Charleston Development Academy, Inc.

Report on Financial Statements
Year Ended June 30, 2025

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Charleston Development Academy, Inc.
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Independent Auditor's Report

To the Governance Board of
Charleston Development Academy, Inc.
Charleston, South Carolina

Opinions

We have audited the financial statements of the governmental activities and each major fund of Charleston Development Academy, Inc. (the School), a component unit of Charleston County School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The School's 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgement 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 judgement, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The other supplementary financial information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November XX, 2025 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Veris LLC

Mount Pleasant, South Carolina
November XX, 2025

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Required Supplementary Information (Unaudited)

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Charleston Development Academy, Inc.
Required Supplementary Information (Unaudited)
Management's Discussion and Analysis
Year Ended June 30, 2025

This section of Charleston Development Academy, Inc.'s (the School) annual financial report presents its discussion and analysis of the School's financial performance during the fiscal year ended June 30, 2025. The intent of the Management's Discussion and Analysis is to look at the School's financial performance as a whole. With this in mind, please read it in conjunction with the School's financial statements, which immediately follow this section.

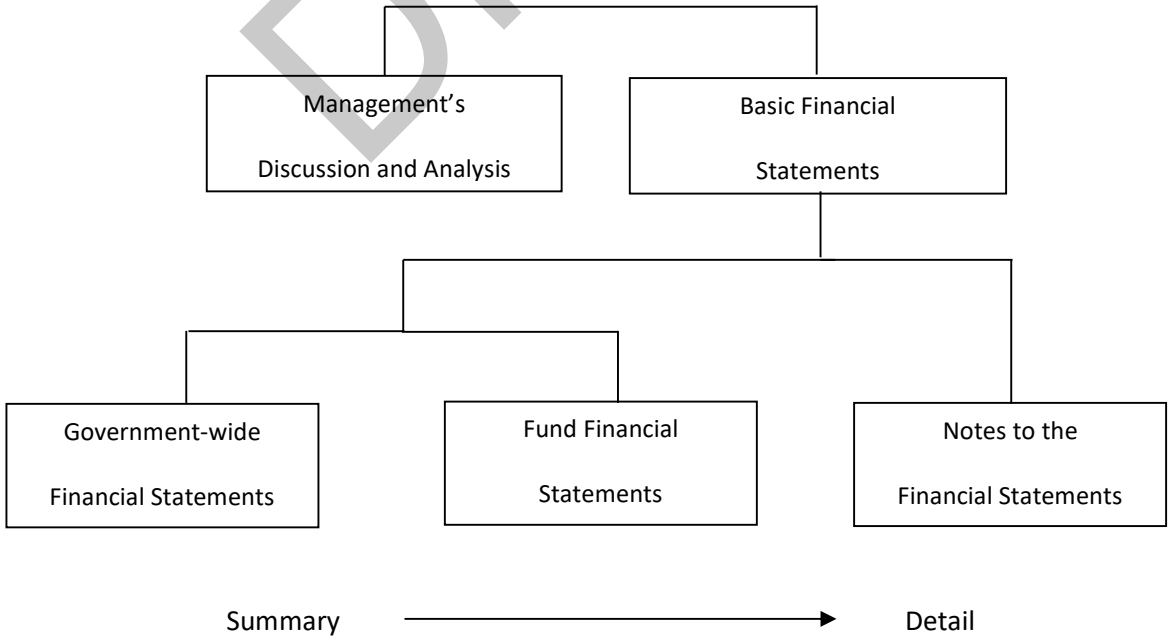
Financial Highlights

- The assets of the School exceeded its liabilities at the close of the fiscal year by $1,111,533 *(net position)*.
- Governmental activities decreased the School's net position by $61,919.
- The School's governmental funds reported combined ending fund balances of $624,764.
- The 2024-2025 135-day average daily membership was 137.
- The School had a total lease liability of $190,068 as of June 30, 2025.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two distinct financial perspectives of the School through the use of government-wide financial statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the School.

Figure 1 – Required Components of Annual Financial Report



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Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the School's financial standing.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual segments of the School's government. These statements are more detailed than the government-wide financial statements. The School's Fund Financial Statements consist of governmental funds.

Immediately following the fund financial statements are the **Notes to the Financial Statements** (Notes). The Notes offer a detailed explanation of the data contained in those statements. Next, **Supplemental Information** is provided to show details about the School's funds. Budgetary information for the School also can be found in this section of the statements.

Government-Wide Financial Statements

The government-wide statements report information about the School as a whole, using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the School's net positions and how they have changed. Net positions are the differences between the School's assets and liabilities and are one way to measure the School's financial health or position.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related statutory requirements. All of the funds of the School are governmental funds.

