

**CENTENNIAL PLACE ACADEMY, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2023 AND 2022**



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The report accompanying this deliverable was issued  
by Warren Averett, LLC.

**CENTENNIAL PLACE ACADEMY, INC.**  
**TABLE OF CONTENTS**  
**JUNE 30, 2023 AND 2022**

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<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses – 2023	5
Statement of Functional Expenses – 2022	6
Statements of Cash Flows	7
Notes to the Financial Statements	8
<b>SUPPLEMENTARY INFORMATION</b>	
<b>INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION</b>	17
Statement of Net Position	18
Statement of Activities	19
Balance Sheet – Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	23
Selected Notes to the Statements	24

## 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, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School 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 audits, significant audit findings and certain internal control related matters that we identified during the audits.

*Warren Averett, LLC*

Atlanta, Georgia  
October 25, 2023

**CENTENNIAL PLACE ACADEMY, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022**

<b>ASSETS</b>		
	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 3,505,713	\$ 4,850,172
Accounts receivable – Title I Funds	165,490	279,636
Grants receivable	2,081,844	2,547,711
Investments	3,045,541	-
Prepaid expenses	59,968	119,940
Property and equipment, net	1,755,764	1,862,036
<b>TOTAL ASSETS</b>	<b>\$ 10,614,320</b>	<b>\$ 9,659,495</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 234,405	\$ 201,276
Accrued payroll and benefits	425,748	313,771
<b>TOTAL LIABILITIES</b>	660,153	515,047
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	9,054,167	8,344,448
Board designated reserves	900,000	800,000
<b>TOTAL NET ASSETS</b>	9,954,167	9,144,448
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,614,320</b>	<b>\$ 9,659,495</b>

See notes to the financial statements.

**CENTENNIAL PLACE ACADEMY, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>SUPPORT AND REVENUE</b>		
Atlanta Public Schools funding	\$ 13,894,906	\$ 12,501,650
Title I funding	329,580	445,700
Title II funding	20,000	20,950
Title IV funding	16,131	17,725
Grants	148,064	248,659
Federal ESSER funding	323,551	1,780,564
Contributions	25,282	15,646
In-kind contributions	2,041,792	2,041,792
Investment gain, net	119,889	-
Other income	83,909	36,555
<b>TOTAL SUPPORT AND REVENUE</b>	<b>17,003,104</b>	<b>17,109,241</b>
<b>EXPENSES</b>		
Program expenses		
Instructional expenses	9,936,776	9,117,229
Facilities expenses	3,661,336	3,385,987
Technology expenses	377,683	416,369
Support expenses		
Fundraising	56,282	62,485
Management and general	2,161,308	1,783,375
<b>TOTAL EXPENSES</b>	<b>16,193,385</b>	<b>14,765,445</b>
<b>CHANGES IN NET ASSETS</b>	<b>809,719</b>	<b>2,343,796</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>9,144,448</b>	<b>6,800,652</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 9,954,167</b>	<b>\$ 9,144,448</b>

See notes to the financial statements.

**CENTENNIAL PLACE ACADEMY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
*(with comparative totals for 2022)*

	2023					2022		
	Program	Instructional	Facilities	Technology	Total	Management and General	Fundraising	Total
Salaries and wages	\$ 6,011,123	\$ 75,657	\$ 104,741	\$ 6,191,521	\$ 1,238,567	\$ 42,811	\$ 7,472,899	\$ 6,795,016
Pension	1,080,070	34,259	18,820	1,133,149	222,544	7,692	1,363,385	1,132,202
Other employee benefits	897,377	25,742	14,138	937,257	156,512	5,779	1,099,548	911,566
Occupancy	-	3,057,397	-	3,057,397	-	-	3,057,397	2,946,581
Professional fees	-	-	-	-	406,725	-	406,725	477,117
Instructional materials and software	1,012,218	-	-	1,012,218	-	-	1,012,218	757,827
Depreciation expense	-	361,909	155,337	517,246	-	-	517,246	500,090
Training and staff development	437,292	-	-	437,292	7,754	-	445,046	183,335
Educational consulting	160,724	-	-	160,724	-	-	160,724	368,771
Insurance	-	106,372	-	106,372	11,387	-	117,759	113,801
Transportation	333,591	-	-	333,591	-	-	333,591	48,722
Supplies	-	-	84,647	84,647	26,343	-	110,990	114,417
Other	4,381	-	-	4,381	91,476	-	95,857	416,000
	<u>\$ 9,936,776</u>	<u>\$ 3,661,336</u>	<u>\$ 377,683</u>	<u>\$ 13,975,795</u>	<u>\$ 2,161,308</u>	<u>\$ 56,282</u>	<u>\$ 16,193,385</u>	<u>\$ 14,765,445</u>

See notes to the financial statements.

