

Bettis Preparatory Leadership Academy
(A Component Unit of the South Carolina
Public Charter School District)

Trenton, South Carolina

ANNUAL FINANCIAL REPORT
June 30, 2025

(With Independent Auditors' Report Thereon)

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Annual Financial Report
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MARTIN · SMITH

& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS

Board of Directors
Bettis Preparatory Leadership Academy
Trenton, South Carolina

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of Bettis Preparatory Leadership Academy ("the School"), a component unit of the South Carolina Public Charter 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 financial statements, as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School at June 30, 2025, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bettis Preparatory Leadership Academy 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 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 accompanying table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is supplementary information required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The other supplementary information, as listed in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements of Bettis Preparatory Leadership Academy. 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. Such 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, such information is fairly presented in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 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 grants. The purpose of that report is solely to describe the scope of 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.

Martin Smith and Company CPAs PA

**BETTIS PREPARATORY LEADERSHIP ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

This discussion and analysis of Bettis Preparatory Leadership Academy's ("the School") financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the notes to the financial statements and the financial statements themselves to enhance their understanding of the School's financial performance.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

In the Statement of Net Position, the School's assets exceeded its liabilities at the close of the most recent fiscal year by \$202,906. Of this amount, however, \$891,604 is invested in capital assets, net of debt. Therefore, the School reported an unrestricted net position of \$128,147.

The School's net position decreased by \$14,658 during the current fiscal year, as compared to an increase of \$68,110 in the previous fiscal year.

The School's total capital assets, net of accumulated depreciation, were \$891,604.

The School's total debt, consisting of notes payable and a lease liability, was \$816,845.

Fund Financial Statements

As of the close of the current fiscal year, the School's Governmental Funds reported a combined ending combined fund balance of \$128,146, compared to a deficit fund balance of \$56,620 in the previous fiscal year.

During the 2025 fiscal year, the School's governmental fund-type revenues were \$1,886,276. The School reported governmental fund-type revenues of \$1,859,216 in the previous fiscal year.

During the current fiscal year, the School's governmental fund-type expenditures were \$1,701,510.

Overall

The 135-day student count decreased by 18, to 114 in the current year from 132 in the prior year. The 135-day enrollment count is the basis for most of the state funds that the School receives.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to the School's Financial Statements. The School's Financial Statements consist of three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

In addition to the Financial Statements, this report contains Required Supplementary Information that will enhance the reader's understanding of the financial condition of the School.

**BETTIS PREPARATORY LEADERSHIP ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Government-Wide Financial Statements

The Government-Wide Financial Statements provide a broad overview of the School's overall financial status, in a manner similar to a private-sector enterprise.

The Statement of Net Position presents information on all of the School's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods.

The Government-Wide Financial Statements distinguish functions of the School that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). However, all activities of the School are governmental activities, which include instruction, supporting services, and debt service.

Fund Financial Statements

The remaining financial statements are Fund Financial Statements which focus on individual parts of the School, reporting the School's operations in more detail than the Government-Wide Statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the School are Governmental Funds.

Governmental Funds are used to account for essentially the same functions reported as Governmental Activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Funds Financial Statements focus on near-term uses of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between Governmental Funds and Governmental Activities.

The School maintains three individual Governmental Funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Special Revenue Funds. The Governmental Funds Financial Statements can be found at Exhibits C, D, E, and F of this report.

**BETTIS PREPARATORY LEADERSHIP ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found following Exhibit F of this report.

Other Information

The School adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided in the required supplementary information section for this fund to demonstrate compliance with its budget.

**Major Features of Bettis Preparatory Leadership Academy
Government-Wide and Fund Financial Statements**

	Government-Wide Statements	Fund Financial Statements
		<i>Government Funds Only</i>
Scope	Entire school unit	The activities of the School that are not proprietary or fiduciary
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods/services have been received and payment is due during the year or soon after

**BETTIS PREPARATORY LEADERSHIP ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, assets exceeded its liabilities by \$202,906 at the close of the most recent fiscal year.

The following table provides a summary of the School's net position for 2025 compared to 2024:

Net Position

	Governmental Activities	
	2025	2024
Assets		
Current and other assets	\$ 512,600	\$ 440,384
Capital assets	891,604	1,553,755
Total assets	<u>1,404,204</u>	<u>1,994,139</u>
Liabilities		
Long-term liabilities	816,845	1,362,718
Other liabilities	384,453	413,857
Total liabilities	<u>1,201,298</u>	<u>1,776,575</u>
Net Position		
Net investment in capital assets	74,759	191,037
Unrestricted net position	<u>128,147</u>	<u>26,527</u>
Total net position	<u>\$ 202,906</u>	<u>\$ 217,564</u>

During the current fiscal year, net position of the School's governmental activities decreased by \$14,658. Unrestricted net deficit position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from \$26,527 at June 30, 2024, to \$128,147 at June 30, 2025.

**BETTIS PREPARATORY LEADERSHIP ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

The following table shows the changes in net position for fiscal year 2025 compared to 2024:

Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues		
Program revenues:		
Operating grants	\$ 1,732,444	\$ 1,797,198
Charges for services	22,942	28,461
General revenue:		
Other revenue	47,744	33,557
Total revenues	1,803,130	1,859,216
Program Expenses		
Instruction	843,898	817,152
Support services	956,869	961,639
Interest	17,021	12,315
Total expenses	1,817,788	1,791,106
Increase (decrease) in net position	\$ (14,658)	\$ 68,110

Governmental Activities:

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

For the year ended June 30, 2025, the School's Governmental Funds reported a combined fund balance of \$128,146 as compared to a combined deficit fund balance of \$56,620 for the prior year, an increase of \$184,766. The School's governmental revenues remained stable during the year, while expenses were carefully controlled.

The Special Revenue Funds consist of various federal, state, local funds, and the Education Improvement Act funds. These funds were spent appropriately as mandated by the legislation that allowed for their distribution. Generally, the funds that were received during the year were expended during the current fiscal year; therefore, there was no fund balance at the end of the previous or current year. The school food service activities are included, and this fund did have a fund balance at year-end.