Governmental Funds

Governmental funds are used to account for functions reported as governmental activities in the government-wide financial statements. Most of the School's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and monies remaining at year-end that will be available for spending in the next fiscal year. Governmental funds are reported using the modified accrual accounting method, which provides a short-term spending focus. The governmental fund financial statements assist the reader in determining whether there has been an increase or a decrease in the financial resources available to finance the School's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation, which is an integral part of the fund financial statements.

The School has elected to adopt an annual budget. The budget incorporates input from the faculty, management, and the Board of Directors of the School and specifies which activities will be pursued and which

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services the School will provide during the year. It also authorizes the School to obtain funds from identified sources to finance current period activities. The budgetary statement demonstrates how well the School has complied with the budget and whether or not the School has succeeded in providing the services as originally planned.

Notes to Financial Statements – The notes provide additional information essential to facilitating a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 16 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a school's financial condition. The assets of the School exceeded liabilities by $1,111,533 as of June 30, 2025. $351,488 reflects the School's net investment in capital assets (e.g. furniture and fixtures, equipment, buildings, and leasehold improvements), less any related long-term obligations still outstanding that were issued to acquire those items. The School uses these capital assets to provide services to its students; consequently, these assets are not available for future spending.

Figure 2 – Condensed Statement of Net Position

	2025	2024
Current and other assets	$ 964,966	$ 873,155
Capital assets, net of depreciation	395,555	422,787
Right of use leased assets, net of amortization	146,001	194,668
Total Assets	1,506,522	1,490,610
Current liabilities	204,921	209,015
Long-term liabilities	190,068	243,424
Total Liabilities	394,989	452,439
Net investment in capital assets	351,488	374,031
Unrestricted	760,045	664,140
Total Net Position	$ 1,111,533	$ 1,038,171

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Aspects of the School's financial operations negatively influenced the total unrestricted governmental net position:

- The School adopted an annual budget. The School's performance was measured using this budget on a monthly basis, allowing changes to be made in spending as needed to remain within the confines of the budget.
- State and Federal revenues are calculated utilizing the 135-day average daily membership. Although the School's 135-day average daily membership decreased from 148 to 137, revenues increased due to receiving more funds in the current year.

Figure 3 – Changes in Net Position

Governmental activities - Governmental activities decreased the School's net position by $61,919.

	Governmental Activities - 2025	Governmental Activities - 2024
Local revenues	$ 57,350	$ 48,814
Intergovernmental	2,658,625	2,596,987
Total Revenues	2,715,975	2,645,801
Instruction	1,651,187	1,515,283
Support services	1,108,063	1,260,595
Interest	18,644	21,358
Total Expenses	2,777,894	2,797,236
Change in net position	(61,919)	(151,435)
Net position, July 1	1,038,171	1,189,606
Net Position, July 1, As Originally Stated	1,038,171	1,189,606
Prior Period Restatement (See Note II. D.)	135,281	-
Net position, June 30	$ 1,111,533	$ 1,038,171

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Financial Analysis of the School's Funds

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of usable financial resources. Such information is useful in assessing the School's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the general fund was $590,104 and $576,774 as of June 30, 2025 and 2024, respectively.

Capital Asset and Debt Administration

Capital Assets - The School's investment in capital assets for its governmental activities as of June 30, 2025, totals $351,488 (net of accumulated depreciation, accumulated amortization, and related long-term obligations). Capital assets include buildings, furniture, fixtures, equipment, and leasehold improvements.

Figure 4 – Capital Assets, Net of Depreciation

	2025	2024
Buildings	$ 359,669	$ 371,143
Equipment	14,753	23,313
Leasehold improvements	21,133	28,331
Total	$ 395,555	$ 422,787

Long-Term Obligations – As of June 30, 2025 and 2024, the School had $190,068 and $243,424 of long-term obligations, respectively.

General Fund Budgetary Highlights

The positive variance in net income of $52,394 is primarily due to the School spending less on purchased services receiving more intergovernmental revenue in the current year.

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Economic Factors

The School was granted its initial charter in 2003 by Charleston County School District. The charter was subsequently renewed in 2008 based on the School's ability to meet the goals outlined in the original charter application. Charleston County School District will continue to provide oversight and may revoke their charter if the School is not meeting the educational needs of the community and state expectations.

Being in existence since 2003 is a fine example of how a charter school program can go from a grassroots idea to having a great impact on the community it serves. The School consistently provides a loving, caring, and nurturing learning environment and rigorously works toward closing the achievement gap. Part of the School's ability to provide high quality educational experiences for all students is the collaboration of all internal and external stakeholders. The School is encouraged by the level of cooperation and support from the Charleston County School District who has assisted the School along its nineteen-year journey of academic excellence.