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

	Program				Management and General	Fundraising	Total
	Instructional	Facilities	Technology	Total			
Salaries and wages	\$ 5,943,774	\$ 20,651	\$ 129,156	\$ 6,093,581	\$ 657,540	\$ 43,895	\$ 6,795,016
Pension	989,455	3,449	21,570	1,014,474	110,398	7,330	1,132,202
Other employee benefits	794,862	2,944	18,421	816,227	89,079	6,260	911,566
Occupancy	-	2,946,581	-	2,946,581	-	-	2,946,581
Professional fees	-	-	-	-	472,117	5,000	477,117
Instructional materials and software	757,827	-	-	757,827	-	-	757,827
Depreciation expense	-	330,077	170,013	500,090	-	-	500,090
Training and staff development	183,335	-	-	183,335	-	-	183,335
Educational consulting	368,771	-	-	368,771	-	-	368,771
Insurance	21,516	82,285	-	103,801	10,000	-	113,801
Transportation	48,722	-	-	48,722	-	-	48,722
Supplies	-	-	77,209	77,209	37,208	-	114,417
Other	8,967	-	-	8,967	407,033	-	416,000
	<u>\$ 9,117,229</u>	<u>\$ 3,385,987</u>	<u>\$ 416,369</u>	<u>\$ 12,919,585</u>	<u>\$ 1,783,375</u>	<u>\$ 62,485</u>	<u>\$ 14,765,445</u>

See notes to the financial statements.

**CENTENNIAL PLACE ACADEMY, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 809,719	\$ 2,343,796
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	517,246	500,090
Net gain investments	(29,991)	-
Decrease (increase) decrease in:		
Accounts receivable – Title I Funds	114,146	(264,636)
Grants receivable	465,867	(233,456)
Prepaid expenses	59,972	(78,147)
Increase decrease increase in accounts payable and accrued expenses	<u>145,106</u>	<u>(347,379)</u>
Net cash provided by operating activities	<u>2,082,065</u>	<u>1,920,268</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property and equipment purchases	(410,974)	(661,465)
Purchase of securities	(3,000,000)	-
Dividends and interest reinvested	<u>(15,550)</u>	<u>-</u>
Net cash used in investing activities	<u>(3,426,524)</u>	<u>(661,465)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(1,344,459)</u>	<u>1,258,803</u>
<b>CASH AND CASH EQUIVALENTS AT: BEGINNING OF YEAR</b>	<u>4,850,172</u>	<u>3,591,369</u>
<b>END OF YEAR</b>	<u><u>\$ 3,505,713</u></u>	<u><u>\$ 4,850,172</u></u>

See notes to the financial statements.

**CENTENNIAL PLACE ACADEMY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 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, 2023 and 2022, 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 (the Board) 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 \$4,600,000.

**CENTENNIAL PLACE ACADEMY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 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 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.

**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.

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, 2023 and 2022.

**CENTENNIAL PLACE ACADEMY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**Donated Goods and Services (In-kind Contributions)**

The School utilizes gifts in-kind contributions to carry out its mission. All gifts in-kind contributions received during the years ended June 30, 2023 and 2022, were able to be used by the School as determined by the Board and management. Gifts in-kind contributions are included in support and revenues and facilities expenses in the accompanying statements of activities.

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 been recognized in the accompanying statements of activities for the fair value which would be paid in a market-based transaction. The School recognized in-kind contributions and expense of \$2,041,792 for the years ended June 30, 2023 and 2022.

**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.

**CENTENNIAL PLACE ACADEMY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements 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.

### **Concentrations of Credit and Market Risk**

Financial instruments that potentially expose the School to concentrations of credit and market risk consist of cash and cash equivalents, investments and receivables. 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, 2023, 100% of grants receivable is from one donor and 62% of the School's 2023 grants and contributions were attributable to one donor. 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.

### **Cash and Cash Equivalents**

For the purpose of the statements of cash flows, the School considers all highly liquid investments purchased with an initial maturity of three months or less, not held in the investment account, to be cash equivalents.