General Fund Budgetary Highlights

The School's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of the fiscal year 2025, amendments to the School's General Fund budget resulted in an insignificant change in fund balances.

**BETTIS PREPARATORY LEADERSHIP ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the School had \$891,604 net investment in capital assets. The year-end total of capital assets was \$2,176,927, with a total accumulated depreciation of \$1,285,323. The depreciation and amortization expense taken during the year was \$263,528, and capital asset additions were \$7,473. The School has recognized an intangible asset of \$1,491,403 related to the lease of its modular units.

The following table shows fiscal 2025 balances compared to 2024:

	Capital Assets (Net of Depreciation)	
	Governmental Activities	
	2025	2024
Land improvements	\$ 184,268	\$ 242,459
Furniture, fixtures and equipment	82,790	89,518
Vehicles	9,508	13,772
Leasehold improvements	129,130	167,413
Building - right of use asset	485,908	1,040,593
Totals	<u>\$ 891,604</u>	<u>\$ 1,553,755</u>

Long-term Debt

At fiscal year-end, the School had \$816,845 in notes payable and lease obligations versus \$1,362,718 in the prior year. The School made its scheduled payments on its notes payable and lease.

Economic Factors

The following key economic indicators reflect the operations of the School:

- The School continues to see community support as evidenced by volunteerism, local organizations donating classroom and office supplies, private donations, and support through fundraising.
- The School has a returning staff of professionals that are committed to the School.
- The School will continue to seek both federal and private grant funds to supplement its Education Finance Act ("EFA") funding.

Contacting the School's Financial Management

This financial report is designed to provide interested parties with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School's business office located at 69 Nicholson Road, Trenton, South Carolina 29847.

Exhibit A

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Statement of Net Position
June 30, 2025**

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 470,970
Due from other governmental units	39,943
Other receivables	282
Prepaid expenses	1,405
Capital assets	2,176,927
Less accumulated depreciation and amortization	<u>(1,285,323)</u>
Total capital assets, net of depreciation and amortization	<u>891,604</u>
Total assets	<u>1,404,204</u>
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	381,769
Revenue collected in advance	1,378
Due to other governmental units	1,306
Long-term liabilities:	
Due within one year	173,420
Due in more than one year	<u>643,425</u>
Total liabilities	<u>1,201,298</u>
<u>NET POSITION</u>	
Net investment in capital assets	74,759
Unrestricted net position	<u>128,147</u>
Total net position	<u><u>\$ 202,906</u></u>

The notes to the financial statements are an integral part of this statement.

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2025**

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue (Expense) and Change in Net Position</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
Instruction	\$ 843,898	\$ -	\$ 804,276	\$ (39,622)
Support services	956,869	-	911,946	(44,923)
Interest and other charges	17,021	22,942	16,222	22,143
Total governmental activities	<u>1,817,788</u>	<u>22,942</u>	<u>1,732,444</u>	<u>(62,402)</u>
Total	<u>\$ 1,817,788</u>	<u>\$ 22,942</u>	<u>\$ 1,732,444</u>	<u>(62,402)</u>
General revenue:				
Unrestricted interest earned				2,063
Other revenue				<u>45,681</u>
Total general revenue				<u>47,744</u>
Change in net position				(14,658)
Net position, beginning of year				<u>217,564</u>
Net position, end of year				<u>\$ 202,906</u>

The notes to the financial statements are an integral part of this statement.

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Balance Sheet - Governmental Funds
June 30, 2025**

	<u>General</u>	<u>Special Revenue</u>	<u>EIA</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 470,970	\$ -	\$ -	\$ 470,970
Due from other governmental units	-	39,943	-	39,943
Due from other funds	-	12,842	2,684	15,526
Other receivables	282	-	-	282
Prepaid expenses	1,405	-	-	1,405
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u><u>472,657</u></u>	\$ <u><u>52,785</u></u>	\$ <u><u>2,684</u></u>	\$ <u><u>528,126</u></u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued expenses	\$ 381,770	\$ -	\$ -	\$ 381,770
Due to other funds	15,526	-	-	15,526
Due to other governmental units	-	-	1,306	1,306
Unearned revenue	-	-	1,378	1,378
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	397,296	-0-	2,684	399,980
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balances:				
Nonspendable	1,405	-	-	1,405
Unassigned	73,956	52,785	-	126,741
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	75,361	52,785	-0-	128,146
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u><u>472,657</u></u>	\$ <u><u>52,785</u></u>	\$ <u><u>2,684</u></u>	\$ <u><u>528,126</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit D

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025**

Total fund balance - Governmental Funds	\$ 128,146
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in Governmental Funds. The cost of assets is \$2,176,927, and the accumulated depreciation is \$1,285,323.	891,604
Long-term liabilities, including notes payable and lease obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(816,844)</u>
Net position of governmental activities	<u>\$ 202,906</u>

The notes to the financial statements are an integral part of this statement.

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025**

	<u>General</u>	<u>Special Revenue</u>	<u>EIA Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local	\$ 153,833	\$ 2,394	\$ -	\$ 156,227
State	1,173,593	57,965	243,555	1,475,113
Federal	-	254,936	-	254,936
Intergovernmental	-	-	-	-
	<u>1,327,426</u>	<u>315,295</u>	<u>243,555</u>	<u>1,886,276</u>
Total revenues all sources				
EXPENDITURES				
Current:				
Instruction	565,234	63,211	4,629	633,074
Support services	695,513	206,785	1,865	904,163
Community services	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Redemption of principal	139,779	-	-	139,779
Interest	17,021	-	-	17,021
Capital outlay	7,473	-	-	7,473
	<u>1,425,020</u>	<u>269,996</u>	<u>6,494</u>	<u>1,701,510</u>
Total expenditures				
Excess of revenues over expenditures	<u>(97,594)</u>	<u>45,299</u>	<u>237,061</u>	<u>184,766</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	237,061	-	-	237,061
Operating transfers out	-	-	(237,061)	(237,061)
	<u>237,061</u>	<u>-</u>	<u>(237,061)</u>	<u>-</u>
Total other financing sources (uses)				
Net changes in fund balance	139,467	45,299	-0-	184,766
FUND BALANCE, July 1, 2024	<u>(64,106)</u>	<u>7,486</u>	<u>-0-</u>	<u>(56,620)</u>
FUND BALANCE, June 30, 2025	<u>\$ 75,361</u>	<u>\$ 52,785</u>	<u>\$ -0-</u>	<u>\$ 128,146</u>

The notes to the financial statements are an integral part of this statement.