Requests for Information

This financial report is designed to provide the School's citizens, taxpayers, customers, investors, and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Charleston Development Academy, Inc. at 233 Line Street, Charleston, South Carolina 29403.

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Basic Financial Statements

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Government-Wide Financial Statements

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Charleston Development Academy, Inc.
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Current Assets	
Cash and cash equivalents	$ 743,028
Due From Other Governmental Units	46,787
Other receivables	5,210
COVID relief grants receivable	135,281
Prepaid items	30,090
Deposits	4,570
Total Current Assets	964,966
Non-Current Assets	
Capital assets, net of depreciation	395,555
Right to use leased assets, net of amortization	146,001
Total Non-Current Assets	541,556
Total Assets	$ 1,506,522
Liabilities	
Current Liabilities	
Accounts payable	$ 7,167
Accrued payroll	194,869
Deferred revenue	2,885
Total Current Liabilities	204,921
Long-term Liabilities	
Due within one year	
Lease liability	58,071
Due in more than one year	
Lease liability	131,997
Total Long-term Liabilities	190,068
Total Liabilities	394,989
Net Position	
Net investment in capital assets	351,488
Unrestricted	760,045
Total Net Position	$ 1,111,533

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Charleston Development Academy, Inc.
Statement of Activities
Year Ended June 30, 2025

Functions/ Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes In Net Position Governmental Activities
Governmental Activities			
Instruction	$ 1,651,187	$ -	$ (1,651,187)
Support services	1,108,063	-	(1,108,063)
Intergovernmental	-	2,658,625	2,658,625
Interest	18,644	-	(18,644)
Total Governmental Activities	2,777,894	2,658,625	(119,269)
Total Primary Government	$ 2,777,894	$ 2,658,625	$ (119,269)
General Revenues			
Investment earnings			$ 7,748
Miscellaneous			49,602
Total General Revenues			57,350
Change in Net Position			(61,919)
Net Position, July 1, 2024, As Originally Stated			1,038,171
Prior Period Restatement (See Note II. D.)			135,281
Net Position - July 1, 2024, Restated			1,173,452
Net Position - June 30, 2025			$ 1,111,533

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Fund Financial Statements

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Charleston Development Academy, Inc.
Balance Sheet
Governmental Funds
June 30, 2025

	General	Special Revenue Funds: Special Revenue	Special Revenue Funds: Education Improvement Act	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 743,028	$ -	$ -	$ 743,028
Due from other funds	46,787	2,885	-	49,672
Other receivables	5,210	-	-	5,210
Prepaid items	30,090	-	-	30,090
Deposits	4,570	-	-	4,570
Total Assets	$ 829,685	$ 2,885	$ -	$ 832,570
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 7,167	$ -	$ -	$ 7,167
Accrued payroll	194,869	-	-	194,869
Due to other funds	2,885	-	-	2,885
Unearned revenue	-	2,885	-	2,885
Total Liabilities	204,921	2,885	-	207,806
Fund Balances				
Nonspendable				
Prepaid items	30,090	-	-	30,090
Deposits	4,570	-	-	4,570
Unassigned	590,104	-	-	590,104
Total Fund Balances	624,764	-	-	624,764
Total Liabilities and Fund Balances	$ 829,685	$ 2,885	$ -	$ 832,570

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Charleston Development Academy, Inc.
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
June 30, 2025

Total Fund Balances - Governmental Funds		$ 624,764
Amounts reported for governmental activities in the statement of net position are different because:		
Right to use assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Right to use leased assets	304,322	
Less: accumulated amortization	(158,321)	
		146,001
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets	981,101	
Less: accumulated depreciation	(585,546)	
		395,555
Some assets are not collectible in the current period and therefore are not reported in the funds.		
COVID relief grants receivable		
		135,281
Certain liabilities such as notes payable and lease obligations are not due and payable in the current period, and therefore, are not reported in the funds.		
Lease liability		(190,068)
Total Net Position - Governmental Activities		$ 1,111,533