### **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.

### **Investments**

Investments are carried at fair value. Fair value is determined from quoted market prices or market prices of similar instruments. Realized and unrealized gains and losses are included in the statements of activities.

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. All of the School's investments are Level 1 investments.

**CENTENNIAL PLACE ACADEMY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

### **Right-of-Use Assets and Lease Liabilities**

Effective July 1, 2022, the School adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases* (Topic 842). Under Topic 842, a lessee is required to recognize a lease liability and a right-of-use lease asset on the statements of financial position. There was no cumulative effect adjustment to the School's net assets as a result of the adoption of this standard. In connection with the adoption of Topic 842, the School elected to apply the following practical expedients:

- not to reassess whether a contract includes an embedded lease at adoption;
- not to reassess the previously determined classification of a lease as operating or capital;
- not to reassess previously recorded initial direct costs;
- election of an accounting policy that permits inclusion of both the lease and non-lease components as a single lease component;
- election of an accounting policy to exclude lease accounting requirements for leases that have terms of less than 12 months; and
- the use of hindsight in determining the lease term and in assessing impairment of right-of-use assets.

In accordance with Topic 842, at lease commencement, the School initially measures the lease liability at the present value of payments expected to be made during the lease term. The right-of-use lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

Key estimates and judgments related to leases include how the School determines: (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The School uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease, as well as expected renewal terms. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The School monitors changes in circumstances that would require a remeasurement of its leases and will remeasure right-of-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability.

The School has determined that its leases are insignificant to the financial statements and do not require recording right-of-use assets and lease liabilities under Topic 842.

**CENTENNIAL PLACE ACADEMY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

**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.

**Reclassifications**

Certain 2022 amounts have been reclassified to conform to the 2023 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, 2023 and October 25, 2023, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**3. INVESTMENTS**

Investments consist of the follow as of June 30:

	<u>2023</u>	<u>2022</u>
U.S. Treasury and Agency Securities	\$ 3,045,541	\$ -
	<u>\$ 3,045,541</u>	<u>\$ -</u>

The components of total investment return from investments are reflected for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Dividends and interest	\$ 89,898	\$ -
Net realized and unrealized gain	29,991	-
Total return on investment	<u>\$ 119,889</u>	<u>\$ -</u>

**CENTENNIAL PLACE ACADEMY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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**4. PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2023 and 2022 is composed of the following:

	<b>2023</b>	<b>2022</b>
Leasehold improvements	\$ 2,790,120	\$ 2,689,483
Technology equipment	1,319,759	1,178,850
Furniture and equipment	977,498	808,070
Less accumulated depreciation	(3,331,613)	(2,814,367)
Net property and equipment	<b>\$ 1,755,764</b>	<b>\$ 1,862,036</b>

Depreciation expense of \$517,246 and \$500,090 was recorded for the years ended June 30, 2023 and 2022, respectively.

**5. GRANTS RECEIVABLE**

Grants receivable at June 30, 2023, are due to be received in the following year.

**6. RESTRICTIONS AND DESIGNATIONS ON NET ASSETS**

At June 30, 2023 and 2022, \$900,000 and \$800,000, 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, 2023 and 2022.

**7. COMMITMENTS**

**Lease Agreements**

The School has a non-cancelable lease for office equipment. The lease requires monthly lease payments totaling \$2,489. Rent expense for the years ended June 30, 2023 and 2022 amounted to approximately \$30,000. Future minimum lease payments for office equipment are as follows:

**For the Year Ending June 30,**

2024	\$ 29,872
2025	24,893
	<b>\$ 54,765</b>

**CENTENNIAL PLACE ACADEMY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**7. COMMITMENTS – CONTINUED**

**Contract with APS**

The School has an annual operational service agreement with APS for the years ended June 30, 2023 and 2022. 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, 2023 and 2022, \$0 and \$59,910, respectively, was payable to APS for these services and are included in accounts payable and accrued expenses.

**8. 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, 2023 and 2022. The School contributed 19.98% and 19.81% of each participant's annual salary for the years ended June 30, 2023 and 2022, respectively. Employer contributions totaled approximately \$1,363,000 and \$1,132,000 for the years ended June 30, 2023 and 2022, respectively.