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Reconciliation of Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2025**

Total net changes in fund balance - Governmental Funds	\$ 184,766
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and amortization (\$263,528) exceeds capital outlays (\$7,473) in the period.	(256,055)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in Governmental Funds. This amount represents the change in unavailable revenues for the year.	(83,148)
Repayment of debt and lease obligation principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	<u>139,779</u>
Change in net position of governmental activities	<u><u>\$ (14,658)</u></u>

The notes to the financial statements are an integral part of this statement.

BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Bettis Preparatory Leadership Academy (“the School”) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

Bettis Preparatory Leadership Academy was created in 2014 through a charter granted by the South Carolina Public Charter School District (“the District”). The School began operations in 2018.

The School’s mission is to inspire students to pursue science, technology, engineering, and mathematics as their area of focus and prepare them to become academically successful citizens of integrity who become lifelong learners and leaders, working collaboratively to positively impact society. The School is located in Edgefield County, South Carolina, and enrolled 114 students from grades K5 through 8th during the year ended June 30, 2025.

A charter school is an independent public school, governed by an independent Board of Directors (“the Board”). To encourage innovation, charter schools operate free from a number of state laws and regulations. Charter schools are funded similarly to other public schools in that state and local funds are allocated for each enrolled student. Charter schools may charge for selected additional costs consistent with those permitted by school districts. Because charter schools receive local, state, and federal funds, they may not charge tuition.

The School is considered a component unit of the South Carolina Public Charter School District. A component unit, although a legally separate entity, is, in substance, part of the District's operations. The School has no component units for which it is considered to be financially accountable.

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities which report information on all of the activities of the School. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements report detailed information about the School. The focus of Governmental Financial Statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds, if any, are aggregated and presented in a single column.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

Governmental Funds 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. However, debt service expenditures are recorded only when payment is due. All other revenue items are considered to be measurable and available only when cash is received by the School.

The School reports the following major Governmental Funds:

- The General Fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.
- The Special Revenue Fund accounts for specific revenue sources (other than expendable trusts) that are legally restricted to expenditures for specified purposes. Money in this fund is expended according to the provisions of general statutes applicable to charter schools.

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

D. Assets, Liabilities, and Net Position or Fund Balance

1) Deposits and Investments

The School's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both Government-Wide and Fund Financial Statements.

3) Receivables and Payables

During the course of operations, numerous transactions occur between the School and vendors and revenue sources or individual funds for goods provided or services rendered. On Fund Financial Statements, these receivables and payables are classified as accounts receivable, due from other governmental units, accounts payable or "due from other funds" or "due to other funds." The transactions between funds are eliminated in the Governmental Activities column of the Statement of Net Position.

4) Capital Assets

Capital assets include infrastructure improvements, equipment, vehicles, and leasehold improvements. Capital assets are defined by the School as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The School has adopted GASB guidance and capitalizes certain types of assets, such as technology equipment, with individual acquisition costs that are less than its threshold, if total acquisition costs in the aggregate are more than \$25,000. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Position or Fund Balance, Continued

4) Capital Assets, continued

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	10
Furniture, fixtures, and equipment	5 - 7
Vehicles	5
Leasehold improvements	10

5) Long-term Obligations

In the Government-Wide Financial Statements, long-term debt and long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. In the Fund Financial Statements, governmental fund-types recognize principal and interest payments as expenditures of the current period and report the face amount of debt issued as other financing sources.

6) Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

7) Fund Equity

In the Fund Financial Statements, fund balance classifications depict the nature of the net resources reported in the Governmental Funds. Individual Governmental Funds may include nonspendable resources and amounts that are restricted, committed, assigned, or any combination of these classifications. The General Fund also includes unassigned amounts. The School considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes, if any, are determined. Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. Committed fund balance amounts are established by the School's Board through motions passed at the School's Board meetings. Assigned fund balance amounts are established by the School's administration. The School has no assigned fund balance amounts.

Nonspendable Fund Balance - includes amounts which cannot be spent. This includes items that may not be in spendable form or that may be legally or contractually required to be maintained intact. The School's nonspendable fund balance represents amounts not in spendable form.

Restricted Fund Balance - includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed Fund Balance - includes amounts that can only be used for the specific purposes pursuant to constraints imposed by a formal action of the School's Board.

BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Position or Fund Balance, Continued

7) Fund Equity, continued

Assigned Fund Balance - includes amounts that are constrained by the School's intent to be used for a specific purpose but are neither restricted nor committed. Assignments of fund balance are established by the School's administration.

Unassigned Fund Balance - is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

8) Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

9) Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Position or Fund Balance, Continued

9) Fair Value, continued

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The School believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

10) Use of Estimates

The preparation of the financial statements in conformity with GAAP as applicable to governmental units requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue, expenditures, or expenses during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets for all Governmental Funds are adopted on the modified accrual basis for accounting, which is consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end, and the School does not employ encumbrance accounting.

Each budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes. The School's policies allow funds to be transferred between functions. However, the total budget cannot be increased beyond that level without approval of the School's Board. The legal level of control is at the fund level. During the year, the School revised the budget. The administration has discretionary authority to make transfers between appropriation accounts.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The School's cash investment objectives are preservation of capital, liquidity and yield. The School is authorized to invest in securities as allowed by South Carolina statute. Those investments are restricted to:

- 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 that the same are secured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation ("FDIC");
- 4) Deposits in certificates of deposit where the certificates are collaterally secured 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 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.

BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2025

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments, Continued

Custodial credit risk – Custodial credit risk is the risk that the School’s deposits will not be returned to it. The School has no formal policy regarding custodial credit risk. The total cash balances are insured by the FDIC up to \$250,000 per bank. At June 30, 2025, the School’s carrying amount of deposits was \$470,970 and the bank balance was \$470,970, all of which was covered by FDIC insurance.

Credit risk - South Carolina state statutes only authorize the School to invest in certain types of investments. 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 investment in a single issuer. The School does not have a policy that limits the amount that may be invested in any one issuer.

B. Due From/Due To Other Funds

Interfund balances at June 30, 2025, consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$ -	\$ 15,526
Special Projects Fund	12,842	-
Education Improvement Act Fund	<u>2,684</u>	<u>-</u>
	<u>\$ 15,526</u>	<u>\$ 15,526</u>

The General Fund payable is a result of it receiving funds on behalf of the Special Revenue Fund and EIA Fund which have not yet been expended by those funds.

During the course of normal operations, the School has transfers between funds to provide services. These transactions are generally reflected as transfers. The EIA Fund transferred \$237,061 to the General Fund to align funding within the fund from which the majority of expenditures are made.

BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2025

III. DETAILED NOTES ON ALL FUNDS, Continued

C. Capital Assets

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

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Capital assets being depreciated:				
Infrastructure	\$ 581,901	\$ -	\$ -	\$ 581,901
Furniture, fixtures and equipment	147,231	7,473	-	154,704
Vehicles	42,324	-	-	42,324
Leasehold improvements	385,104	-	-	385,104
Total capital assets being depreciated	<u>1,156,560</u>	<u>7,473</u>	<u>-0-</u>	<u>1,164,033</u>
Less accumulated depreciation for:				
Infrastructure	(339,442)	(58,190)	-	(397,632)
Furniture, fixtures and equipment	(57,713)	(14,200)	-	(71,913)
Vehicles	(28,552)	(4,265)	-	(32,817)
Leasehold improvements	(217,691)	(38,284)	-	(255,975)
Total accumulated depreciation	<u>(643,398)</u>	<u>(114,939)</u>	<u>-0-</u>	<u>(758,337)</u>
Total capital assets being depreciated, net	<u>513,162</u>	<u>(107,466)</u>	<u>-0-</u>	<u>405,696</u>
Lease assets:				
Right of Use Asset - Building	<u>1,418,990</u>	<u>-</u>	<u>(406,096)</u>	<u>1,012,894</u>
Less accumulated amortization for:				
Right of Use Asset - Building	<u>(378,397)</u>	<u>(148,589)</u>	<u>-</u>	<u>(526,986)</u>
Total lease assets being amortized, net	<u>1,040,593</u>	<u>(148,589)</u>	<u>(406,096)</u>	<u>485,908</u>
Governmental activities capital assets, net	<u>\$ 1,553,755</u>	<u>\$ (256,055)</u>	<u>\$ (406,096)</u>	<u>\$ 891,604</u>
Depreciation charged to:				
Instruction	\$ 210,822			
Support services	<u>52,706</u>			
Total depreciation	<u>\$ 263,528</u>			

The School follows the guidance of GASB Statement 87 *Leases*. The School has recognized an intangible Right of Use Asset - Building, representing the lease of its modular units. This asset is being amortized over the remaining life of the related lease. In February 2025, the School amended its lease to reduce the required monthly payments over its term and recorded a reduction in the carrying value of the Right of Use Asset – Building, based upon the amended lease terms.

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2025**

III. DETAILED NOTES ON ALL FUNDS, Continued

D. Long-Term Obligations

In November 2019, the School received a note payable from the District to assist with facility expenditures which the School incurred. The note is payable in four annual principal payments of \$50,000, with interest at 0%. The annual payments due under the note may be eligible for forgiveness each year if the School meets specified enrollment targets and other requirements, including academic achievement, financial reporting, and compliance with its charter. The amount owed at June 30, 2025 was \$188,200.

The annual requirements to amortize all debt outstanding as of June 30, 2025, are as follows:

<u>Year Ending June 30</u>	<u>Note Principal</u>
2026	\$ 50,000
2027	50,000
2028	85,200
	<u>\$ 185,200</u>

The School follows the guidance of GASB Statement #87 *Leases*. The School has recognized a lease liability relating to its modular unit lease.

The lease on the School's modular units commenced in August 2018 and was originally set to expire in December 2023. In a previous year, the lease was amended to extend the term to December 2029. The lease also amended the required lease payment amounts. In February 2025, the School again amended this lease to reduce the required monthly payments over its term. The lease payments due are \$11,750 through June 2025, with 3% increases each year for the next five years. The School recorded a reduction in its lease liability of \$406,096, based upon the amended lease terms.

Maturities of the lease liability outstanding at June 30, 2025, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2026	\$ 123,420	\$ 21,810	\$ 145,230
2027	132,613	16,974	149,587
2028	142,294	11,781	154,075
2029	152,485	6,212	158,697
2030	<u>80,833</u>	<u>895</u>	<u>81,728</u>
	<u>\$ 631,645</u>	<u>\$ 57,672</u>	<u>\$ 689,317</u>

BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2025

III. DETAILED NOTES ON ALL FUNDS, Continued

D. Long-Term Obligations, Continued

The following is a summary of changes in long-term obligations for the year ended June 30, 2025:

	June 30, 2024	Additions	Reductions	June 30, 2025
Notes payable	\$ 201,000	\$ -	\$ (15,800)	\$ 185,200
Lease obligation	1,161,719	-	(530,074)	631,645
Total	<u>\$ 1,362,719</u>	<u>\$ -0-</u>	<u>\$ (545,874)</u>	<u>\$ 816,845</u>

IV. OTHER INFORMATION

A. Risk Management

The School is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School maintains a \$1,000,000 per occurrence general liability policy and a \$2,000,000 per occurrence errors and omissions policy with a commercial carrier.

