thereafter	-
	<u>\$ (3,036,011)</u>

**Actuarial Assumptions**

The total pension liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, 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, 2020 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, 2022**

**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:

<b>Asset class</b>	<b>Target allocation</b>	<b>Long-term expected real rate of return*</b>
Fixed income	30.00 %	(0.08) %
U.S. large stocks	46.30	9.30
U.S. small stocks	1.20	13.30
International developed market stocks	11.50	9.30
International emerging market stocks	6.00	11.30
Alternatives	5.00	10.60
Total	<u>100.00 %</u>	

*\*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, 2022**

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**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:

	<b>1% Decrease (6.25%)</b>	<b>Current discount rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
School's proportionate share of the net pension liability	\$ 11,659,131	\$ 4,328,240	\$ (1,678,920)

**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](http://www.trsga.com/publications).



**CENTENNIAL PLACE ACADEMY, INC.  
SELECTED NOTES TO THE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**2. RETIREMENT PLAN – CONTINUED**

**Schedule of Proportionate Share of Net Pension Liability**

	<u>2022</u>	<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	\$ 4,328,240	\$ 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>\$ 4,328,240</u>	<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	\$ 5,703,786	\$ 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	75.88%	149.30%	183.86%	150.78%	159.57%	164.17%	105.31%
Plan fiduciary net position as a percentage of the total pension liability	92.03%	77.01%	78.56%	80.27%	79.33%	76.06%	81.44%

*Note: Schedule is intended to show information for the last 10 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, 2022**

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**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, 2021 employer contributions were determined on the June 30, 2018 valuations).

The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2022 reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25.6 years
Asset valuation method	Five-year smoothed fair
Inflation	2.50%
Salary increases	3.00 – 8.75%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

**CENTENNIAL PLACE ACADEMY, INC.  
SELECTED NOTES TO THE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**3. GRANTS**

	<u>Revenue</u>	<u>Expenditures</u>
Federal funding – allocated by APS		
Federal ESSER funding	\$ 1,780,564	\$ 1,780,564
Title I funding (CFDA 84.010)	445,700	445,700
Title II Funding (CFDA 84.367)	20,950	20,950
Title II Funding (CFDA 84.424)	17,725	17,725
Total federal funding	<u>2,264,939</u>	<u>2,264,939</u>
State funding		
Facilities Grant	50,528	50,528
State of Georgia Retention Bonus	172,468	172,468
Other	3,736	3,736
	<u>226,732</u>	<u>226,732</u>
Other funding		
Local funding	927	
Foundation grants	21,000	
Other contributions	15,646	
Total other funding	<u>37,573</u>	
	<u><u>\$ 2,529,244</u></u>	

This report does not include a Schedule of Expenditure of Federal Awards because the School is not considered a sub-recipient of APS's federal funding.