**9. 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>2023</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	15,000	-	25,061	-	251,683	-	-	100,000	22,140	413,884
Staff development	-	-	-	-	15,000	20,570	85,000	-	-	120,570
Early learning	-	-	-	-	-	-	850,000	-	-	850,000
Other	50,282	101,473	87,362	115,021	27,878	88,976	85,378	250	3,000	559,620
	<u>\$ 65,282</u>	<u>\$ 101,473</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>\$ 4,606,074</u>

**CENTENNIAL PLACE ACADEMY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**10. LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects the School's financial assets as of June 30, 2023 and 2022, 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.

	<u>2023</u>	<u>2022</u>
Cash	\$ 3,505,713	\$ 4,850,172
Receivables	2,247,334	2,827,347
Investments	<u>3,045,541</u>	<u>-</u>
Financial assets, at year end	<u>8,798,588</u>	<u>7,677,519</u>
Less: assets unavailable for general expenditures within one year due to:		
Board designated	<u>900,000</u>	<u>800,000</u>
	<u>900,000</u>	<u>800,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,898,588</u>	<u>\$ 6,877,519</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.

**11. 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 May 2021, the School was allocated CARES funding through the Elementary and Secondary School Emergency Relief Fund (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, 2023 and 2022, the School recognized \$323,551 and \$1,780,564, respectively, as revenue on the statements of activities.

**SUPPLEMENTARY INFORMATION**

**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, 2023, and our report thereon dated October 25, 2023, which expressed an unmodified opinion on those financial statements appears on pages 1 and 2. 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.

*Warren Averett, LLC*

Atlanta, Georgia  
October 25, 2023

**CENTENNIAL PLACE ACADEMY, INC.  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

<b>ASSETS</b>	
Cash	\$ 3,505,713
Accounts receivable – Title I Funds	165,490
Grants receivable	2,081,844
Investments	3,045,541
Prepaid items	59,968
Capital assets, depreciable (net of accumulated depreciation)	<u>1,755,764</u>
<b>TOTAL ASSETS</b>	<u>10,614,320</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to defined benefit pension plans	<u>7,414,708</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	234,405
Accrued payroll and benefits	425,748
Long-term liabilities:	
Net pension liability	<u>13,713,871</u>
<b>TOTAL LIABILITIES</b>	<u>14,374,024</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to defined benefit pension plans	<u>1,505,462</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,755,764
Restricted	
Nonspendable	59,968
Unrestricted	<u>333,810</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 2,149,542</u></u>

See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Program Revenues</b>		<b>Net Revenues (Expenses) and Changes in Net Position</b>
	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
	<b>Expenses</b>		
<b>GOVERNMENTAL ACTIVITIES</b>			
Instruction	\$ 7,891,082	\$ 504,715	\$ (7,386,367)
Support services			
Pupil services	700,204	379,211	(238,942)
Improvement of instructional services	1,649,192	20,000	(1,629,192)
Educational media services	150,500	-	(150,500)
General administration	90,416	-	(90,416)
School administration	967,619	-	(967,619)
Business administration	989,248	-	(989,248)
Maintenance and operation of plant services	1,610,610	80,429	(1,530,181)
Support services – central	115,010	-	(115,010)
Other support services	94,495	-	(94,495)
Operation of non-instructional services			
Student transportation services	333,591	-	(333,591)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 14,591,967</b>	<b>\$ 984,355</b>	<b>\$ (13,525,561)</b>
<b>GENERAL REVENUES</b>			
Atlanta Public Schools Board of Education			\$ 13,894,906
<b>TOTAL GENERAL REVENUES</b>			<b>13,894,906</b>
<b>CHANGE IN NET POSITION</b>			369,345
<b>NET POSITION – BEGINNING OF YEAR</b>			<b>1,780,197</b>
<b>NET POSITION – END OF YEAR</b>			<b>\$ 2,149,542</b>

See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2023**

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**ASSETS**

**CURRENT ASSETS**

Cash	\$ 3,505,713
Accounts receivable – Title I Funds	165,490
Grants receivable	2,081,844
Investments	3,045,541
Prepaid items	59,968

**TOTAL ASSETS** \$ 8,858,556

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 234,405
Accrued payroll and benefits	425,748