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Charleston Development Academy, Inc.
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	General	Special Revenue Funds: Special Revenue	Special Revenue Funds: Education Improvement Act	Total Governmental Funds
Revenues				
Investment earnings	$ 7,748	$ -	$ -	$ 7,748
Other local	49,602	-	-	49,602
Total Local	57,350	-	-	57,350
Intergovernmental revenue	2,366,439	166,780	125,406	2,658,625
Total Intergovernmental	2,366,439	166,780	125,406	2,658,625
Total Revenues	2,423,789	166,780	125,406	2,715,975
Expenditures				
Current				
Instruction	1,381,067	165,692	97,158	1,643,917
Support services	1,010,098	1,088	28,248	1,039,434
Debt service				
Principal	53,356	-	-	53,356
Interest	18,644	-	-	18,644
Total Expenditures	2,463,165	166,780	125,406	2,755,351
Deficiency of revenue over expenditures	(39,376)	-	-	(39,376)
Net Change in Fund Balances	(39,376)	-	-	(39,376)
Fund Balance - July 1, 2024	664,140	-	-	664,140
Fund Balance - June 30, 2025	$ 624,764	$ -	$ -	$ 624,764

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Charleston Development Academy, Inc.
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Net Change in Fund Balances - Governmental Funds	$	(39,376)
Amounts reported for the governmental activities in the statement of activities are different because:		
Government funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation expense in the current period		(27,232)
In the Statement of Activities, the cost of right to use assets are considered intangible asset additions and are allocated over the lease term as amortization expense		(48,667)
Lease liability payments are expenditures in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.		53,356
Change in Net Position - Governmental Activities	$	(61,919)

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I. Summary of Significant Accounting Policies

Charleston Development Academy, Inc. (the School) was created in April 2003 through a five-year charter granted by the Charleston County School District (the District). The School is a component unit of the District. On March 5, 2019, the School's charter was renewed for ten years. The School is a legally separate entity that is in substance part of the District's operation.

A. Reporting Entity

The Governance Board (the Board) of the School determines the operating policies of the School and such policies are implemented by the School's staff. As of June 30, 2025, the School's volunteer Board of Directors is as follows:

Michael K. Miller - Chairman	Minnie Parker
Shawn Johnson - School Director	Clarice Lemon
Tanesha Martin	Cecelia Rogers
Crystal Rouse	William Swinton
Pleshette Grant	Kurt Walker
Anjanetta Goodwin	

B. Basis of Presentation

Government-Wide Financial Statements
The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the School. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The School does not have any business-type activities. Intergovernmental revenue included on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds includes state sourced revenue and any federal revenue that flows to the School from the District.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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Fund Financial Statements
The School uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School functions and activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Major Funds

1. General Fund – The General Operating Fund of the School is used to account for all financial resources except those required to be accounted for in another fund. All revenue, charges for services, Education Finance Act revenue, and miscellaneous revenue are recorded in this fund except amounts which are specifically collected in a fiduciary capacity. Operational expenditures for general instruction, support services, general administration, and other departments of the School are paid through the General Fund.

2. Special Revenue Fund – Special Revenue Funds account for the operations of federal and state projects, which are required by the South Carolina State Department of Education to be accounted for in separate funds.

3. Education Improvement Act Fund – This fund is used to account for the School's expenditures as a result of receiving state funds used in a comprehensive education reform plan which are required to be accounted for in separate programs and strategies.

Non-major Funds
The School did not have any non-major funds as of June 30, 2025.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Non-exchange transactions are transactions in which the School receives value without directly giving equal value in return, including grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Amounts reported as program revenues include operating grants and contributions.

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When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

The effect of inter-fund activity has been eliminated from the government-wide financial statements.

D. Assets, Liabilities, and Equity

Cash and Cash Equivalents
The School's cash and cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less, that are both readily convertible to known amounts of cash, and so near their maturity that they present no significant risk of changes in value because of changes in interest rates.

Prepaid Items
Payments made to vendors for services benefiting future periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Due to/from Other Funds
Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as Due to/from Other Funds. On fund financial statements, these receivables and payables are classified as due from other funds or due to other funds on the Balance Sheet. The transactions between funds are eliminated in the governmental activities columns of the Statement of Net Position.

Right to Use Assets
The School's right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payment made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the underlying asset.

Capital Assets
Capital assets, which include buildings, leasehold improvements, furniture and fixtures, and equipment, are reported in the governmental activities in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives used in computing depreciation for financial reporting are as follows:

Assets	Years
Building	39
Leasehold improvements	20
Furniture and fixtures	7
Equipment	3 to 7

Accrued Payroll

Salaries and employee benefits of teachers, and certain other instructional employees, are based on elections by those employees, paid over a twelve-month period from August 15 to August 1, but are earned by those employees over the school year of September through May. Salaries and related employee benefits earned but not paid because of such employee elections have been accrued in the financial statements. Accrued compensation and related benefits was $194,869 as of June 30, 2025.