The School carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past two fiscal years.

B. Commitments and Contingencies

The School participates in a number of federal and state assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of program expenditures that may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the School's management believes such disallowances, if any, would be immaterial.

C. Pandemic Funding

The Coronavirus Aid, Relief, and Economic Security Act ("the CARES Act") included the Employee Retention Credit ("ERC") program, created to encourage employers to keep their employees on the payroll during the period affected by the coronavirus pandemic. The ERC allowed eligible entities a refundable tax credit against the employer portion of social security taxes paid equal to 70% of qualified wages for each employee, with such wages limited to \$10,000 per employee for each quarter. Employers that experienced fully or partially suspended operations during any calendar quarter due to orders from an appropriate governmental authority due to COVID-19 were eligible for the credit. The School determined its eligibility for the ERC and submitted its application for a credit of \$83,147 during the fiscal year ended June 30, 2023. The School concluded it has met the donor-imposed conditions and, therefore, recognized grant income during the year ended June 30, 2023, and a grant receivable as of June 30, 2023 and 2024. The School received the balance of the receivable during the year ended June 30, 2025, and recognized grant income of \$83,147 in its governmental financial statements.

BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2025

IV. OTHER INFORMATION, Continued

D. Other Matters

The School began operating in 2018. It has faced challenges, including significant unanticipated expenses relating to its school facility and slow enrollment growth. Its operations resulted in substantial decreases in its net position for 2019 and 2020. In 2021 through 2024, as its enrollment improved, the School increased its net position by \$614,302. For the year ended June 30, 2025, the School reported a small decrease in its net position, primarily driven by depreciation and amortization of its fixed assets of \$263,528. While its results have been trending positive, the School still has a relatively low net position and a low General Fund fund balance. As a result, conditions exist that raise questions as to its ability to continue as a going concern and potentially expose the School to significant uncertainties.

The Board has carefully analyzed the School's financial position and operations and formulated plans for improving financial results and enhancing its financial stability. Management continues to carefully evaluate ways to control expenditures and operate the School as efficiently as possible. Management believes that enrollment will continue to increase as parents in the area become aware of the outstanding educational opportunities available at the School. As enrollment increases, the School will be eligible for additional funding. Management believes these increases will improve the profitability of the School and will provide sufficient cash to meet its working capital needs. The School has been able to reduce its long-term liabilities during the past several fiscal years. These reductions in long-term liabilities served to improve the School's financial stability.

E. Other Funding Sources

In a previous year, the School was allocated \$840,000 from the settlement that the State of South Carolina and the Department of Energy reached to resolve litigation over plutonium stored at the Savannah River Site. This allocation, of which the School received \$360,000 in the previous year, is to be used for approved construction and site improvements. The School has subsequently been allocated an additional \$550,000 to be used for the same purposes.

F. Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through September 29, 2025, the date the financial statements were available to be issued. There were no such events requiring recording or disclosure for the year ended June 30, 2025.

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
1000 Revenue from local sources			
1500 Earnings on investments			
1510 Interest on investments	\$ 250	\$ 2,063	\$ 1,813
1700 Pupil activities			
1790 Other pupil activity income	26,270	22,942	(3,328)
1900 Other revenue from local sources			
1920 Contributions and donations from private sources	15,000	14,836	(164)
1990 Miscellaneous local revenue			
1999 Revenue from other local sources	16,500	113,992	97,492
Total local sources	<u>58,020</u>	<u>153,833</u>	<u>95,813</u>
3000 Revenue from state sources			
3100 Restricted state funding			
3103 State aid to classrooms	1,839,072	1,173,593	(665,479)
Total state sources	<u>1,839,072</u>	<u>1,173,593</u>	<u>(665,479)</u>
Total revenues all sources	<u>1,897,092</u>	<u>1,327,426</u>	<u>(569,666)</u>
EXPENDITURES			
100 Instruction			
110 General instruction			
111 Kindergarten programs			
100 Salaries	102,790	88,319	14,471
200 Employee benefits	18,826	15,490	3,336
112 Primary programs			
100 Salaries	146,350	161,065	(14,715)
200 Employee benefits	30,905	29,236	1,669
400 Supplies and materials	-	288	(288)
113 Elementary programs			
100 Salaries	202,350	194,398	7,952
200 Employee benefits	35,972	29,602	6,370
400 Supplies and materials	24,000	4,023	19,977

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
120 Exceptional programs			
126 Speech handicapped			
100 Salaries	\$ -	\$ 4,843	\$ (4,843)
200 Employee benefits	-	418	(418)
300 Purchased services	-	1,415	(1,415)
127 Learning disabilities			
300 Purchased services	12,019	8,057	3,962
170 Summer school programs			
175 Instructional programs beyond regular school day			
100 Salaries	-	6,680	(6,680)
200 Employee benefits	-	581	(581)
400 Supplies and materials	-	684	(684)
180 Adult/continuing education programs			
188 Parenting/family literacy			
400 Supplies and materials	-	443	(443)
190 Instructional pupil activity			
300 Purchased services	3,000	20	2,980
400 Supplies and materials	-	922	(922)
660 Pupil activity	3,000	18,750	(15,750)
Total instruction	<u>579,212</u>	<u>565,234</u>	<u>13,978</u>
200 Support services			
210 Pupil services			
211 Attendance and social work services			
200 Employee benefits	-	1	(1)
212 Guidance services			
100 Salaries	45,000	33,493	11,507
200 Employee benefits	14,021	4,007	10,014
400 Supplies and materials	1,000	533	467
213 Health services			
100 Salaries	31,930	21,502	10,428
200 Employee benefits	9,121	8,300	821
300 Purchased services	9,000	10,000	(1,000)
400 Supplies and materials	-	223	(223)