**TOTAL LIABILITIES** 660,153

**FUND BALANCES**

Nonspendable	59,968
Unassigned	8,138,435

**TOTAL FUND BALANCES** 8,198,403

**TOTAL LIABILITIES AND FUND BALANCES** \$ 8,858,556

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, 2023**

<b>TOTAL FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>\$ 8,198,403</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	\$ 2,790,121
Technology equipment	1,319,759
Furniture and equipment	977,497
Accumulated depreciation	<u>(3,331,613)</u>
Total capital assets	1,755,764
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	(13,713,871)
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	7,414,708
Deferred inflows of resources – pension plan	<u>(1,505,462)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 2,149,542</u></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, 2023**

<b>REVENUES</b>	
Federal funding	\$ 689,262
State funding	108,064
Local funding	25,000
Other revenue	244,080
	1,066,406
<b>EXPENDITURES</b>	
Instruction	7,602,858
Support services	
Pupil services	679,366
Improvement of instructional services	1,609,392
Educational media services	144,421
General administration	90,416
School administration	926,967
Business administration	962,594
Maintenance and operation of plant services	1,082,298
Support services – central	110,434
Student transportation services	333,591
Other support services	92,010
Capital outlays:	
Facilities acquisition and construction services	410,974
	14,045,321
Total revenues	1,066,406
Total expenditures	14,045,321
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	(12,978,915)
<b>OTHER FINANCING SOURCES</b>	
Transfers from Atlanta Public Schools	13,894,906
	13,894,906
Total other financing sources	13,894,906
<b>NET CHANGE IN FUND BALANCE</b>	915,991
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	7,282,412
<b>FUND BALANCE AT END OF YEAR</b>	\$ 8,198,403

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, 2023**

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<b>TOTAL NET CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>\$ 915,991</b>
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p> <p>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.</p> <p>In the current period, these amounts are:</p>	
Capital outlay	\$ 410,974
Depreciation expense	<u>(517,246)</u>
Excess of capital outlay over depreciation expense	(106,272)
<p>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</p>	
Pension expense	<u>(440,374)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 369,345</u></u></b>

See accountants' report on supplementary information.

**CENTENNIAL PLACE ACADEMY, INC.  
SELECTED NOTES TO THE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. CAPITAL ASSETS**

Each class of capital assets is as follows for the year ended June 30, 2023:

	<u>Cost</u>	<u>Depreciation</u>
<b>LEASEHOLD IMPROVEMENTS</b>		
Beginning of year balance	\$ 2,689,484	\$ 1,613,701
Acquisitions	100,637	-
Dispositions	-	-
Depreciation expense	-	263,402
End of year balance	<u>\$ 2,790,121</u>	<u>\$ 1,877,103</u>
<b>FURNITURE AND EQUIPMENT</b>		
Beginning of year balance	\$ 808,069	\$ 492,864
Acquisitions	169,428	-
Dispositions	-	-
Depreciation expense	-	98,507
End of year balance	<u>\$ 977,497</u>	<u>\$ 591,371</u>
<b>TECHNOLOGY EQUIPMENT</b>		
Beginning of year balance	\$ 1,178,850	\$ 707,802
Acquisitions	140,909	-
Dispositions	-	-
Depreciation expense	-	155,337
End of year balance	<u>\$ 1,319,759</u>	<u>\$ 863,139</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 and in some cases NAV as a practical expedient to fair value.

**CENTENNIAL PLACE ACADEMY, INC.  
SELECTED NOTES TO THE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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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 survivor's benefits. Normal retirement benefits are determined as 2% of the average of the member's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60 or by 7% for each year, or fraction thereof, by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, may be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Options are available for distribution of the member's monthly pension, at a reduced rate, to a designated beneficiary upon the member's death.

Retirement benefits also include death and disability benefits, whereby the disabled member or surviving spouse is entitled to receive annually an amount equal to the member's service retirement benefit or disability retirement, whichever is greater. The benefit is based on the member's creditable service (minimum of ten years of service) and compensation up to the time of disability. The death benefit is the amount that would be payable to the member's beneficiary had the member retired on the date of death with either a service retirement allowance or a disability retirement allowance, whichever is larger. The benefit is based on the member's creditable service (minimum of ten years of 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 2023. The School's contractually required contribution rate for the year ended June 30, 2023, was 19.98% of annual School payroll. The School's contributions to TRS were \$1,363,385 for the year ended June 30, 2023.