Unearned Revenue

Unearned revenue arises when resources have been received but not yet earned. Federal, state, local, and private program grant revenues received and not yet expended by the School are recorded as unearned revenue. In subsequent periods, when both revenue recognition criteria are met, or when the School has a legal claim to the grant proceeds, the liability for unearned revenue is removed from the Balance Sheet and revenue is recognized. Unearned revenue was $2,885 as of June 30, 2025.

Payables, Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide basic financial statements. In general, payables and accrued liabilities that will be paid for governmental funds are reported on the governmental fund basic financial statements regardless of whether they will be liquidated with current resources. Other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Reservations and Designations of Fund Balances

Government-Wide Statements

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net assets that do not meet the definition of restricted or net investment in capital assets.

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Fund Financial Statements

The School's fund balance amounts are reported within one of the following fund balance categories:

a. *Non-spendable* – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints (such as inventories, prepaids, long-term loans and notes receivable and property held for resale).

b. *Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

c. *Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

d. *Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. Fund Balance may be assigned by the Director.

e. *Unassigned* – is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

The School does not currently have policies in place for committed and assigned fund balances.

First, non-spendable fund balances are determined. Then, restricted fund balances for specific purposes are identified (not including non-spendable amounts). Any remaining fund balance amounts are evaluated for committed or assigned purposes and the remaining are classified as unassigned fund balance.

It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

E. Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the School's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

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F. Adopted Accounting Pronouncements

In June 2022, the GASB issued GASB Statement 101, *Compensated Absences* (GASB 101). GASB 101 requires that liabilities for compensated absences be recognized for leave that has not been used if that leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The School adopted this Statement on July 1, 2024 using the full retrospective method, however, there was no material effect on the School's liabilities for compensated absences.

II. Detailed Notes on all Funds

A. Deposits and Investments

Deposits

The School is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Banks and savings and loan associations to the extent they are insured by the Federal Deposit Insurance Corporation;
4. Certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit and repurchase agreements so secured, including interest;
5. The State Treasurer's Local Government Investment Pool (monitored by the State Treasurer for investments invested in government guaranteed securities in accordance with South Carolina State laws); and
6. Repurchase agreements.

Custodial credit risk for deposits – Custodial credit risk for deposits is the risk that, in the event of a bank failure, the government's deposits might not be recovered. The School does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

Credit risk – South Carolina statutes authorize investments in Certificates of Deposits, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool, obligations of the United States Government and government agencies unconditional guaranteed by the United States Government. The School has no investment policy that would further restrict its choices.

Interest rate risk – The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the School's investments in single issuer. The School places no limit on the amount of money it may be invested in any one issuer.

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B. Capital Assets

Capital asset activity for the year ended June 30, 2025 is as follows:

	June 30, 2024	Increases	Decreases	June 30, 2025
Capital assets being depreciated				
Buildings	$ 447,488	$ -	$ -	$ 447,488
Equipment	214,383	-	-	214,383
Furniture and fixtures	18,579	-	-	18,579
Right to use leased buildings	304,322	-	-	304,322
Leasehold improvements	300,651	-	-	300,651
Total Capital Assets Being Depreciated	1,285,423	-	-	1,285,423
Less: accumulated depreciation/amortization				
Buildings	(76,345)	(11,474)	-	(87,819)
Equipment	(191,070)	(8,560)	-	(199,630)
Furniture and fixtures	(18,579)	-	-	(18,579)
Right to use leased buildings	(109,654)	(48,667)	-	(158,321)
Leasehold improvements	(272,320)	(7,198)	-	(279,518)
Total Accumulated Depreciation	(667,968)	(75,899)	-	(743,867)
Total Capital Assets, Being Depreciated, Net	617,455	(75,899)	-	541,556
Total Governmental Activities Capital Assets, Net	$ 617,455	$ (75,899)	$ -	$ 541,556

Depreciation expense is charged to functions of the School as follows:

Instruction	$ 7,270
Support services	19,962
Total Depreciation	$ 27,232

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C. Long-Term Obligations

Lease Liability

At June 30, 2025 the School has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability. The right to use assets are amortized on a straight-line basis over the lease term. During the year ended June 30, 2025, the School recorded $48,667 and $18,644 for amortization expense and interest expense, respectively, related to these arrangements.

In February 2023, the School entered into a lease agreement for use of a building. The lease calls for monthly lease payments of $6,000. In August 2023, a new lease was signed that reduced rent payments to account for improvements paid for by the School and changed the lease term to end on June 30, 2028 which does not include an option to renew. The lease contains an option to terminate early, however, the School is not reasonably certain to exercise this option at June 30, 2025, therefore, the final payment under this lease is due during the year ended June 30, 2028.