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
214 Psychological services			
300 Purchased services	\$ 6,000	\$ -	\$ 6,000
215 Exceptional program services			
300 Purchased services	22,000	4,016	17,984
220 Instructional staff services			
221 Improvement of instruction curriculum development			
100 Salaries	21,000	21,217	(217)
200 Employee benefits	2,040	3,927	(1,887)
300 Purchased services	-	14	(14)
222 Library and media services			
400 Supplies and materials	500	-	500
224 Improvement of instruction inserv and staff training			
300 Purchased services	14,000	6,838	7,162
400 Supplies and materials	-	114	(114)
230 General administrative services			
231 Board of education			
300 Purchased services	8,000	9,121	(1,121)
318 Audit services	9,000	5,400	3,600
600 Other objects	19,500	23,349	(3,849)
233 School administration			
100 Salaries	208,610	186,732	21,878
200 Employee benefits	37,986	34,224	3,762
300 Purchased services	11,000	46,743	(35,743)
400 Supplies and materials	10,500	6,807	3,693
600 Other objects	850	4,277	(3,427)
250 Finance and operations services			
252 Fiscal services			
300 Purchased services	96,161	69,631	26,530
600 Other objects	250	34	216
254 Operation and maintenance of plant			
100 Salaries	20,500	23,792	(3,292)
200 Employee benefits	2,536	2,032	504
300 Purchased services	53,662	54,026	(364)
321 Public util (excl gas, oil, elect & oth heating fuels)	4,000	3,696	304
400 Supplies and materials	27,400	9,220	18,180
470 Energy (incl gas, oil, elect & oth heating fuels)	26,000	24,032	1,968

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
255 Student transportation (state mandated)			
100 Salaries	\$ 15,400	\$ 19,242	\$ (3,842)
200 Employee benefits	1,371	3,022	(1,651)
300 Purchased services	15,000	7,501	7,499
400 Supplies and materials	19,500	16,799	2,701
500 Capital outlay	25,000	-	25,000
256 Food services			
100 Salaries	16,500	-	16,500
200 Employee benefits	18,510	-	18,510
300 Purchased services	9,000	-	9,000
400 Supplies and materials	136,000	-	136,000
258 Security			
300 Purchased services	3,000	2,941	59
260 Central support services			
263 Information services			
300 Purchased services	12,000	3,418	8,582
400 Supplies and materials	500	432	68
266 Technology and data processing services			
100 Salaries	-	808	(808)
200 Employee benefits	-	70	(70)
300 Purchased services	15,000	4,115	10,885
400 Supplies and materials	1,500	458	1,042
500 Capital outlays	-	7,473	(7,473)
270 Support services - pupil activity			
271 Pupil service activities			
300 Purchased services	-	1,252	(1,252)
400 Supplies and materials	26,000	18,109	7,891
660 Pupil activity	2,314	45	2,269
Total support services	<u>1,028,162</u>	<u>702,986</u>	<u>325,176</u>
500 Debt services			
610 Redemption of principal	140,000	139,779	221
620 Interest	16,000	17,021	(1,021)
690 Other objects (includes fees for servicing bonds)	1,500	-	1,500
Total debt services	<u>157,500</u>	<u>156,800</u>	<u>700</u>
Total expenditures	<u>1,764,874</u>	<u>1,425,020</u>	<u>339,854</u>

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES (USES)			
Interfund transfers from (to) other funds			
5230 Transfer from Special Revenue EIA Fund	\$ -	\$ 237,061	\$ 237,061
Total other financing sources (uses)	<u>-</u>	<u>237,061</u>	<u>237,061</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ 132,218</u>	139,467	<u>\$ 7,249</u>
FUND BALANCE, July 1, 2024		<u>(64,106)</u>	
FUND BALANCE, June 30, 2025		<u>\$ 75,361</u>	

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2025**

	<u>Title I (201/202)</u>	<u>IDEA (203/204)</u>	<u>Preschool Handicapped (205/206)</u>	<u>CATE (207/208)</u>	<u>Adult Education (243)</u>	<u>Other Designated Restricted State Grants* (900s)</u>	<u>Other Special Revenue Programs* (200s/800s)</u>	<u>Total</u>
REVENUES								
1000 Revenue from local sources								
1600 Food services								
1610 Lunch sales to pupils	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,341	\$ 1,341
1640 Lunch sales to adults	-	-	-	-	-	-	1,053	1,053
Total local sources	-	-	-	-	-	-	2,394	2,394
3000 Revenue from state sources								
3100 Restricted state funding								
3130 Special programs								
3135 Reading coaches	-	-	-	-	-	55,165	-	55,165
3187 Teacher supplies (no carryover)	-	-	-	-	-	2,800	-	2,800
Total state sources	-	-	-	-	-	57,965	-	57,965
4000 Revenue from federal sources								
4300 Elementary and Secondary Educ Act of 1965 (ESEA)								
4310 Title I, Basic State Grant (carryover prov)	86,176	-	-	-	-	-	-	86,176
4341 Lang instr ltd english prof/immig, Title III	-	-	-	-	-	-	859	859
4351 Supporting effective instruction	-	-	-	-	-	-	9,291	9,291

* See Schedule 3 for a listing of LEA subfund codes for each program

BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2025

	<u>Title I</u> <u>(201/202)</u>	<u>IDEA</u> <u>(203/204)</u>	<u>Preschool</u> <u>Handicapped</u> <u>(205/206)</u>	<u>CATE</u> <u>(207/208)</u>	<u>Adult</u> <u>Education</u> <u>(243)</u>	<u>Other</u> <u>Designated</u> <u>Restricted</u> <u>State Grants*</u> <u>(900s)</u>	<u>Other</u> <u>Special</u> <u>Revenue</u> <u>Programs*</u> <u>(200s/800s)</u>	<u>Total</u>
4500 Programs for children with disabilities								
4510 Individ with Disabil Educ Act (IDEA)	\$ -	\$ 20,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,181
4900 Other federal sources								
4990 Other federal revenue								
4997 Title IV - SSAE	-	-	-	-	-	-	3,945	3,945
4999 Revenue from other federal sources	-	-	-	-	-	-	134,484	134,484
Total federal sources	<u>86,176</u>	<u>20,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,579</u>	<u>254,936</u>
Total revenues all sources	<u>86,176</u>	<u>20,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,965</u>	<u>150,973</u>	<u>315,295</u>