**CENTENNIAL PLACE ACADEMY, INC.  
SELECTED NOTES TO THE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**2. RETIREMENT PLAN – CONTINUED**

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

At June 30, 2023, 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	\$ 13,713,871
State of Georgia's proportionate share of the net pension liability associated with the School	<u>-</u>
Total	<u><u>\$ 13,713,871</u></u>

The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022, 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, 2022. At June 30 2022, the School's proportion was 0.042233%, which was an increase (decrease) of (0.006705%) from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School recognized pension expense of \$1,803,759 and no revenue for support provided by the State of Georgia for certain support personnel. At June 30, 2023, 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	\$ 569,266	\$ 71,384
Changes of assumptions	2,064,375	-
Net difference between projected and actual earnings on pension plan investments	2,694,386	-
Changes in proportion and differences between School contributions and proportionate share of contributions	723,825	1,434,078
School contributions subsequent to the measurement date	<u>1,362,856</u>	<u>-</u>
Total	<u><u>\$ 7,414,708</u></u>	<u><u>\$ 1,505,462</u></u>

School contributions subsequent to the measurement date of \$1,362,856 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, 2023.

**CENTENNIAL PLACE ACADEMY, INC.  
SELECTED NOTES TO THE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**2. RETIREMENT PLAN – CONTINUED**

Other amounts reported as deferred outflows of resources and deferred inflows of resources (\$7,414,708 - \$1,505,462 = \$5,909,246) related to pensions will be recognized in pension expense as follows:

**For the Year Ending June 30:**

2023	\$ 2,508,983
2024	879,618
2025	715,387
2026	1,805,258
2027	-
Thereafter	-
	<u>\$ 5,909,246</u>

**Actuarial Assumptions**

The total pension liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, 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	6.90%, 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, 2021 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% effective with the June 30, 2018 valuation, and then from 7.25% to 6.90% effective with the June 30, 2021 valuation. In addition, the assumed annual rate of inflation was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation, and the payroll growth assumption was changed from 3.00% to 2.50% effective with the June 30, 2021 valuation.

**CENTENNIAL PLACE ACADEMY, INC.  
SELECTED NOTES TO THE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00 %	0.20 %
U.S. large stocks	46.30	9.40
U.S. small stocks	1.20	13.40
International developed market stocks	12.30	9.40
International emerging market stocks	5.20	11.40
Alternatives	5.00	10.50
Total	<u>100.00 %</u>	

*\*Rates shown are net of inflation*

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. 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 and nonemployer contributions will be made at the actuarially determined contribution 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, 2023**

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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 6.90%, 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 (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	<b>1% Decrease (5.90%)</b>	<b>Current discount rate (6.90%)</b>	<b>1% Increase (7.90%)</b>
School’s proportionate share of the net pension liability (asset)	\$ 20,689,690	\$ 13,713,871	\$ 8,017,193

**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 publicly 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, 2023**

**2. RETIREMENT PLAN – CONTINUED**

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

	2023	2022	2021	2020	2019	2018	2017	2016
School's proportion of the net pension liability	0.042233%	0.048938%	0.042747%	0.049999%	0.049940%	0.047855%	0.044251%	0.033763%
School's proportionate share of the net pension liability	\$ 13,713,871	\$ 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	-	-	-	-	-	-	-	-
<b>Total</b>	<u>\$ 13,713,871</u>	<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	\$ 6,823,749	\$ 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	200.97%	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	72.85%	92.03%	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, 2023**

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**2. RETIREMENT PLAN – CONTINUED**

**Changes of Assumptions**

On November 18, 2015, the TRS 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%. On May 13, 2020, the TRS 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, disability, and withdrawal. Effective with the June 30, 2021 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

**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, 2022 employer contributions were determined on the June 30, 2019 valuations).

The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of pay, closed
Remaining amortization period	24.9 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, 2023**

**3. GRANTS**

	<b>Revenue</b>	<b>Expenditures</b>
Federal funding – allocated by APS		
Federal ESSER funding	\$ 323,551	\$ 323,551
Title I funding (CFDA 84.010)	329,580	329,580
Title II Funding (CFDA 84.367)	20,000	20,000
Title IV Funding (CFDA 84.424)	16,131	16,131
Total federal funding	689,262	689,262
State funding		
Facilities Grant	80,429	80,429
Other	27,635	27,635
	108,064	108,064
Other funding		
Local funding	25,000	
Foundation grants	15,000	
Other contributions	25,282	
Total other funding	65,282	
	\$ 862,608	

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.