Future minimum payments under the lease described above are as follows:

Year Ending June 30,	Principal	Interest	Totals
2026	$ 58,071	$ 13,929	$ 72,000
2027	63,205	8,795	72,000
2028	68,792	3,208	72,000
	$ 190,068	$ 25,932	$ 216,000

Changes in Long-Term Obligations

Presented below is a summary of changes in long-term obligations for the year ended June 30, 2025, for the School's governmental activities.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Lease Liability	$ 243,424	$ -	$ (53,356)	$ 190,068	$ 58,071
Total Governmental Activities	$ 243,424	$ -	$ (53,356)	$ 190,068	$ 58,071

D. Prior Period Adjustment

A prior period restatement of $135,281 was made to net position to record COVID relief grant receivables that were applied for during the year ended June 30, 2024.

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III. Other Information

A. Contingencies

Grants

The School participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of program expenditures, which may be disallowed by the granting agencies, cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

B. Retirement Plan

Plan Description

The School offers a 403(b) defined contribution plan to all employees of the School, administered by AXA Equitable Life Insurance Company. The Plan was established in 2009 at the authority of the Governance Board and was revised in January 2019 to allow for an employer contribution. The School matches 100% of employees contributions up to 3% of their pay. Employees may make deferral contributions up to the limits allowed by law. The School contributed $26,685 to the Plan for the year ended June 30, 2025.

C. Subsequent Events

Subsequent events are events or transactions that occur after the statement of net position date but before the financial statements are available to be issued. The School recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net position, including the estimates inherent in the process for preparing the financial statements. The School's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net position but arose after the statement of net position and before the financial statements were available to be issued.

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued.

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Required Supplementary Information other than Management's Discussion and Analysis (Unaudited)

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Charleston Development Academy, Inc.
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2025

	Budgeted Amounts		
	Original	**Final**	**Actual**
Revenues			
Local sources	$ 274,956	$ 57,350	$ 57,350
Intergovernmental revenue	2,243,324	2,319,652	2,366,439
Total Revenues	2,518,280	2,377,002	2,423,789
Expenditures			
Current			
Instruction	1,281,474	1,381,067	1,381,067
Support services	1,199,664	1,087,705	1,010,098
Debt service	-	-	72,000
Capital outlay	29,650	-	-
Total Expenditures	2,510,788	2,468,772	2,463,165
Excess (deficiency) of revenues over Expenditures	7,492	(91,770)	(39,376)
Net Change in Fund Balances	7,492	(91,770)	(39,376)
Fund Balance - July 1, 2024	664,140	664,140	664,140
Fund Balance - June 30, 2025	$ 671,632	$ 572,370	$ 624,764

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Charleston Development Academy, Inc.
Required Supplementary Information (Unaudited)
Notes to Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2025

Note A – Budgetary Basis

The General Fund budget is adopted on a basis consistent with generally accepted accounting principles. The budget for the General Fund is prepared by function and activity and includes current year estimates for the next fiscal year. Fund expenditures may not exceed amounts within the total budget without the approval of the Board. Line item transfers within functions are approved by the Board of Directors. Budget amounts reflected in the accompanying schedule represent the adopted budget and any revisions during the fiscal year.

Budgets for the Special Revenue Fund and EIA Fund are approved by the appropriate granting agencies and are not presented in the Budgetary Comparison Schedule.

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Other Supplementary Financial Information

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Combining and Individual Fund Statements and Supporting Schedules

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General Fund

To account for all financial resources except those required to be accounted for in another fund. All intergovernmental revenues and miscellaneous revenues are recorded in this fund. Operational expenditures for General Education, Support Services, and other departments of the School are paid through the General Fund.

The following Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the statement are also mandated by the South Carolina Department of Education.

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Charleston Development Academy, Inc.
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from Local Sources			
1500 Earnings on Investments			
1510 Interest on Investments	$ 7,748	$ 7,748	$ -
1700 Pupil Activities			
1790 Other Pupil Activity Income	10,890	10,890	-
1900 Other Revenue from Local Sources			
1920 Contributions and Donations From Private Sources	38,712	38,712	-
Total Local Sources	57,350	57,350	-
2000 Intergovernmental Revenues			
2100 Payments from Other Governmental Units	2,319,652	2,366,439	46,787
Total Intergovernmental Revenues	2,319,652	2,366,439	46,787
Total Revenue from all Sources	2,377,002	2,423,789	46,787
Expenditures			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	25,228	25,228	-
200 Employee Benefits	2,307	2,307	-
112 Primary Programs			
100 Salaries	314,568	314,568	-
200 Employee Benefits	50,477	50,477	-
300 Purchased Services	557	557	-
113 Elementary Programs			
100 Salaries	632,673	632,673	-
200 Employee Benefits	131,160	131,160	-
300 Purchased Services	49,497	49,497	-
400 Supplies and Materials	400	-	400
116 Career and Technology Education (Vocational) Programs			
400 Supplies	-	400	(400)
120 Exceptional Programs			
126 Speech Handicapped			
300 Purchased Services	7,576	7,576	-
127 Learning Disabilities			
100 Salaries	53,504	47,024	6,480
200 Employee Benefits	13,237	19,717	(6,480)
400 Supplies and Materials	400	400	-