EXPENDITURES

100 Instruction								
110 General instruction								
111 Kindergarten programs								
100 Salaries	2,272	-	-	-	-	-	-	2,272
400 Supplies and materials	-	-	-	-	-	400	-	400
112 Primary programs								
100 Salaries	2,335	-	-	-	-	-	-	2,335
400 Supplies and materials	-	-	-	-	-	2,000	-	2,000

* See Schedule 3 for a listing of LEA subfund codes for each program

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2025**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
113 Elementary programs								
100 Salaries	\$ 25,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,945	\$ 29,775
120 Exceptional programs								
127 Learning disabilities								
100 Salaries	-	20,181	-	-	-	-	-	20,181
160 Other exceptional programs								
162 Limited english proficiency								
400 Supplies and materials	-	-	-	-	-	-	859	859
180 Adult/continuing education programs								
188 Parenting/family literacy								
100 Salaries	4,295	-	-	-	-	-	-	4,295
400 Supplies and materials	1,094	-	-	-	-	-	-	1,094
Total instruction	<u>35,826</u>	<u>20,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>4,804</u>	<u>63,211</u>
200 Support services								
210 Pupil services								
211 Attendance and social work services								
300 Purchased services	24,940	-	-	-	-	-	-	24,940
212 Guidance services								
100 Salaries	15,000	-	-	-	-	-	-	15,000
400 Supplies and materials	-	-	-	-	-	400	-	400

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2025**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
220 Instructional staff services								
221 Improvement of instr curriculum develop								
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,190	\$ -	\$ 38,190
200 Employee benefits	-	-	-	-	-	306	-	306
300 Purchased services	-	-	-	-	-	16,669	-	16,669
223 Supervision of special programs								
100 Salaries	1,000	-	-	-	-	-	-	1,000
224 Improvement of instruction inserv and staff training								
300 Purchased services	-	-	-	-	-	-	6,792	6,792
400 Supplies and materials	-	-	-	-	-	-	300	300
250 Finance and operations services								
256 Food services								
100 Salaries	-	-	-	-	-	-	24,001	24,001
200 Employee benefits	-	-	-	-	-	-	18,369	18,369
300 Purchased services	-	-	-	-	-	-	191	191
400 Supplies and materials	-	-	-	-	-	-	48,018	48,018
260 Central support services								
263 Information services								
300 Purchased services	-	-	-	-	-	-	2,199	2,199

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2025**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
264 Staff services								
100 Salaries	\$ 9,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 10,410
Total support services	50,350	-	-	-	-	55,565	100,870	206,785
Total expenditures	86,176	20,181	-	-	-	57,965	105,674	269,996
Interfund transfers from (to) other funds:								
5210 Transfer from General Fund (excludes IC)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-	45,299	45,299
FUND BALANCE, July 1, 2024	-0-	-0-	-0-	-0-	-0-	-0-	7,486	7,486
FUND BALANCE, June 30, 2025	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 52,785	\$ 52,785

Schedule 3

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Special Revenue Fund - Schedule of Program Classifications
For Year Ended June 30, 2025**

<u>LEA Subfund Code</u>	<u>Program</u>	<u>Revenue</u>	<u>Revenue Code</u>
<u>OTHER RESTRICTED STATE GRANTS</u>			
935	Reading coaches	\$ 55,165	3135
917	Teacher supplies (no carryover)	<u>2,800</u>	3187
		<u>\$ 57,965</u>	
<u>OTHER SPECIAL REVENUE PROGRAMS</u>			
802	Lunch sales to pupils	\$ 1,341	1610
802	Lunch sales to adults	1,053	1640
264	Lang instr ltd english prof/immig, Title III	859	4341
267	Supporting effective instruction	9,291	4351
210	Title IV - SSAE	3,945	4997
802	USDA lunch reimbursement	<u>134,484</u>	4999
		<u>\$ 150,973</u>	

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Special Revenue Fund
Summary Schedule for Designated State Restricted Grants
For Year Ended June 30, 2025**

<u>Subfund</u>	<u>Revenue Code</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Special Revenue</u>		<u>Special Revenue Fund Unearned</u>
					<u>Interfund Transfers In/(Out)</u>	<u>Other Fund Transfers In/(Out)</u>	
935	3135	Reading coaches	\$ 55,165	\$ 55,165	\$ -	\$ -	\$ -
917	3187	Teacher supplies (no carryover)	<u>2,800</u>	<u>2,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
			<u>\$ 57,965</u>	<u>\$ 57,965</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Education Improvement Act
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs
For Fiscal Year Ended June 30, 2025**

REVENUES

3000 Revenue from state sources	
3500 Education improvement act	
3503 State aid to classrooms	\$ 237,061
3518 Adoption list of formative assessment	1,581
3557 Summer reading program	3,029
3577 Teacher supplies (no carryover provision)	1,600
3595 EEDA - supplies and materials	284
Total state sources	243,555
Total revenues all sources	243,555

EXPENDITURES

100 Instruction	
110 General instruction	
112 Primary programs	
100 Salaries	3,029
113 Elementary programs	
400 Supplies	1,600
Total instruction	4,629
200 Support services	
220 Instructional staff services	
221 Improvement of instruction curriculum development	
400 Supplies	1,581
270 Support services - pupil activity	
271 Pupil service activities	
660 Pupil activity	284
Total support services	1,865
Total expenditures	6,494

OTHER FINANCING SOURCES (USES)

Interfund transfers, from (to) other funds	
420-710 Transfer to General Fund (excludes indirect costs)	(237,061)
Total other financing sources (uses)	(237,061)

EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES

-0-

FUND BALANCE, July 1, 2024

-0-

FUND BALANCE, June 30, 2025

\$ -0-

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Education Improvement Act
Summary Schedule by Program
For Year Ended June 30, 2025**

PROGRAM	Revenues	Expenditures	EIA Interfund Transfers In(Out)	Other Fund Transfers In(Out)	EIA Fund Unearned
3500 Education Improvement Act					
3503 State aid to classrooms	\$ 237,061	\$ -	\$ -	\$ (237,061)	\$ -
3518 Adoption list of formative assessment	1,581	1,581	-	-	-
3526 Refurbishment of science kits	-	-	-	-	1,378
3557 Summer reading program	3,029	3,029	-	-	-
3577 Teacher supplies (no carryover provision)	1,600	1,600	-	-	-
3595 EEDA - supplies and materials	284	284	-	-	-
TOTALS	\$ 243,555	\$ 6,494	\$ -0-	\$ (237,061)	\$ 1,378

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA**
Schedule of Due to State Department of Education/Federal Government
June 30, 2025

Program	Project Number	Revenue & Subfund Codes	Description	Amount Due to State Department of Education/ Federal Government	Status of Payments
Science Kit Refurbishment	FY24	3526/326	Unspent allocation	\$ <u>1,305.75</u>	Unpaid as of 9/29/25
				\$ <u><u>1,305.75</u></u>	

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Schedule of Findings and Responses
For Fiscal Year Ended June 30, 2025**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ Yes	___X___ No
• Significant weakness(es) identified that are not considered to be material weakness(es)?	_____ Yes	___X___ No
Noncompliance material to financial statements noted?	___X___ Yes	_____ No

Section II - Financial Statement/Compliance Findings

2025-01

General Fund - Fund Balance

Condition:	The South Carolina Department of Education ("SDE") has adopted a statewide program for identifying fiscal practices and budgetary conditions that, if uncorrected, would compromise the fiscal integrity of a school district or public charter school. This program establishes three levels for fiscal and budgetary concern and requirements associated with each. In order to avoid inclusion in one of these three concern levels, the SDE requires that the school maintain a General Fund fund balance of at least one month of General Fund expenditures of the last fiscal year. As of June 30, 2025, the School did not meet the criteria.
Criteria:	Standards issued by the South Carolina Department of Education.
Cause:	The School began operating in 2018. Its operations resulted in a decrease in its fund balance for 2019 and 2020. During the fiscal year 2021, the School showed an increase of \$255,403, but during the fiscal years ended June 30, 2022 and 2023, the School again showed a decrease in its fund balance. During the fiscal years ended June 30, 2024 and 2025, the School showed significant increases of \$224,440 and \$139,467, respectively, in its fund balance; however, the School's ending unassigned General Fund fund balance of \$139,467 as of June 30, 2025, remains below the required minimum balance.
Effect:	As a result of this condition, the School will be on fiscal watch by the SDE.
Recommendation:	Management should continue to carefully budget and operate within the financial constraints of the School's funding and continue to increase its fund balance.
Response:	The School's Board and management have plans in place to address the General Fund's fund balance levels over the next several budget years. The School is committed to maintaining its fund balance at a level that will ensure its fiscal integrity.

**BETTIS PREPARATORY LEADERSHIP ACADEMY
TRENTON, SOUTH CAROLINA
Schedule of Prior Year Findings
For Fiscal Year Ended June 30, 2025**

Section I - Financial Statement/Compliance Findings

2024-01**General Fund - Fund Balance**

Condition:	The South Carolina Department of Education (“SDE”) has adopted a statewide program for identifying fiscal practices and budgetary conditions that, if uncorrected, would compromise the fiscal integrity of a school district or public charter school. This program establishes three levels for fiscal and budgetary concern and conditions and requirements associated with each. In order to avoid inclusion in one of these three concern levels, the SDE requires that the school maintain a General Fund fund balance of at least one month of General Fund expenditures of the last fiscal year. As of June 30, 2024, the School did not meet the criteria.
Criteria:	Standards issued by the South Carolina Department of Education.
Cause:	The School began operating in 2018. Its operations resulted in a decrease in its fund balance for 2019 and 2020. During the fiscal year 2021, the School showed an increase of \$255,403, but during the fiscal year ended June 30, 2022 and 2023, the School again showed a decrease in its fund balance. During the fiscal year ended June 30, 2024, the School showed a significant increase of \$224,440 in its fund balance; however, the School’s ending unassigned General Fund fund balance as of June 30, 2024, remains below the required minimum balance.
Effect:	As a result of this condition, the School will be on fiscal watch by the SDE.
Recommendation:	Management should continue to carefully budget and operate within the financial constraints of the School’s funding and continue to increase its fund balance.
Response:	The School’s Board and management have plans in place to address the General Fund’s fund balance levels over the next several budget years. The School is committed to maintaining its fund balance at a level that will ensure its fiscal integrity.
Status:	During the fiscal year ended June 30, 2025, the School continued to show improvement in its financial position, reporting an increase of \$139,467 in its General Fund fund balance. However, the School’s fund balance remained below the SDE minimum as of June 30, 2025. This finding is repeated as 2025-01 in the current year.



MARTIN · SMITH

& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Bettis Preparatory Leadership Academy
Trenton, South Carolina

We have audited the financial statements of Bettis Preparatory Leadership Academy ("the School") as of and for the year ended June 30, 2025, and have issued our report thereon dated September 29, 2025. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

A deficiency in 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 combination of deficiencies in internal controls, such that there is a reasonable possibility that a material misstatement of the 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards. That matter is disclosed on the Schedule of Findings and Responses as finding 2025-01. The School's response to our finding is included on that schedule. That response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

School's Response to Finding

The School's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Member: American Institute of Certified Public Accountants • South Carolina Association of Certified Public Accountants
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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.

Martin Smith and Company CPAs PA

Martin Smith & Company CPAs, PA
Greenville, South Carolina
September 29, 2025