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Charleston Development Academy, Inc.
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
130 Preschool Programs			
139 Early Childhood Programs			
100 Salaries	$ 44,656	$ 44,656	$ -
200 Employee Benefits	10,592	10,592	-
400 Supplies and Materials	400	400	-
170 Summer School Programs			
175 Instructional Programs Beyond Regular School Day			
100 Salaries	14,584	14,584	-
200 Employee Benefits	1,270	1,270	-
400 Supplies and Materials	414	414	-
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy			
100 Salaries	20,959	20,959	-
200 Employee Benefits	5,304	5,304	-
400 Supplies and Materials	1,304	1,304	-
Total Instruction	1,381,067	1,381,067	-
200 Support Services			
210 Pupil Services			
213 Health Services			
100 Salaries	20,373	20,373	-
200 Employee Benefits	4,339	4,339	-
300 Purchased Services	1,100	1,100	-
224 Improvement of Instruction Inservice and Staff Training			
300 Purchased Services	19,222	19,222	-
400 Supplies and Materials	327	327	-
230 General Administration Services			
231 Board of Education			
318 Audit Services	21,700	21,700	-
233 School Administration			
100 Salaries	287,589	287,589	-
200 Employee Benefits	39,342	39,342	-
300 Purchased Services	130,764	125,157	5,607
400 Supplies and Materials	15,301	15,301	-
600 Other Objects	1,435	1,435	-
250 Finance and Operations Services			
254 Operation and Maintenance of Plant			
100 Salaries	102,170	102,170	-
200 Employee Benefits	10,199	10,199	-
300 Purchased Services (Exclude Energy Costs)	217,227	145,227	72,000
321 Public Utility Services (Excludes gas, oil, elec. & other heating fuels)	37,172	37,172	-
400 Supplies and Materials (Include Energy Costs)	18,216	18,216	-

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Charleston Development Academy, Inc.
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
260 Central Support Services			
266 Technology and Data Processing Services			
100 Salaries	$ 80,800	$ 80,800	$ -
200 Employee Benefits	15,309	15,309	-
300 Purchased Services	21,386	21,386	-
400 Supplies and Materials	267	267	-
270 Support Services - Pupil Activity			
271 Pupil Services Activities			
300 Purchased Services (optional)	14,197	14,197	-
400 Supplies and Materials (optional)	28,532	28,532	-
600 Other Objects (optional)	738	738	-
Total Support Services	1,087,705	1,010,098	77,607
500 Debt Service			
610 Redemption of Principal	-	53,356	(53,356)
620 Interest	-	18,644	(18,644)
Total Debt Service	-	72,000	(72,000)
Total Expenditures	2,468,772	2,463,165	5,607
Excess of revenues over expenditures	(91,770)	(39,376)	52,394
Excess of revenues and other financing sources over expenditures	(91,770)	(39,376)	52,394
Fund Balance - July 1, 2024	664,140	664,140	-
Fund Balance - June 30, 2025	$ 572,370	$ 624,764	$ 52,394

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Special Revenue Funds

The purpose of the Special Revenue Funds is to account for the operations of federal and state projects, which are required to be accounted for in separate funds.

Special Revenue Fund – This fund is used to account for all federal and state projects except for those subject to Education Improvement Act requirements.

Special Revenue Fund - Education Improvement Act Fund – This fund is used to account for the School's expenditures as a result of receiving state funds used in a comprehensive education reform plan which are required to be accounted for in separate programs and strategies.

The following combining and individual fund statements and schedules have been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the various statements are also mandated by the South Carolina Department of Education.

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Charleston Development Academy, Inc.
Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2025

	Title I (201/202)	IDEA (203/204)	Other Special Revenue Programs (200s/800s)	Total
Revenues				
1000 Revenue from Local Sources				
1900 Other Revenue from Local Sources				
1999 Revenue from Other Local Sources	$ -	$ -	$ 1,088	$ 1,088
Total Local Sources	-	-	1,088	$ 1,088
4000 Revenue from Federal Sources				
4310 Title I, Basic State Grant Programs (Carryover Provision)	134,085	-	-	134,085
4500 Programs for Children with Disabilities				
4510 Individuals With Disabilities Education Act (IDEA)	-	31,607	-	31,607
Total Federal Sources	134,085	31,607	-	165,692
Total Revenue from All Sources	134,085	31,607	1,088	166,780
Expenditures				
100 Instruction				
110 General Instruction				
112 Primary Programs				
100 Salaries	37,355	-	-	37,355
200 Employee Benefits	3,851	-	-	3,851
113 Elementary Programs				
100 Salaries	59,681	-	-	59,681
200 Employee Benefits	8,089	-	-	8,089
120 Exceptional Programs				
126 Speech Handicapped				
300 Purchased Services	-	31,607	-	31,607
127 Learning Disabilities				
200 Employee Benefits	7,414	-	-	7,414
180 Adult/Continuing Education Programs				
188 Parenting/Family Literacy				
100 Salaries	14,230	-	-	14,230
200 Employee Benefits	3,465	-	-	3,465
Total Instruction	134,085	31,607	-	165,692
200 Support Services				
250 Finance and Operations Services				
254 Operation and Maintenance of Plant				
300 Purchased Services	-	-	1,088	1,088
Total Support Services	-	-	1,088	1,088
Total Expenditures	134,085	31,607	1,088	166,780
Excess of revenues over expenditures	-	-	-	-
Fund Balance - July 1, 2024	-	-	-	-
Fund Balance - June 30, 2025	$ -	$ -	$ -	$ -

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Charleston Development Academy, Inc.
Special Revenue Funds
Summary Schedule for Designated State Restricted Grants
Year Ended June 30, 2025

Subfund	Revenue Code	Programs	Revenues	Expenditures	Unearned Revenue

No funds were received as designated state restricted grants during the year ended June 30, 2025

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Charleston Development Academy, Inc.
Special Revenue Fund – Education Improvement Act Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – All Programs
Year Ended June 30, 2025

Revenues		
3000 Revenue from State Sources		
3500 Education Improvement Act		
3503 State Aid to Classrooms	$	69,606
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4k		51,000
3577 Teacher Supplies (No Carryover Provision)		4,800
Total State Sources		125,406
Total Revenues from All Sources		125,406
Expenditures		
100 Instruction		
110 General Instruction		
111 Kindergarten Programs		
400 Supplies and Materials		16
112 Primary Programs		
400 Supplies and Materials		1,864
113 Elementary Programs		
400 Supplies and Materials		2,920
120 Exceptional Programs		
126 Speech Handicapped		
300 Purchased Services		18,922
127 Learning Disabilities		
300 Purchased Services		22,436
130 Preschool Programs		
139 Early Childhood Programs		
100 Salaries		51,000
Total Instruction		97,158
200 Support Services		
210 Pupil Services		
213 Health Services		
100 Salaries		28,248
Total Support Services		28,248
Total Expenditures		125,406
Excess of revenues over expenditures		-
Fund Balance - July 1, 2024		-
Fund Balance - June 30, 2025	$	-

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Charleston Development Academy, Inc.
Special Revenue Fund – Education Improvement Act Fund
Summary Schedule by Program
Year Ended June 30, 2025

Program	Revenues	Expenditures	Unearned Revenue
3500 Education Improvement Act			
3503 State Aid to Classrooms	$ 69,606	$ 69,606	$ -
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4k	51,000	51,000	-
3577 Teacher Supplies (No Carryover Provision)	4,800	4,800	-
Totals	$ 125,406	$ 125,406	$ -

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Charleston Development Academy, Inc.
Detailed Schedule of Due to South Carolina
Department of Education/Federal Government
Year Ended June 30, 2025

Program	Grant or Project Number and FY	Revenue and Subfund Codes	Description	Amount Due to SCDE or Federal Government	Status of Amounts Due to Grantors

No funds are due to state/federal government.

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Compliance Section

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Governance Board of
Charleston Development Academy, Inc.
Charleston, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Charleston Development Academy, Inc. (the School) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated November 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Veris LLC

Mount Pleasant, South Carolina
November XX, 2025

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Charleston Development Academy, Inc.
Schedule of Findings and Responses
Year Ended June 30, 2025

A. Summary of Audit Results

1. The auditor's report expressed an unmodified opinion on the financial statements.

2. No significant deficiencies relating to the audit of the financial statements were disclosed during the audit.

3. No material weaknesses relating to the audit of the financial statements were disclosed during the audit.

4. No instances of noncompliance were discovered during the audit.

B. Findings – Financial Statement Audit

None

C. Findings – Compliance

None

D. Summary of Prior Year Findings

None

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